

The background is a deep blue gradient. It is filled with numerous out-of-focus light circles in shades of blue and white, creating a bokeh effect. From the bottom left, a series of thin, glowing blue lines curve upwards and outwards, resembling light trails or data paths, and are interspersed with small white dots.

24

ANNUAL REPORT OF SSH
AND SSH GROUP for 2024

ANNUAL REPORT

OF SSH AND SSH GROUP FOR 2024

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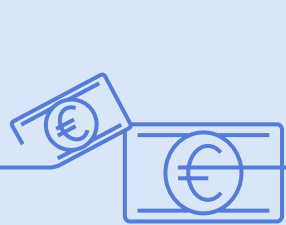
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INTRODUCTION

SSH IN FIGURES AS AT 31 DECEMBER 2024



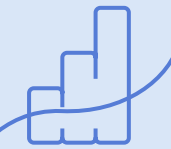
EUR **1,734** million

SSH assets



EUR **1,579** million

SSH equity



EUR **83.6** million

SSH net operating result in 2024



84

No. in SSH employees as at 31 December 2024

OVERVIEW OF ASSET MANAGEMENT ACTIVITIES

MANAGEMENT OF PORTFOLIO OF RS AND SSH CAPITAL ASSETS

9.7 %

Estimated ROE of RS and SSH portfolio to be realised in 2024*

EUR **487.7** million

(of this figure, EUR 65.5 million of dividend income was paid to SSH)
Total sum of dividends paid to RS, ZPIZ and SSH in 2024

EUR **13.0** billion

Book value of RS and SSH capital assets as at 31 December 2024*

*The assessed value is based on currently known results and estimates for portfolio companies.

MANAGEMENT OF PORTFOLIO OF CLAIMS

EUR **59.7** million

Inflows from claim management in 2024

EUR **156.4** million

Book (fair) value of claims as at 31 December 2024

LETTER BY THE MANAGEMENT BOARD

Dear Stakeholders,

In 2024, SSH marked the tenth anniversary of its establishment. It was also one of the Company's most successful years, achieving the highest net profit in its history and, despite highly challenging economic conditions, meeting and exceeding the key targets set for the year. **The estimated ROE** for the SSH-managed portfolio in 2024 was **9.7%**, well above the 6.7% target set in the 2024 Annual Asset Management Plan (AAMP), while **net profit** reached **EUR 83.6 million**. The entire distributable profit for 2023, amounting to EUR 78.9 million, was allocated to **a dedicated fund for post-flood and landslide reconstruction**. At the end of 2024, **the total carrying amount of capital assets** under SSH's management stood at **EUR 13 billion**, an increase of EUR 0.8 billion compared with the end of 2023. **The fair value of financial receivables** under management was **EUR 156.4 million** in 2024, a significant decrease from EUR 203.5 million a year earlier. Following the transfer of real estate management activities to D.S.U., **the carrying amount of tangible assets** fell to **EUR 4.7 million**, down from EUR 94.3 million at the end of 2023.

A sound dividend policy is one of the core activities in managing capital assets, supporting SSH's objective of maximising cash flows to the owner while also taking into account the performance of individual companies in the portfolio and their development needs. In 2024, total **dividends from companies under SSH's management**, amounted to **EUR 487.7 million**, of which the Republic of Slovenia received EUR 408.5 million, the Pension and Disability Insurance Institute of Slovenia (ZPIZ) EUR 13.7 million, and SSH

EUR 65.5 million. This was EUR 103.8 million above the target set in the 2024 AAMP, which had forecast EUR 383.9 million. SSH also continues to play an active role in denationalisation proceedings, which in recent years have largely involved the most complex cases, and it consistently fulfils its obligations in this area. In 2024, a total of **EUR 17.3 million was paid in compensation related to denationalisation obligations**, and at year-end, 154 denationalisation claims remained open.

Amid increasingly challenging economic and political conditions, it is becoming ever clearer that enhancing the competitiveness of the economies of EU Member States will be one of the main priorities at the European level. In this context, two key trends are emerging that threaten our shared economic model: geopolitical shifts, which heighten the risks associated with economic dependence, and the rapid development of artificial intelligence solutions, which will drive future growth. These challenges have necessitated an adjustment of **SSH's strategic asset management priorities**, which now include ensuring the long-term profitability and resilience of portfolio companies, transforming business models towards digitalisation, new technologies and the green transition, strengthening competencies at all levels of the company, and enhancing the resilience of companies through effective risk management, including climate and cyber risks.

In addition to the demands of financial markets, structural factors such as limited natural resources, climate risks and changing consumer preferences are also ensuring that sustainability remains central to business

resilience. Companies that embed sustainability into their business models do so not solely to meet European reporting requirements, but in response to real risks and opportunities that will shape industries in the coming decades. SSH recognises this both in the management of its investments and in adapting its own operations. For the 2024 financial year, SSH prepared **its Sustainability Report in accordance with the CSRD Directive and the ESRS standards**. SSH is not yet subject to mandatory reporting under the aforementioned Directive and standards, and the Sustainability Report is included in the Annual Report for the first time this year. It is a standalone report, and no consolidated report has been prepared.

In March 2025, SSH adopted its new corporate strategy, setting out **its key strategic directions until 2030**: strengthening the performance, productivity and sustainable value of the state asset portfolio, and developing its own competencies and a modern organisational structure. The responsible implementation of SSH's corporate strategy is guided by key strategic directions supported by concrete strategic objectives, with due consideration of **the principles of sustainable development** – balancing the objectives of strengthening natural, human and manufactured capital. Particular attention is given to **fostering an encouraging and inclusive working environment** and to maintaining responsible relations with employees. SSH's commitment to social responsibility and sustainable development is reflected in strategic directions that go beyond purely financial objectives, contributing to the long-term stability and prosperity of all stakeholders. With the support of its dedicated and proactive employees, SSH will con-

tinue to realise its vision and lay the foundations for a successful future. As the manager of state assets, SSH also bears an important responsibility towards the wider social environment. Through its activities, by **supporting sustainable practices and promoting sound corporate governance**, it not only contributes to the efficient and responsible management of capital assets, but also to the socio-economic development of Slovenia.

The vision to 2030 commits SSH to the effective management of state assets and to serving as an exemplar of best corporate governance at both the national and international level. The value added per employee in companies defined by the State Assets Management Strategy will, over the strategic period, exceed the Slovenian average. Through an appropriate return on equity of the portfolio, SSH will ensure stable and sustainable dividends, aligned with the strategic and sustainability objectives of the companies in the portfolio and with the expectations of the State as owner. Processes will be structured, sustainability-oriented, highly efficient and optimally digitalised, and will be founded on a culture of agility and the engagement of competent employees. All efforts will be directed towards the fulfilment of these commitments through responsible, professional and dedicated action, in the interests of the State, the companies in the portfolio and with due regard for the views of all stakeholders.

Thank you for your trust and cooperation.

Janez Tomšič,

Member of SSH Management Board

Žiga Debeljak, MSc

President of SSH Management Board

SUPERVISORY BOARD'S REPORT

Composition of Supervisory Board

In accordance with Article 39 of the Slovenian Sovereign Holding Act (ZSDH-1), the SSH Supervisory Board is composed of five members. Since 19 December 2023, it has operated with four members: Suzana Bolčič Agostini, President; Franjo Bobinac, Deputy President; and Ivan Simič, MSc, and Miro Medvešek, Members.

Nomination Procedure

Among the most important tasks and decisions within the remit of the Supervisory Board in 2024 was the selection and appointment of a Member of the SSH Management Board, as the four-year term of the incumbent Member was due to expire in April 2025.

The Supervisory Board initiated the process for the appointment of a Member of the SSH Management Board for a four-year term commencing on 23 April 2025 and, at its fifth regular meeting on 10 October 2024, resolved to instruct the Nomination Committee of the SSH Supervisory Board, in accordance with Article 46 of ZSDH-1, to commence the procedures for the selection and appointment.

The Nomination Committee, composed of all four members of the Supervisory Board, actively and constructively initiated the process for the selection of the Member of the SSH Management Board and, at the eighth regular meeting of the Supervisory Board on 11 December 2024, proposed that Mr Janez Tomšič be appointed as a Member of the SSH Management Board. The Supervisory Board unanimously endorsed the proposal of the

Nomination Committee and appointed Mr Janez Tomšič as a Member of the SSH Management Board for a four-year term commencing on 23 April 2025. This appointment marks his second consecutive four-year term as a Member of the SSH Management Board.

Key Topics Discussed at Supervisory Board Meetings

A core responsibility of the Supervisory Board is to monitor the implementation of the objectives and planned management activities set out in the State Assets Management Strategy, each Annual Asset Management Plan (AAMP) and SSH's business and financial plan.

SSH's operations in 2024 were highly successful. The results and ROE of the capital assets portfolio exceeded projections, as did the targets for dividend inflows and receipts from claims management. While SSH successfully met or exceeded most quantitative targets, there was a slight shortfall in inflows from the management of tangible assets. It should be noted that the figures represent the combined inflows of SSH and D.S.U., as in 2024 the real estate management activity was transferred to D.S.U., while the performance criteria in this area had been set on the assumption that the real estate activity would not be carved out.

The following section outlines the key decisions and matters addressed at Supervisory Board meetings to which particular attention was devoted in 2024.

At its first meeting of 2024, the Supervisory Board appointed the President of the Supervisory Board. At regular meetings, in addition to Supervisory Board members, attendees included the SSH Management Board, external invitees in accordance with ZSDH-1, the Secretary to the Supervisory Board and, for individual agenda items, other company experts invited by the Supervisory Board. As in previous years, significant attention in the 2024 financial year was dedicated to SSH's corporate governance and to the enhancement of expertise. In 2024, the Supervisory Board devoted particular focus to asset management activities, with emphasis on capital assets, claims and the activities related to the spin-off of the real estate portfolio. The SSH Management Board reported regularly to the Supervisory Board on the management of companies with state equity holdings and provided a detailed explanation of SSH's asset valuation system, as valuation assessments are an important basis for business decision-making.

Under the provisions of the SSH Articles of Association, the Management Board requires the consent of the Supervisory Board for the disposal of investments with a carrying amount exceeding EUR 1 million, for the acquisition of investments with a purchase value exceeding EUR 1 million, and for legal transactions involving the leasing or granting of loans and borrowings with a maturity of more than 365 days. The Supervisory Board was kept fully informed on the management of key portfolio investments meeting these criteria.

In accordance with Article 11 of the SSH Articles of Association, in 2024 the Supervisory Board, inter alia, granted its consent to additional financing for Farne Ihan – KPM, to the approval of a temporary standstill of receivables

from companies within the Cimos Group and to the conclusion of a stand-still agreement, as well as to the key terms of the financial restructuring of Sava. The Supervisory Board also approved the recapitalisation of Študentski dom Korotan in the amount of EUR 1.9 million by SSH in the name and on behalf of the Republic of Slovenia as a sole shareholder.

The SSH Supervisory Board took note that, under the Act on Reconstruction, Development and Provision of Financial Resources (ZORFS), aimed at providing aid and fostering development in areas affected by the floods and landslides of 2023, SSH is required to allocate its net profit generated in the years 2024 to 2028 to the reconstruction fund. Consequently, the provisions of the SSH Articles of Association had to be amended in line with ZORFS.

The Supervisory Board paid particularly close attention to the efforts to preserve the operations of Mariborska livarna Maribor, which, despite long-standing restructuring efforts and support from the former Bank Assets Management Company, SSH, and the Republic of Slovenia, was unable to achieve a business turnaround. In view of its solvency and liquidity position, the company was compelled to declare bankruptcy in 2024.

In accordance with the 2024 Annual Asset Management Plan (AAMP), the SSH Management Board presented to the Supervisory Board the management of all activities aimed at completing the financial restructuring of Sava, and the Supervisory Board granted its consent to the key terms for its implementation.

The Supervisory Board was informed of the efforts of SSH's Management Board and professional staff in recovering debts owed by the T-2 Group to SSH and gave a positive assessment of the successful conclusion of negotiations and other asset management activities, as well as the settlement agreement reached between SSH, T-2 and Telemach d.o.o.

One of SSH's largest and most significant projects in 2024 was the transfer of its real estate business to D.S.U. by means of a spin-off through takeover. The Supervisory Board reviewed the presented content and activities with due diligence, in view of the expectation that the merger would generate considerable positive business and financial synergies in the development and management of the real estate portfolio.

The Supervisory Board was also presented with the content of the new State Assets Management Strategy, adopted by the National Assembly of the Republic of Slovenia in July 2024, which sets out the classification of state investments by category, the state's development directions, and the definition of individual strategic objectives for strategic assets.

Furthermore, the Supervisory Board discussed and adopted the revised and supplemented Rules of Procedure of the Supervisory Board's Audit Committee and approved amendments to the Internal Audit Charter. The Supervisory Board was briefed on amendments to the following internal instruments:

- the SSH Recommendations and Expectations and
- the Rules on the Operation of Internal Audit.

At its regular meeting, the Supervisory Board reviewed the 2023 Annual Report of SSH and the SSH Group. It approved the audited Annual Report of the Company and the Group for the 2023 financial year, expressed a positive opinion on the 2023 Audit Report prepared by the audit firm BDO Revizija, and adopted the Supervisory Board's 2023 Report for the General Meeting, which also included the report on the review of the Company's 2023 Annual Report. To the Government of the Republic of Slovenia, in its capacity as the General Meeting, the Supervisory Board proposed that, based on the adopted Annual Report and the positive opinion on the Audit Report, a resolution be passed granting discharge to the SSH Management Board and SSH Supervisory Board for the 2023 financial year. The Supervisory Board

granted its consent to the proposal for the General Meeting on the allocation of SSH's 2023 profit and took note of the text of the convening notice for SSH's regular General Meeting.

The Supervisory Board reviewed the SSH Operations Report for the periods January–June 2024 and January–September 2024, the 2023 Annual Report - Management of Capital Assets of RS and SSH for submission to the National Assembly of the Republic of Slovenia, and the Assets Management Reports for the first quarter and the first half of 2024.

At its fifth regular meeting on 10 October 2024, the Supervisory Board approved the Revised Business and Financial Plan of SSH for 2024. At its seventh regular meeting on 28 November 2024, in accordance with the Slovenian Sovereign Holding Act (ZSDH-1), the Supervisory Board reviewed and gave its consent to the 2025 Annual Asset Management Plan (AAMP) and adopted amendments and supplements to the Criteria for Measuring the Performance of SOEs. At its final meeting of the year, the eighth regular meeting held on 11 December 2024, the Supervisory Board approved the 2025 SSH Business and Financial Plan and the draft Criteria for Measuring the Performance of SSH for 2025.

In accordance with the Slovenian Companies Act (ZGD-1), the Supervisory Board gave its consent to internal audit documents, the 2025 Internal Audit Annual Work Plan, and the 2025–2027 Internal Audit Strategy. The 2023 Internal Audit Annual Report presented to the Supervisory Board provided an overview of the most significant activities carried out during the year. The Supervisory Board was also briefed on the new Global Internal Auditing Standards.

It received regular quarterly reports on the activities of the Chief Compliance and Integrity Officer and the Compliance and Integrity Department, as well as updates to the content of the Integrity Plan. The Supervisory Board was presented with the Report on the Implementation of the 2023 Annual

Work Plan of the Chief Compliance and Integrity Officer and the 2024 Annual Work Plan of the Compliance and Integrity Department.

At its regular meetings, the Supervisory Board considered the reports of the Presidents of the Audit Committee, the Nomination Committee, and the Risk Committee, and took into account the professional recommendations of these committees. Particular attention was devoted to the implementation and execution of the resolutions adopted by the Supervisory Board. Potential circumstances that could give rise to a conflict of interest were monitored on an ongoing basis, and members of the Supervisory Board consistently avoided situations that could lead to such conflicts.

Work carried out by SB's Committees

More detailed information on the composition of all Supervisory Board's Committees is presented in tables included in the Corporate Governance Statement. Three Supervisory Board's permanent committees were active in 2024:

- Risk Committee;
- Audit Committee; and
- Nomination Committee.

The **Risk Committee**, through its recommendations, promoted more effective risk management within SSH. In 2024, it regularly monitored risk management activities and updates to the Risk Register. It reviewed the 2023 SSH Risk Management Report and was kept up to date on the ongoing work of the Risk Committee, which, under the leadership of the Management Board, identifies, analyses, categorises, quantifies and manages risks recorded in the Master Risk Register, and monitored reporting by the Chief Compliance and Integrity Officer. As the Risk Committee held only one regular meeting in 2024, it did not conduct a self-assessment of its activities for the year.

The **Audit Committee** carried out its tasks in accordance with the provisions of the Companies Act (ZGD- 1) and the recommendations for the work of audit committees. In performing its duties, it actively cooperated with the Company's Internal Audit Department and maintained regular contact with the Company's independent auditor. In 2024, it reviewed the indicative plan for the implementation of the external audit for 2023, considered the Annual Report of SSH and the SSH Group for 2023, the report of the independent auditor, and the report to the Audit Committee on the audit of SSH's financial statements. The Audit Committee assessed the work of the audit firm for 2023 based on the Committee's criteria and monitored the quality of the external audit.

It reviewed the Revised Business and Financial Plan for 2024 and the Business and Financial Plan for 2025, the SSH Operations Reports for January–June 2024 and January–September 2024, as well as reports on the handling of external irregularity notifications for the second half of 2023 and the first half of 2024.

Particular attention was given to the consideration of the 2023 Annual Internal Audit Report, the 2025 Internal Audit Work Plan, and the draft Internal Audit Strategy for 2025–2027. Key developments relevant to the Audit Committee, the Supervisory Board, and the Management Board in connection with the new Global Internal Auditing Standards were also presented. The Committee reviewed the Quarterly Report on the work of Internal Audit for January–March 2024 and the Internal Audit Report for April–September 2024, together with an overview of activities planned until the end of 2024.

It was also briefed on the proposed amendments to the Internal Audit Charter and the Internal Audit Rules of Procedure, and recommended that the Supervisory Board grant its consent to the proposed amendments to the Internal Audit Charter. At its meetings, the Audit Committee considered proposed amendments to its Rules of Procedure and recommended their adoption by the Supervisory Board.

In 2024, it held three regular meetings and one correspondence meeting. The Audit Committee also conducted a self-assessment of its activities for 2024, which was analysed at its first regular meeting on 19 March 2025. The President of the Audit Committee subsequently reported to the Supervisory Board on the self-assessment process. The analysis of the self-assessment showed that there were no significant areas requiring corrective measures or improvements.

The **Nomination Committee** is composed of all members of the Supervisory Board. In 2024, the Committee held five regular meetings and two correspondence meetings. On the basis of the resolution adopted by the Supervisory Board at its fifth regular meeting on 10 October 2024, instructing the initiation of procedures for the appointment of a member of the SSH Management Board in accordance with Article 46 of the Slovenian Sovereign Holding Act (ZSDH-1), the Nomination Committee immediately commenced activities to prepare and publish a public call for applications for the position of SSH Management Board Member, under the conditions laid down by ZSDH-1 and the Companies Act (ZGD-1). The public call also invited candidates to prepare a vision statement for performing the duties of an SSH Management Board Member.

Based on the applications received and after a thorough review of the fulfilment of the prescribed conditions by the applicants, the Nomination Committee drew up a shortlist of candidates with whom interviews were conducted. In line with the recommendations of the Commission for the Prevention of Corruption, the Committee also applied previously adopted special criteria for assessing candidates in this selection procedure.

Following the interviews, the Nomination Committee prepared nomination reports on the suitability of the candidates, taking into account, in addition to their professional and personal competencies, their submitted vision statements and development strategies, while ensuring compliance with

the statutory requirements for an SSH Management Board Member as set out in the Slovenian Sovereign Holding Act (ZSDH-1).

On the basis of the comprehensive selection process, in compliance with the provisions of ZSDH-1 and the Companies Act (ZGD-1), and with the aim of ensuring continuity and compatibility within the SSH Management Board, the Nomination Committee unanimously resolved to propose to the Supervisory Board that Janez Tomšič be appointed as a Member of the Management Board for a four-year term of office commencing on 23 April 2025.

The Nomination Committee also addresses matters relating to the remuneration of the SSH Management Board. In 2024, a proposal was prepared for the Supervisory Board based on the SSH Management Board's Report on the Fulfilment of Criteria for the Award of Performance-Related Remuneration to the SSH Management Board for the 2023 financial year. All proposals put forth by the Nomination Committee received approval from the Supervisory Board.

Work carried out by SSH Supervisory Board

In 2024, the Supervisory Board held eight regular sessions and three correspondence sessions, with full attendance from its members on almost all occasions. Throughout 2024, the SSH Management Board consistently participated in Supervisory Board meetings, provided the necessary underlying materials for decision-making and ensuring efficient governance processes.

The SSH Supervisory Board is composed of members who complement each other in terms of their expertise and competences. Its composition is diverse in terms of educational background, work experience and personal characteristics, fostering effective discussion and decision-making. In line with the formal legal framework stipulated by the legislation, the SSH's Articles of Association and Corporate Governance Code and by adhering to

the principle of due care and responsibility, Supervisory Board members diligently discharged their duties.

During its operation, Supervisory Board members adhered to Slovenian and international recommendations as well as good practice in corporate governance. In 2024, SSH complied fully with the benchmark Code of Corporate Governance for SOEs. In 2024, in addition to the cost of attendance fees and remuneration for the performance of duties, the Supervisory Board and its committees incurred costs totalling EUR 1,769.73. These costs related to directors' and officers' liability insurance and training.

The Supervisory Board conducted a self-assessment of its work for 2024 and discussed the analysis at its fourth regular session on 23 June 2025. The analysis of its findings revealed no significant areas which would necessitate taking any improvement measures.

Review of the Annual Report of SSH and the SSH Group for 2024

During the regular annual audit, the Audit Committee met with the auditor twice, once without the presence of the Management Board. The Committee considered the 2024 audit plan, key risks, materiality, the composition of the audit team, the alignment of the audit process with the planned timeline, and the auditor's independence. At its session held on 23 May 2025, the Supervisory Board reviewed the Annual Report of SSH and the SSH Group for 2024, dated the same day. At its session of 4 June 2025, the Supervisory Board reviewed the Annual Report together with the Independent Auditor's Report to the shareholder of SSH, containing an unmodified audit opinion, and the Independent Auditor's Limited Assurance Report on the SSH Sustainability Report. For a more comprehensive presentation of the auditor's findings, the Audit Committee invited a representative of BDO Revizija, the Company's independent auditor, to attend its meeting and

respond to questions from Committee members. The additional report to the Audit Committee was also discussed at the meeting. After the in-depth consideration of the Annual Report, the Audit Committee proposed the SSH Supervisory Board to approve the Annual Report of SSH and SSH Group for 2024, to discuss the Auditor's Reports for 2024 and to take a positive position on both of them. The Audit Committee also evaluated the auditor's contribution to the financial reporting.

Taking into account the Audit Committee's assessment and recommendations, the Supervisory Board reviewed the Annual Report of SSH and the SSH Group for 2024 and discussed it at its regular session of 23 June 2025. It also reviewed the Auditor's Reports to the shareholder. During this meeting, the individual components of the Annual Report of SSH and SSH Group for 2024 were presented to the Supervisory Board by the Company's Management Board. The Supervisory Board established that the Report contains all statutory elements, is prepared in accordance with the Companies Act (ZGD-1) and International Financial Reporting Standards, except with regard to the consolidation of companies acquired through the merger of BAMC, is clear and transparent, provides a fair account of the Company's operations in the preceding financial year, and gives a true and fair view of the financial position of SSH and the SSH Group as at 31 December 2024, as well as their financial performance and cash flows. Based on this assessment, the Supervisory Board adopted the following resolutions:

- the Supervisory Board approves the audited Annual Report of SSH and the SSH Group for the 2024 financial year, including the Sustainability Report;
- the Supervisory Board issues a positive opinion on the Independent Auditor's Report for 2024, prepared by BDO Revizija;

- the Supervisory Board proposes to the General Meeting of the Company, i.e. the Government of the Republic of Slovenia, that, on the basis of the adopted Annual Report of SSH and the SSH Group for the 2024 financial year and the positive opinion on the Independent Auditor's Report for the 2024 financial year, it adopt a resolution granting discharge to the Management Board and the Supervisory Board of SSH for the 2024 financial year.

Position in regard to the Independent Auditor's Report

At its regular session on 23 June 2025, the Management Board presented to the Supervisory Board the Annual Report of SSH and the SSH Group for 2024, together with the report on the audit of the consolidated and annual financial statements prepared in accordance with the International Financial Reporting Standards as adopted by the EU.

The report issued by BDO Revizija on the Company's annual financial statements was unmodified – the financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2024 and its financial performance and cash flows for the year then ended, in accordance with the International Financial Reporting Standards. Similarly, for the SSH Group, the audit firm issued an unmodified opinion – the consolidated financial statements present fairly, in all material respects, the financial position of the Group as at 31 December 2024 and its consolidated financial performance and consolidated cash flows for the year then ended, in accordance with the International Financial Reporting Standards. The Supervisory Board adopted a positive opinion on the Auditor's Report for 2024 prepared by the audit firm.

Approval of the Audited Annual Report

On the basis of the final review of the Audited SSH and SSH Group Annual Report for 2024, including the accompanying Auditor's Report for 2024, the Supervisory Board hereby declares that no objections in regard to the said report have been made, and, pursuant to Article 282 of Companies Act, the Supervisory Board therefore endorses the SSH and SSH Group Annual Report for 2022.



Suzana Bolčič Agostini

President of Supervisory Board



1 **BUSSINESS REPORT**

Responsible, prudent and efficient management of RS and SSH assets, ensuring compliance with denationalisation and other obligations in accordance with a mandate.



1.1 CORPORATE GOVERNANCE STATEMENT

In accordance with the provision of Article 70, Paragraph 6 of the Companies Act (ZGD-1) and Recommendation 3.6.1 of the Corporate Governance Code for SOEs of December 2023, Slovenian Sovereign Holding (hereinafter referred to as: "SSH" or the "Company") hereby provides the Corporate Governance Statement which forms an integral part of the Business Report and is available on the Company's web site: www.sdh.si. The Corporate Governance Statement presents key aspects of the governance of the Company and the SSH Group and covers the period from 1 January to 31 December 2024.

SSH is the umbrella manager of capital assets of the State. To a lesser extent, it also manages tangible assets and claims. Certain matters relating to SSH's legal status and certain aspects of its governance are specifically regulated in a dedicated law, the Slovenian Sovereign Holding Act (ZSDH-1), through which the OECD Guidelines on Corporate Governance of State-Owned Enterprises have been largely transposed into the Slovenian legal order. For matters relating to SSH's legal status and aspects of governance not regulated by ZSDH-1, the provisions of ZGD-1 apply on a subsidiary basis, along with the principles and recommendations of the reference code, in line with the "comply or explain" principle. SSH has also adopted the SSH Asset Management Policy, which it observes in its operations.

In accordance with Article 18, Paragraph 1 of ZSDH-1, SSH manages state capital assets in accordance with ZSDH-1, ZGD-1 and governance instruments, taking into account the legal status and internal policies, rules and regulations of each individual company. SSH forms the SSH Group together with certain companies it manages. SSH manages state capital assets

which are part of the SSH Group in the same manner as other state capital assets and therefore does not directly lead the group of companies as a joint concern. Notwithstanding the inclusion of certain companies (Sava, d. d., and Sava Turizem, d. d.) in the consolidation, these companies are of no material significance for the purposes of assessing SSH's business and financial performance.

Reference Corporate Governance Codes - Statement of Compliance

In accordance with ZSDH-1 and the SSH Asset Management Policy, adopted on 19 December 2014 and last revised in May and June 2023, SSH applies the Corporate Governance Code for SOEs as its reference code. The Code, accessible on SSH's website www.sdh.si, underwent its latest update in December 2023.

The Corporate Governance Code for SOEs is an asset management document adopted by SSH in accordance with ZSDH-1 by way of which SSH, in the capacity of the central ownership entity, recommends to SOEs good practice in corporate governance and, partially, sets out its expectations towards them. The said Code is one of the most important legal instruments regarding the governance system of state capital assets through which SSH strives for the overall improvement of the quality of corporate governance pursued by SOEs.

In 2024, SSH deviated from the following recommendations referred to in the reference Code:

- The remuneration for performing the function of members of the SSH Supervisory Board and its committees, as well as the attendance fees, was determined by a resolution of the SSH General Meeting dated 8 December 2014 (as amended by the resolution of 21 July 2017). The components of remuneration are aligned with the Code (Principle 6.21 and the related recommendations), although the amounts differ somewhat from those recommended in the SSH Recommendations and Expectations, as referred to in the Code.
- SSH implements the recommendations on the development plans of employees (Recommendation 7.7 of the Code) in line with its set objectives and the provisions of its internal policies, rules and regulations. In SSH's Corporate Strategy for the period 2025–2030, the preparation of a competence model has been identified as a strategic project. This model will serve as a tool for assessing and developing employee competencies.
- Integration of sustainability aspects into operations (Recommendation 7.8 of the Code): At the end of 2024, SSH commenced the preparation of the Slovenian Sovereign Holding Strategy for the period 2025–2030 (hereinafter also referred to as: the "Corporate Strategy") and, in October 2024, adopted a resolution establishing a project team for its preparation, chaired by the President of the SSH Management Board. The Corporate Strategy was adopted in March 2025. Nevertheless, SSH had for many years already incorporated individual sustainability aspects into the management of the State's capital assets. The action-ori-

ented SSH Strategy will serve both corporate governance purposes and as a managerial tool for the day-to-day work of all employees.

- The Supervisory Board did not formally develop a succession plan for the members of the Management Board owing to special statutory provisions (as set out in ZSDH-1) which stipulate the procedure for the selection and appointment of the SSH's Management Board (Recommendation 7.10 of the Code).
- Neither did The Supervisory Board prepare a competency profile for its members in terms of the optimal size and composition of the Supervisory Board, as the appointment process is specifically regulated by ZSDH-1 (the General Meeting does not elect members of the Supervisory Board upon the Supervisory Board's proposal; instead, they are appointed by the National Assembly of the Republic of Slovenia) (Recommendations 6.10 and 6.10.1 of the Code).
- As the procedure for appointing Supervisory Board members is specifically regulated by ZSDH-1 (the General Meeting does not elect the Supervisory Board members on the proposal of the Supervisory Board, but they are appointed by the RS Parliament), the Nomination Committee of the Supervisory Board does not undertake tasks relating to proposing candidates for Supervisory Board membership (Recommendation 6.20 and the subsequent recommendations of the Code).
- As a result, the Management and Supervisory Boards did not develop and adopt a diversity policy. Insofar as it relates to the composition of the Supervisory Board, the adoption of such a policy is precluded by the specific statutory provisions of ZSDH-1 governing the procedure for selecting and appointing the Supervisory Board of the Company (the General Meeting does not elect members of the Supervisory Board upon the Supervisory Board's proposal; instead, they are appointed by the National Assembly of the Republic of Slovenia). Consequently, the Corporate Governance Statement does not include the report on the implementation of the Diversity Policy and on the results of its implementation (Recommendation 3.6 of the Code).

Description of Main characteristics Embedded in Internal Control Systems and Risk Management in Connection with Financial Reporting and Information Technology

Financial Reporting

Internal controls in connection with financial reporting are policies and procedures implemented by SSH in accordance with statutory regulations, relevant standards and the Rules on Accounting and good business practice. The said Rules contribute to efficient management of risks connected with financial reporting and other areas of financial accounting. Internal controls provide for reliability and compliance of financial reporting with applicable laws and regulations.

Accounting controls are based on the principles of true presentation, responsibility, control of transactions, compliance of books of accounts with the true state of business, in addition to the principles of professionalism and independence.

Information Technology

Within the activities of the Information Technology Department, SSH has established a comprehensive system of internal controls and risk management to ensure the reliability, integrity, and availability of data, as well as compliance with applicable legal and regulatory requirements. The key elements of this system are as follows:

1. Internal Controls of Information Systems

- **Access Control:** Access to information systems is restricted to authorised users in accordance with the principle of least privilege.
- **Segregation of Duties:** Tasks are strictly segregated between departments and users to prevent potential conflicts of interest and reduce the risk of fraud.

- **Change Management:** A formal process for managing changes to information systems is in place, requiring approval and testing prior to implementation.
- **Audit Trail:** All key events in information systems are recorded and archived to ensure traceability and facilitate audit verification.

2. IT Risk Management

- **Risk Identification and Assessment:** Risks related to information systems, including cyber risks, data loss risks, and operational risks, are assessed on a regular basis.
- **Business Continuity Plan:** A business continuity plan is in place to ensure the recovery of accounting systems in the event of disruptions or incidents.
- **Security Measures:** Advanced security measures have been implemented.
- **Employee Training:** Regular training and awareness-raising activities on information security are provided to employees.

3. Compliance and Data Management

- **Regulatory Compliance:** SSH ensures compliance with legislation and other relevant regulations within its scope of operations.
- **Data Integrity:** Automated control mechanisms are in place to verify the accuracy and completeness of data during transfers between systems, with regular data reconciliations.
- **Data Protection:** Procedures for the anonymisation and encryption of sensitive data have been introduced to protect against unauthorised access and misuse.

SSH is committed to the continuous improvement of its internal controls and risk management in the field of information technology, with the aim of maintaining a high level of reliability, compliance, and security in its business processes.

Internal Control System and Risk Management at the SSH Group Level

SSH manages the companies within the SSH Group in the same manner as other companies with capital assets — in line with ZSDH-1, applicable asset management instruments, and with due consideration of each company's legal form and founding act.

SSH expected all SOEs to adhere to the Corporate Governance Code of SOEs. A special chapter in the Code is dedicated to establishing and managing the internal control system and risk management. Internal control and risk management systems are more developed in large companies and entities of public interest, where additional functions (audit committees, internal auditing, risk management coordinators, etc.) contribute to the establishment and development of these systems. Companies with more complex operations have well-developed business processes, regulated by internal policies and regulations, and where internal controls are also legally regulated. Companies have both automatic and manual controls in place. Transparency in operations is an important focus within the SSH Group and SOEs in general.

Companies comply with regulations and good corporate governance practices recommended by SSH in the Code and SSH Recommendations and Expectations. Internal controls are regularly adapted to legislation, standards, processes, organizational changes, external assessors' findings (such as the Court of Audit of the Republic of Slovenia), internal and external audit recommendations, and best practices. In one-person companies, SSH occasionally conducts reviews with its own internal audit service and issues

recommendations for improving internal controls and for implementing risk management measures.

SSH does not directly lead the group of companies as a joint concern, thus it does not directly intervene in their operations, their business processes, internal control systems, and risk management systems. SSH aims to influence better corporate governance in companies through governance instruments on asset management and educational activities, with appropriate emphasis on internal control and risk management systems. The development and complexity of these systems largely depend on each company's size, business complexity, number of employees, and other factors which influence the required level of complexity to meet the standard of a diligent and fair business operator.

External and Internal Audit

In accordance with Article 57 of the Companies Act (ZGD-1), SSH, as a medium-sized public limited company, is required to have its financial statements audited. As the parent company of the SSH Group, SSH is also obliged, pursuant to Article 56 of ZGD-1, to prepare consolidated annual financial statements, which must likewise be audited by an external auditor. Under Article 55, Paragraph 8 of ZGD-1, the provisions of the Companies Act relating to accounting records and annual reports applicable to large companies also apply to companies that are required under Article 56 of the Act to prepare consolidated annual financial statements, which includes SSH.

As a medium-sized company that is not a public-interest entity, SSH is not required to prepare a separate sustainability report and, for the 2024 financial year, was likewise not required to prepare a consolidated sustainability report. Nevertheless, as an example of good corporate governance practice, SSH prepared a separate Sustainability Report for 2024. Since 2018, the statutory audit of SSH has been performed by BDO Revizija d.o.o., which was appointed by the General Meeting of SSH in 2022 to audit the financial

statements for the 2022, 2023, and 2024 financial years. Prior to that, the audit had been carried out by Deloitte Revizija d.o.o. As regards the findings of the financial statements' audit, the external auditor reports its findings to the Management Board, the Audit Committee of the Supervisory Board and the Supervisory Board.

The Internal Audit is an independent and unbiased function within SSH, providing assurances and advisory services and designed to add value to and improve the functioning and performance of SSH. It helps the Company to achieve its objectives by systematically and methodically assessing the effectiveness of risk management, the implementation of internal control business processes and corporate governance. The Internal Audit performs its tasks on the basis of the Internal Audit Charter and reports directly to the SSH Management Board and the Audit Committee of the SSH Supervisory Board or the SSH Supervisory Board.

Reporting in Accordance with Article 70, Paragraph 6 of ZGD-1

In accordance with the provision of Article 33, Paragraph 1 of ZSDH-1, the Republic of Slovenia is the sole shareholder of SSH, and that provision implicitly includes a prohibition of the disposal of SSH shares. Therefore, there is not even a theoretical option that ZPre-1 applies to SSH. As SSH is included on the Securities Market Agency's list of companies to which ZPre-1 applies, notwithstanding the foregoing, in accordance with Article 70, Paragraph 6 of ZGD-1, SSH provides the information and all the necessary explanatory notes as at the last day of the financial year.

1. The structure of the SSH's share capital:

All SSH shares are ordinary, no-par value shares which grant their holders the right to participate in the management of the Company, the right to dividends and the right to the corresponding part of assets remaining after the liquidation of a company. All shares are one class shares and are issued in non-certified form.

2. Restrictions regarding transfer of shares:

SSH shares are not freely transferable. There are no restrictions on share ownership.

3. Qualified holding as stipulated by Zpre-1

As at 31 December 2024, the Republic of Slovenia held a qualified holding, as defined by the Takeovers Act (ZPre-1), amounting to 180,788 shares, representing 100% of the share capital.

4. Explanatory notes regarding the holder of securities with special controlling rights:

Slovenian Sovereign Holding has issued 180,788 ordinary, registered, no-par value shares of the same class with the same rights which means that the holder has no special controlling rights arising from the ownership of shares.

5. Employee Share Scheme

There are no Employee Share Schemes established in SSH.

6. Restrictions on voting rights

There are no restrictions on voting rights.

7. Agreements between shareholders which may result in a restriction on the transfer of shares or voting rights

There are no such agreements. The ZSDH-1 expressly stipulates that the Republic of Slovenia is the sole shareholder of SSH, which means that the shares are non-transferable without an amendment to the Act.

8. SSH's Rules on the appointment and replacement of members of Management and Supervisory Bodies and on amendments to Articles of Association:

According to ZSDH-1, the SSH Management Board consists of the President and a maximum of two members. The SSH Management Board is appointed

by the SSH Supervisory Board based on a public call for applications. The term of office for the Management Board members lasts for four years with an option of reappointment. The Supervisory Board diligently and responsibly assesses compliance with the requirements laid down in ZGD-1 and ZSDH-1. A breach of duties under ZSDH-1 or governance instruments constitutes a serious breach of obligations by a Management Board member. The provisions of ZGD-1 apply for the dismissal of a Management Board Member.

Pursuant to ZSDH-1, the SSH Supervisory Board consists of five members, each appointed for a term of five years. All members of the SSH Supervisory Board are appointed by the National Assembly of the Republic of Slovenia upon the proposal of the Government of the Republic of Slovenia, and the proposal cannot be altered. The composition of the SSH Supervisory Board is not subject to the provisions of the law governing the participation of employees in management. Detailed criteria regarding a SSH Supervisory Board Member are laid down in ZGD-1 and ZSDH-1. A member of the Supervisory Board may be removed by the National Assembly of the Republic of Slovenia, on the proposal of the Government of the Republic of Slovenia, for reasons specified in ZSDH-1.

There are no special rules stipulated by ZSDH-1 in regard to amendments to Articles of Association. The SSH Articles of Association are amended in accordance with ZGD-1.

9. Authorisations to the management, particularly authorisations to issue or purchase own shares:

Authorisations conferred on the Management Board Members are defined in the remaining part of this Chapter. However, there are no authorisations granted to the Management Board in regard to the issue or purchase of own shares.

10. Major agreements which take effect, are changed or cancelled following a change in control over the Company resulting from a public takeover bid

There are no such agreements.

11. Agreements between SSH and its management or supervisory bodies or its employees subject to which a compensation is envisaged, if due to a bid as stipulated by the act governing mergers and acquisitions, these persons are dismissed without a justified cause or their employment is terminated:

There are no such agreements.

Pursuant to Article 18, Paragraph 1 of the Slovenian Compensation Fund Act (hereinafter referred to as: "ZSOS"), the profit generated by SSH from securities transactions and other activities must be allocated to SSH reserves, which means that SSH is prohibited from paying dividends to its sole shareholder. Notwithstanding Article 18, Paragraph 1 of ZSOS, pursuant to Article 65; Paragraph 1 of the Act on Reconstruction, Development and Provision of Financial Resources (ZORZFS), for a period of five financial years following the year of the entry into force of this Act (which entered into force on 23 December 2023), SSH's net profit remaining in a given financial year after covering any accumulated losses and forming mandatory statutory reserves shall be used to finance measures referred to in Article 1, Paragraph 1 of this Act. The aforementioned amount is subject to reduction by the anticipated obligations of SSH under the ZSOS if the carried-forward reserves from previous years' profits are insufficient to meet these obligations. The funds designated for the purpose referred to in the preceding sentence shall be allocated to the budget of the Republic of Slovenia and shall constitute earmarked revenue for the designated budget fund referred to in Article 127 of ZORZFS.

Compliance and Integrity System

The Compliance and Integrity System (hereinafter referred to as: “CIS”) at SSH is established in accordance with the provisions of ZSDH-1, further elaborated through the rules and procedures defined in the Company’s internal policies, rules and regulations. The compliance and integrity system is an integral part of the comprehensive risk management system at SSH. The principal act for identifying and managing the risks of corruption, unlawful conduct, and unethical behaviour is the Integrity Plan. This plan covers risks relating to influence and demands, conflicts of interest, abuse, recruitment procedures, procurement of goods and services, the functioning of the Chief Compliance and Integrity Officer, contract conclusion, inefficient use of public funds, prevention of money laundering and terrorist financing, protection of data and inside information, compliance with applicable legislation and internal policies, rules and regulations of the Company, as well as risks of unethical conduct. The risks and measures set out in the Integrity Plan are reviewed quarterly by the Management Board and the Supervisory Board. The plan is published on the Company’s website.

At the second organisational level within SSH, a dedicated CIS Department is established, headed by a Director who also serves as the Chief Compliance and Integrity Officer in accordance with the provisions of ZSDH-1. In addition to its core responsibilities, the Department carries out tasks in the areas of anti-money laundering and counter-terrorist financing, as well as personal data protection. The Department’s tasks and objectives are defined in its annual work plan, which is approved by the Management Board and presented to the Supervisory Board.

In 2024, in addition to the continuous performance of all regular tasks set out in the annual work plan, special emphasis was placed on strengthening the advisory role of the CIS Department, enhancing recommendations for the development of CIS frameworks in SOEs, conducting internal training and SSH events for portfolio companies in the area of CIS, addressing inter-

nal and external reports of irregularities, and cooperating with CIS Officers of companies in which SSH holds a majority shareholding or controlling influence.

Information on the Operation of the SSH General Meeting, Its Key Powers, and the Description of Shareholder Rights and the Manner of Their Exercise

In accordance with ZSDH-1, the duties and powers of the SSH’s General Meeting are exercised by the Government of the Republic of Slovenia. The General Meeting decides on fundamental matters of SSH, as defined in ZGD-1 and ZSDH-1, and adopts performance criteria for measuring the performance of companies with state capital assets and SSH. A special feature of corporate governance pursued by SSH is that the members of the SSH Supervisory Board are not appointed by the SSH’s General Meeting (the RS Government) but they are appointed or dismissed by the National Assembly of the Republic of Slovenia.

The shareholder - the Republic of Slovenia (represented by the Government of the Republic of Slovenia) - exercises its rights at the General Meeting. As a rule, the General Meeting is convened once a year and is held in accordance with applicable regulations.

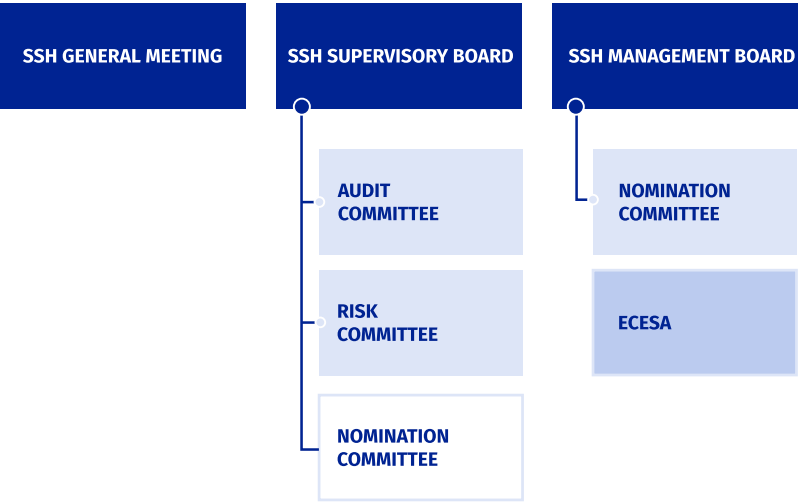
Description of Diversity Policy

SSH has not adopted a diversity policy for its management and supervisory bodies. Due to the specific provisions of ZSDH-1 regarding the conditions for the appointment of the Management Board and Supervisory Board of SSH, which prescribe in detail the expected competency composition, such a policy is not envisaged.

Information on the Composition and Functioning of Management or Supervisory Bodies and their Committees

In accordance with ZGD-1 and ZSDH-1, SSH operates under a two-tier governance system comprising the Management Board and the Supervisory Board. The Management Board manages the company and organises its operations, while the Supervisory Board oversees the management of the Company’s business. The governance of SSH is based on statutory provisions, on the Articles of Association as the fundamental legal document, internal policies and regulations and good business practice. Both the management and supervisory bodies are composed in such a way that members possess complementary knowledge and experience, ensuring diversity in their composition.

SSH BODIES AND THEIR WORKING OR ADVISORY COMMITTEES



Functioning of SSH Management Board

The SSH Management Board organises and manages the company’s operations, and represents and acts on behalf of SSH. It is responsible and accountable for all management decisions in accordance with ZSDH-1 and for adopting and implementing all decisions independently and at its own responsibility. By law, the SSH Management Board of SSH is composed of the President and no more than two members, appointed by the SSH Supervisory Board on the basis of a public call for applications. In 2024, the Management Board operated with two members. Decisions were predominantly taken at Management Board meetings. In addition to formal meetings, the Management Board exercised its powers and responsibilities in day-to-day operations and in relation to the General Meeting, as defined in ZGD-1 and ZSDH-1. Activities in relation to the Supervisory Board were carried out by the Management Board in accordance with statutory provisions, the Articles of Association, and the Supervisory Board’s Rules of Procedure.

The President of the SSH Management Board represents SSH individually and without limitation, while a member of the Management Board may represent SSH only jointly with the President. The SSH Management Board is appointed by the Supervisory Board pursuant to Article 46 of ZSDH-1, which also sets out the conditions for appointment to the position. In addition to the statutory requirements, the Nomination Committee of the SSH Supervisory Board, on the basis of a recommendation from the Commission for the Prevention of Corruption, has established additional criteria to be applied in recruitment procedures. These relate primarily to candidates’ experience, the Committee’s assessment following the interview with the candidate, and the vision for performing the role as presented by the candidate.

COMPOSITION OF THE MANAGEMENT BOARD IN 2024

Name and Surname	Žiga Debeljak, MSc	Janez Tomšič
Position (President, Member)	President of the Management Board	Member of SSH Management Board
Area of Responsibility within the Management Board	The President and the Member of the SSH Management Board cover all areas together.	The President and the Member of the SSH Management Board cover all areas together.
First Appointment to the Position	1 September 2022	23 April 2021
End of function/Mandate	31 August 2026	22 April 2025 (new term of office commencing on 23 April 2025 and ending on 22 April 2029)
Gender	M	M
Citizenship	Slovenian	Slovenian
Year of birth	1971	1979
Education	University Degree in Computer Science (<i>univ. dipl. inž. rač.</i> , Masters in Business and Organisation	University Degree in Law (<i>univ. dipl. pravnik</i>)
Professional Background	Management, Organisation, Finance, IT, Corporate Governance	Management, Organisation, Legal Affairs, Investments, Corporate Governance
Membership in Supervisory Bodies of Unaffiliated Companies	President of the Supervisory Board of Telekom Slovenije, d. d., President of the Supervisory Board of Gen energija, d. o. o.	President of Supervisory Board of SID banka, d. d., President of Supervisory Board of KAD, d. d.

Advisory Bodies to the SSH Management Board

The Nomination Committee is an advisory body SSH Management Board. In accordance with ZSDH-1, the SSH Asset Management Policy, and the Rules on the Assessment of Potential Candidates for Members of Supervisory and Management Boards of SOE, the Committee conducts implementation procedures for identifying candidates for members of the management and supervisory bodies of SOEs, as well as their accreditation and nomination procedures. The SSH Nomination Committee comprises three members appointed by the SSH Management Board for a four-year term from among experts in corporate governance, human resource management, and the functioning of supervisory boards.

In 2024, the SSH Nomination Committee consisted of the following members: Samo Roš, the President of the Nomination Committee, an expert in corporate governance; Urška Podpečan, the Deputy President of the Nomination Committee, an expert in the functioning of supervisory boards; and Vlasta Lenardič, Member, an expert in HR Management.

Expert Committee for Economic and Social Affairs (ECESA) is a seven-member advisory body to the SSH Management Board which provides opinions and initiatives in the field of economic and social matters and addresses opinions and initiatives relating to issues that have, or could have, labour law, status-related, or social implications for employees at SSH or in companies managed by SSH.

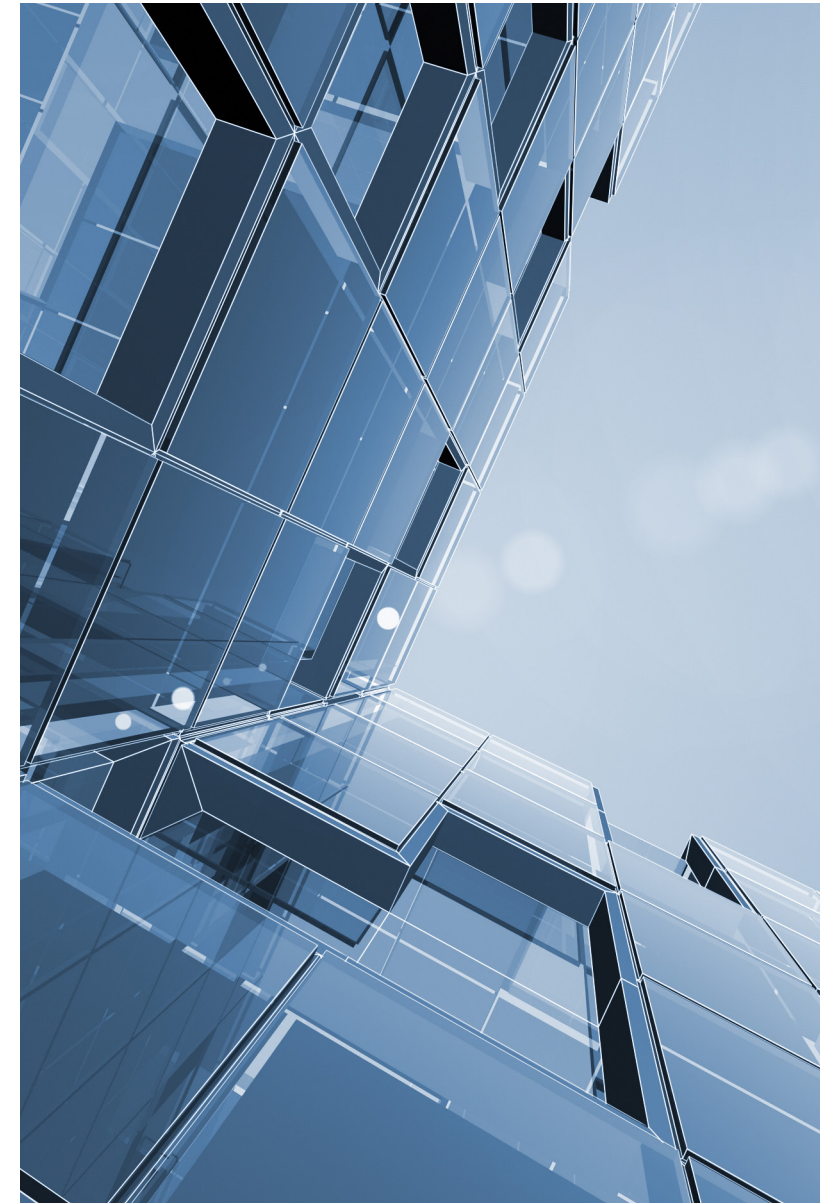
In accordance with ZSDH-1, ECESA comprises seven members representing those trade union federations or confederations, recognised at the national level, which are members of the Economic and Social Council. ECESA members are appointed by trade union federations or confederations and confirmed by the SSH Management Board for a five-year term of office. Members may be reappointed upon the expiry of their term.

Pursuant to Article 33 of the Act on the Transitional Financing of the Accelerated and Just Coal Phase-Out, ECESA will, on a temporary basis from 1 January 2025 to 30 April 2027, operate with one additional member (a total of eight members) appointed by the Trade Union of Energy Sector Workers of Slovenia – SDE (hereinafter referred to as: the “SDE”) The SDE-appointed member may participate in ECESA and provide the SSH Management Board with opinions and initiatives in the field of economic and social matters relating to the provider of a public economic service as referred to in Article 3 of ZPFPPIP. This member is also confirmed by the SSH Management Board.

In 2024, the following members were appointed for a new five-year term: Saška Kiara Kumer (Association of Free Trade Unions of Slovenia), Zdenko Lorber (Slovenian Union of Alternative Trade Unions of Slovenia), Albert Pavlič (Association of Workers Trade Unions of Slovenia – Solidarity), Jakob Krištof Počivavšek (Pergam Confederation of Trade Unions), Martina Vuk (Confederation of Slovenian Public Sector Trade Unions), Tjaša Benčina (Trade Unions Confederation 90 of Slovenia), Boris Verdnik (Confederation of new Trade Unions of Slovenia Independence), and Dejan Kralj (SDE), who became a member of ESSO in February 2025. At its March 2025 session, the newly composed Expert Committee for Economic and Social Affairs of SSH was constituted, with Saška Kiara Kumer appointed as President and Jakob Krištof Počivavšek appointed as Deputy President.

Functioning of SSH Supervisory Board

In accordance with ZSDH-1, the SSH Supervisory Board is appointed as a five-member body. In 2024, three committees operated within the SSH Supervisory Board: the Audit Committee, the Risk Committee and the Nomination Committee. In accordance with ZSDH-1, the Ministers responsible for finance and the economy and the President of the parliamentary Commission for Public Finance Control (or their authorised representatives) may attend meetings of the SSH Supervisory Board. Invitations, all meeting materials, and minutes of the Supervisory Board sessions are sent to them for each meeting. Further details on the composition and work of the SSH Supervisory Board and its committees are provided in the Supervisory Board's Report the [Supervisory Board's report](#) and in the tables below.



COMPOSITION OF THE SSH SUPERVISORY BOARD MEMBERS AND MEMBERS OF ITS COMMITTEES IN 2024

Name and Surname	Suzana Bolčič Agostini	Franjo Bobinac	Ivan Simič, MSc	Miro Medvešek
Position held (President, Deputy, Member)	President of Supervisory Board	Deputy President of Supervisory Board	Member of Supervisory Board	Member of Supervisory Board
First Appointment to the position	17 November 2022 Appointed President of Supervisory Board on 12 February 2024	17 November 2022	17 July 2020	15 December 2022
End of Term/ Mandate	16 November 2027	16 November 2027	16 July 2025	14 December 2027
Representative of Shareholders/ Employees	Appointed in accordance with ZSDH-1	Appointed in accordance with ZSDH-1	Appointed in accordance with ZSDH-1	Appointed in accordance with ZSDH-1
Attendance at Supervisory Board Meetings (out of total meetings)	11/11	11/11	10/11	11/11
Gender	F	M	M	M
Citizenship	Slovenian	Slovenian	Slovenian	Slovenian
Year of Birth	1967	1958	1959	1964
Education	University Degree in Economics (<i>univ. dipl. ekon.</i>)	University Degree in Economics (<i>univ. dipl. ekon.</i>) MBA from ESCP Business School	University Degree in Law (<i>univ. dipl. pravnik</i>), and Master degree in Tax Law	University Degree in Economics (<i>univ. dipl. ekon.</i>)
Professional Background	Corporate Governance Auditing Specialist, Systems Management	Finance, Corporate Governance, Running Organizational Systems	Tax Law, Corporate Law, Corporate Governance	Finance, Insurance, Banking
Independence under Article 23 of the Code (YES/NO)	YES Appointed in accordance with ZSDH-1	YES Appointed in accordance with ZSDH-1	YES Appointed in accordance with ZSDH-1	YES Appointed in accordance with ZSDH-1
Existence of Conflict of Interest in the Financial Year (YES/NO)	NO	NO	NO	NO
Membership of Supervisory Bodies of Other Companies	President of the Council of the Izola General Hospital Member of the Council of the Ljubljana University Medical Centre	President of the Slovenian Olympic Committee; Member of the Executive Committee of the European Olympic Committees	Member of the Supervisory Board of DATALAB d.d.; Member of the Council of the Slovenian National Theatre Opera and Ballet Ljubljana	President of the Management Board of Commerce d.o.o.

Membership in the Audit Committee	President/Member	Attendance at Committee Meetings (out of total meetings)
Ivan Simič, MSc	President of Audit Committee	4/4
Suzana Bolčič Agostini	Member of Audit Committee	4/4

Membership in Risk Committee	President/Member	Attendance at Committee Meetings (out of total meetings)
Miro Medvešek	President of Risk Committee	1/1
Franjo Bobinac	Member of Risk Committee	1/1

Supervisory Board's Nomination Committee	President/Member	Attendance at Committee Meetings (out of total meetings)
Franjo Bobinac	President of Nomination Committee	9/9
Božo Simič, MSc	Member of Nomination Committee	9/9
Suzana Bolčič Agostini	Member of Nomination Committee	9/9
Miro Medvešek	Member of Nomination Committee	9/9

Name and Surname	Committee	Attendance at Committee Meetings (out of total meetings)	Gender	Citizenship	Education	Year of Birth	Professional Background	Membership in Supervisory Bodies of Unaffiliated Companies
Darinka Virant	Audit Committee	3/4	F	Slovenian	University Degree in Economics (<i>univ. dipl. ekon.</i>)	1954	Expert in Finance, Accounting and Auditing	External Member of the Audit Committees of the Supervisory Boards of Talum d. d., Elektro Celje d. d., Mladinska knjiga d. d., and GVO d. o. o.
Darinka Virant	Risk Committee	1/1	F	Slovenian	University Degree in Economics (<i>univ. dipl. ekon.</i>)	1954	expert in financial, accounting and auditing reporting	External Member of the Audit Committees of the Supervisory Boards of Talum d. d., Elektro Celje d. d., Mladinska knjiga d. d., and GVO d. o. o.

Ljubljana, 30 May 2025



Janez Tomšič
Member of SSH Management Board



Žiga Debeljak, MSc
President of SSH Management Board

1.2 PRESENTATION OF SSH GROUP AND SSH

1.2.1 Presentation of SSH Group

As at 31 December 2024, SSH was the parent (controlling) company preparing the consolidated annual report for the companies within the Group.

For this purpose, the companies are classified into four groups:

- subsidiaries (Sava, d. d. (hereinafter referred to as: Sava), consolidated since 30 September 2022, PS ZA AVTO, d. o. o., Elektrooptika, d. o. o.),
- subsidiaries transferred from the Bad Asset Management Company (hereinafter referred to as: BAMC),
- associates and joint ventures, and
- entities which are solely the subject of management and are owned by RS and/or SSH.

Based on the analysis and in accordance with the International Financial Reporting Standards (IFRS), entities within the group number four are not controlled by SSH but are only managed by it, as stipulated by the statutory provisions of ZSDH-1. The Article 36(a) of ZSDH-1 stipulates that subsidiaries, in which the position of the controlling company has been obtained through the transfer of assets, rights, and obligations from BAMC to SSH in accordance with the Act Regulating Measures of the Republic of Slovenia to Strengthen the Stability of Banks, are not to be included in the consolidated annual report. SSH does not form a joint concern with any company, as there are no unified management between structures or management agreements.

The Accounting Report (Section 2.4.1) specifies the companies over which SSH exercised control (subsidiaries) and those in which it held significant influence (associates and joint ventures).

Presentation of Sava, Included in Consolidation

The Sava Group, whose core business is tourism, comprised at the end of 2024, in addition to the parent company Sava, the main tourism company Sava Turizem, d. d. (hereinafter referred to as: "Sava Turizem") – operating seven destinations (Bled, Moravske Toplice, Ptuj, Radenci, Bernardin, and the Salinera and San Simon resorts under management), as well as two dormant companies, Sava Zdravstvo, d.o.o., and BLS Sinergije, d.o.o. The consolidated financial statements of the Sava Group include Sava and Sava Turizem.



COMPANY DETAILS - SIGNIFICANT INFORMATION



Company name:	Sava, družba za upravljanje in financiranje, d. d.
Registered office:	Ljubljana
Business address:	Dunajska cesta 152, 1000 Ljubljana
Telephone No.:	+386 (0)4 206 55 10
Web site and e-mail:	www.sava.si , info@sava.si
Activity code:	64,200 Activities of holding companies (64.210 since 1 January 2025)
VAT ID:	SI75105284
Registration No.:	5111358
Transaction Account:	SI56 3300 0000 9608 326 held by Addiko Bank SI56 0700 0000 0002 418 held by Gorenjska banka
Date of legal entity's establishment:	8 September 1989
Registered legal form:	public limited company registered at the Ljubljana District Court (court register decision no. 10024800)
Share capital:	42,892,452.00 The company's share capital is divided into 42,892,452 ordinary, freely transferable, and no-par value shares. The corresponding amount per share is 1 EUR.
SSH ownership stake as at 31 December 2024	64.13%
Restrictions Related to Dividends:	SSH is not subject to any restrictions on the payment of dividends to which it is entitled as the controlling company.

Sava, d. d. is the majority owner (95.47%) of Sava Turizem, d. d., which is the largest provider of tourist services in Slovenia, with capacities in the Alpine, thermal Pannonian, and Mediterranean regions of Slovenia.

1.2.2 Presentation of SSH

SSH is the umbrella manager of capital assets of the State. Its comprehensive and diversified portfolio includes various sectors, specifically: energy industry, manufacturing, insurance business, banking sector, traffic, transport and infrastructure, general economic sector and tourism as well as other branches of industry. The management of state capital assets is SSH’s core business. With the merger of BAMC on 30 December 2022, SSH acquired two new activities, specifically, tangible asset management, and claim management. On 1 October 2024, the entire real estate management activity was

transferred, through a spin-off, to D. S. U., d. d. (hereinafter referred to as: “D. S. U.”). As part of the spin-off process, SSH transferred the entire activity, employees, processes, assets, and liabilities functionally connected with the performance of real estate management activities (see Section 2. 6. 2).

SSH was established on 26 April 2014 through the transformation of SOD, when the Act governing its establishment, status, tasks, asset management instruments, and certain other matters (ZSDH-1) entered into force. SSH continues to exercise all powers, responsibilities, rights and obligations which used to be held by SOD. SSH as a liable party to proceedings takes part in proceedings for determining compensation for nationalised assets

and provides for regular settlement of liabilities arising from denationalised assets. In the capacity of the holder of public powers on behalf of and for the account of the Republic of Slovenia, SSH runs procedures for the issue of decisions on the compensation amount and settles liabilities under the following laws: ZSPOZ and ZIOOZP.

The sole founder and shareholder of SSH is the Republic of Slovenia. SSH operates as a public limited company with rights, liabilities and obligations stipulated by ZGD-1, ZSDH-1, ZSOS, other applicable legislation, and its Articles of Association.

COMPANY DETAILS - SIGNIFICANT INFORMATION



Company name:	Slovenian Sovereign Holding d. d.
Registered office:	Ljubljana
Business address:	Mala ulica 5, 1000 Ljubljana
Telephone No.:	+386 1 300 91 13
Web site and e-mail:	www.sdh.si , info@sdh.si
Activity code of core business:	K 64.990
VAT ID:	SI46130373
Registration No.:	5727847000
Transaction Accounts:	SI56 0291 3001 6492 958, held by NLB; SI56 2900 0005 1319 162, held by Unicredit Banka
Date of legal entity's establishment:	19 February 1993
Date of SSH's incorporation:	26 April 2014
Date of company transformation from SOD into SSH:	11 June 2014
Date of merger of BAMC with SSH:	30 December 2022
Registered legal form:	Public limited company registered before Ljubljana District Court, under the Reg. Entry No. 1/21883/00
Share capital as at 31 December 2024:	301,765,982.30
No. employees as at 31 December 2021:	84
Membership in other organisations:	Directors' Association of Slovenia, Association of Employers of Slovenia, Chamber of Commerce and Industry of Slovenia, CER– Sustainable Business Network
Management Board:	Žiga Debeljak, MSc, President of SSH Management Board, Janez Tomšič, Member of SSS Management Board
Members of Supervisory Board:	Suzana Bolčič Agostini, President, Franjo Bobinac, Deputy President, Ivan Simič, MSc, Member, Miro Medvešek, Member
Members of the SB's Audit Committee:	Ivan Simič, MSc, President, Suzana Bolčič Agostini, Member, Darinka Virant, External Member
Members of the SB's Risk Committee:	Miro Medvešek, President, Franjo Bobinac, Member, Darinka Virant, External Member
Members of Nomination Committee:	Samo Roš, President, Urška Podpečan, Deputy President, Vlasta Lenardič, Member
Members of ECESA:	Zdenko Lorber, President (the Slovenian Union of Alternative Trade Unions of Slovenia), Saša Klara Kumer, Deputy President (the Association of Free Trade Unions of Slovenia), Albert Pavlič (Association of Workers Trade Unions of Slovenia – Solidarity), Martina Vuk (Confederation of Slovenian Public Sector Trade Unions), Jakob Krištof Počivavšek (Pergam Confederation of Trade Unions), Tjaša Benčina (Confederation of Trade Unions 90 Slovenia), Boris Verdnik (the Confederation of new Trade Unions of Slovenia Independence)

VISION, MISSION, VALUES AND KEY STRATEGIC DIRECTIONS OF SSH

The vision, mission, values and key strategic directions are derived from the SSH Corporate Strategy, adopted in March 2025.

Vision 2030

A successful manager of state assets and a model of excellence in corporate governance at both the national and international levels.

Mission

We manage investments with due care, efficiency, independence and transparency, in line with the State Assets Management Strategy.

SSH Values



Key Strategic Directions

SSH’s key strategic directions are to:

- strengthen the performance, productivity and sustainable value of the state asset portfolio;
- develop internal capabilities (competences) and a modern organisational structure.

Planned Development of SSH (2025–2030)

The Corporate Strategy of Slovenian Sovereign Holding (SSH), adopted in March 2025, sets out the Company’s development until 2030. The main highlights are presented in the Sustainability Statement in this Report, under section SBM-1, Strategy, Business Model and Value Chain.

During the strategic period, SSH will systematically strengthen **the performance, productivity and sustainable value of companies with state capital assets**. The priority will be to increase productivity and the long-term sustainable value of the portfolio – focusing not only on short-term financial returns, but also on achieving long-term sustainability and resilience – alongside ensuring an appropriate level and stability of dividends from investments and maintaining high-quality corporate governance of holdings.

An important source of future value will be the development of internal capabilities (competences) and a modern organisational structure. Targets and indicators have been set for this key strategic orientation. Among the important strategic initiatives are the optimisation and digitalisation of processes and the use of data and digital tools to support decision-making. In this context, the deployment of generative artificial intelligence tools to support key business processes in the Company will play a decisive role.

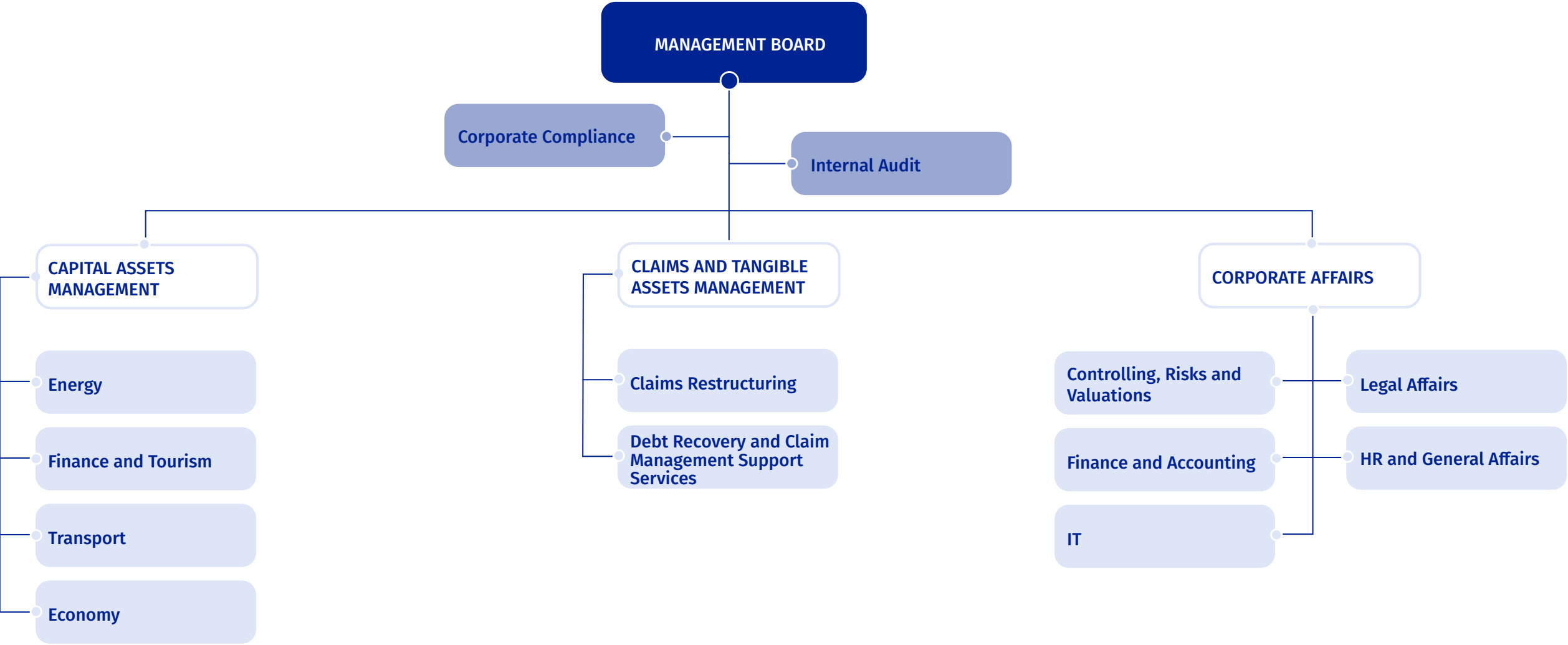
Organisational structure of SSH

The Company is managed by the Management Board, which comprised two members in 2024. The Company’s operations are organised into the areas of management of capital assets, claims and real estate, and corporate affairs. Within these areas, departments are organised and headed by directors, while the Compliance and Integrity Department and the Internal Audit Department (and until 31 December 2024 also the Secretariat of Management Board) are positioned directly under the Management Board.

A major organisational change in 2024 took place following the transfer of part of the real estate management activities from SSH to D. S. U., d. d., on 1 October 2024, which also included the transfer of 34 employees.

The new organisational structure, adapted to the changes in 2024, entered into force on 1 January 2025.

ORGANISATIONAL CHART OF SSH AS AT 1 JANUARY 2025



Legend: OFFICE AREA OF WORK DIVISION

Targets and Achieved Values of Performance Indicators in the Management of State Capital Assets in 2024

The table below presents the key quantitative targets and achieved values for SSH in 2024. The achievement of the 2024 ROE target with regard to RS and SSH capital assets under management can only be reliably presented on the basis of the audited financial statements of all portfolio companies for 2024. The table below presents an evaluation based on unaudited data from the companies and their valuations. Please note that adjustments may be made.

Financial Indicator	Achieved Value in 2023	Target Value in 2024	Target Value in 2024
ROE of Capital Assets under Management (RS and SSH) in % (2024 estimate)	10.1	6.7	9.7
Dividend Inflows from Companies with Capital Assets Managed by SSH, in EUR million			
– RS	102.7	327.5	408.5
– ZPIZ	19.6	3.9	13.7
Total RS and ZPIZ	122.3	331.4	422.2
– SSH	53.2	52.5	65.5
Total RS and ZPIZ and SSH	175.5	383.9	487.7
Subsequent Capital Payments to Holding Slovenske elektrarne			
– Payments			
– Repayments	342.0	150.0	150.0
Others Inflows from Management of Capital Assets, Claims and Tangible Assets, in EUR million			
– Inflows from Management of Capital Assets	0.0	0.0	10.5
– Claims	52.2	32.6	59.7
– Tangible Assets	20.7	8.7*	0.2*
Total Other Inflows	73.5	41.3	70.4

*For 2024, the projected inflows from the management of tangible assets were calculated on the assumption that the separation of the real estate segment of operations would not take place. In 2024, SSH realised EUR 0.2 million in inflows from this source, while D.S.U. realised EUR 3.9 million, totalling EUR 4.1 million.

The primary quantitative objectives were largely surpassed in 2024, with the estimated ROE from the management of capital asset proving to be very high. The planned dividend inflows and the total planned other inflows from the management of capital assets, claims and tangible assets were also exceeded. Among these, inflows from the

management of claims exceeded the plan, while inflows from the management of tangible assets fell short of the target. No other inflows from the management of capital assets had been planned, yet realised inflows amounted to EUR 10.5 million.

Summary of key tasks for 2025

1. Efficient performance of ongoing tasks in the areas of asset management, claim management and tangible fixed assets management and the achievement of target economic and financial management indicators for 2025.
2. Execution of management activities set out in the 2025 Annual Asset Management Plan (AAMP).
3. Preparation and implementation of SSH's Corporate Strategy.
4. Other tasks relating to the further strengthening of SSH's role as the central manager of state capital assets.

KEY ECONOMIC AND FINANCIAL INDICATORS IN 2025

SSH plans for the ROE of the managed portfolio of capital assets to amount to 7.1% in 2025. Inflows from dividends are projected at EUR 464.1 million and net inflows from claim management at EUR 20.1 million.

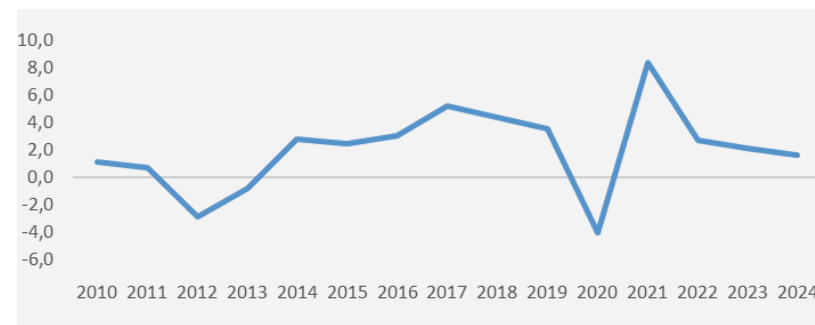
Indicator	Target Value for 2025
ROE of the portfolio of companies with capital assets managed by SSH (capital assets of RS and SSH) in %	7.1
Value added per employee in the portfolio of companies with capital assets managed by SSH (in EUR thousand)	86.0
Dividend income paid by companies with capital assets managed by SSH, in EUR million	
– RS	377.5
– ZPIZ	20.4
Total RS and ZPIZ	397.9
– SSH	66.2
Total RS and ZPIZ and SSH	464.1
Inflows from claim management (in EUR million)	20.1

The SSH profit for 2025 is planned to amount to **EUR 58.6 million**. The projected consolidated profit for the SSH Group in 2025 is projected at **EUR 65.8 million**.

1.3 OVERVIEW OF SELECTED MACROECONOMIC DATA AND SLOVENIAN CAPITAL MARKET

The state of the Slovenian economy in 2024 largely reflected conditions prevailing in the wider European economic area. At the time of preparing this report, the Statistical Office of the Republic of Slovenia (SURS) estimated GDP growth at 1.6%, the lowest rate in the past ten years, excluding the pandemic year 2020. This subdued performance was the result of economic stagnation in Europe, the principal foreign trade partner of Slovenian companies. Former ECB President Mario Draghi also highlighted serious structural challenges facing the European economy, citing lagging competitiveness and slow development of new technologies, with continued reliance on established industries (e.g., automotive, machinery manufacturing) generating insufficient added value.

ANNUAL GDP CHANGE, SLOVENIA (%)



Source: SURS

Alongside these issues – compounded by the European energy crisis and demographic challenges – European companies sought remedies through workforce reductions, factory closures and demands for state subsidies.

These effects were mirrored in the Slovenian economy, where companies were likewise compelled to implement rationalisation measures. Layoffs and the discontinuation of certain production programmes were also announced and implemented by companies in the portfolio of capital assets managed by SSH.

In reviewing 2024, it is worth noting the crisis in the Gulf of Aden, which continues to pose a potential threat to Adriatic ports serving Central and Eastern European markets. Transport is a strategically important sector of the Slovenian economy, generating significant multiplier effects. Large transport-related companies from the portfolio managed by SSH and classified as strategic capital assets will therefore remain potentially exposed to changes in global logistics chains in 2025. From the perspective of external factors in 2024, particular attention should be drawn to the persistently high electricity prices and the cost of emission allowances, which have posed significant challenges in certain segments of the energy sector and in energy-intensive industries.

Slovenia's total exports amounted to EUR 61.5 billion in 2024, an 11.8% increase over the previous year, while imports grew even more sharply, by 21.1%, to EUR 69.1 billion. The resulting trade deficit and its negative impact on GDP represent an increasing challenge, with no trade surplus recorded in the final five months of 2024. GDP was further adversely affected by a decline in gross investment. The Slovenian labour market, however, presented a generally positive picture, with record-high employment and low unemployment. It should be noted that record employment levels were largely driven by the hiring of foreign workers, and that a tight labour mar-

ket – though showing some signs of easing – has continued to fuel strong wage growth.

Consumer prices in December 2024 were 1.9% higher year-on-year, compared to 4.2% in December 2023. According to preliminary data, the general government budget deficit in 2024 amounted to EUR 795 million (approximately 1.2% of GDP), which is more than EUR 1.5 billion lower than in 2023. The further decline in the general government gross debt-to-GDP ratio, which stood at 66.9% at the end of the third quarter of 2024, remained largely attributable to inflation.

It should be emphasised that conditions have changed significantly since the end of 2024, primarily due to geopolitical and security developments, which have greatly increased uncertainty regarding future business conditions. Sectors facing heightened challenges include construction, transport and certain manufacturing industries affected by cost pressures. Risks also stem from new US tariffs, which may affect the Slovenian economy directly (tariffs on steel and aluminium) or indirectly (through reduced orders for component products supplied to European industries impacted by the new US tariffs). Expectations for economic growth in 2025 are therefore not optimistic, with various institutions projecting GDP growth of around 1% for the Euro area and just over 2% for Slovenia. Given the weak economic sentiment and the accumulation of structural challenges in European economies, such forecasts are unsurprising.

OVERVIEW OF MACROECONOMIC INDICATORS FOR THE REPUBLIC OF SLOVENIA*

	2024	BoS, December 2025 Forecast	BoS, December 2026 Forecast
Real GDP growth (%)	1.6**	2.2	2.8
Registered survey-based unemployment rate (%)	3.5***	3.4	3.4
– HICP inflation – annual average vs. previous year (%)	2.0	2.2 (Forecast according to the HICP annual average methodology.)	2.2 (Forecast according to the HICP annual average methodology.)
– HICP inflation YoY– December vs. December (%)	2.0		

* Certain data in the table may be subject to revision in accordance with the SURS and Bank of Slovenia publication schedules.
** SURS estimate.
*** Bank of Slovenia estimate.
Source: Statistical Office of the Republic of Slovenia, Bank of Slovenia – Forecast of Macroeconomic Developments in Slovenia.

Slovenian Capital Market

In 2024, the SBITOP index rose by 33%, significantly outperforming the average returns achieved by investors on European stock exchanges, and remaining competitive with the returns of US equities (31.8% return of the S&P 500). Among shares traded on the Ljubljana Stock Exchange, Krka again recorded the highest trading volume, totalling EUR 157 million. At the end of 2024, Krka also had the largest market capitalisation among listed companies, amounting to EUR 4.6 billion (compared to EUR 3.6 billion in 2023).

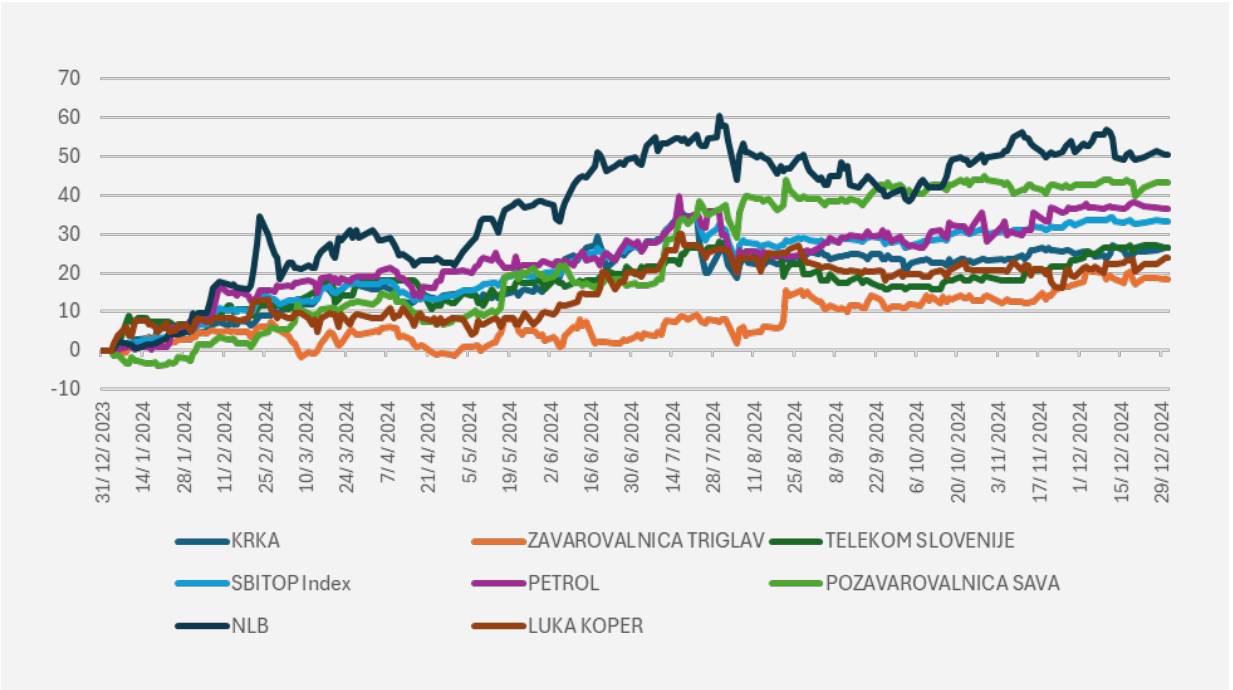
The second most actively traded share in 2024 was NLB, with a trading volume of EUR 152 million, followed by Cinkarna Celje with EUR 27.5 million. By market capitalisation, NLB ranked second at EUR 2.6 billion, Petrol third at EUR 1.3 billion, and Zavarovalnica Triglav fourth at EUR 921 million. These companies have a significant weight both in terms of the return on equity (ROE) of the portfolio of capital assets managed by SSH and in the volume of dividends received by SSH in the course of managing equity investments. In 2024, the majority of shares on the Ljubljana Stock Exchange recorded an increase in share price, with only five companies posting a decline.

The portfolio of companies with equity investments managed by SSH comprises most of the shares included in the SBITOP index, while also encompassing certain unlisted investments (shares of equity investments not traded on the stock exchange). Consequently, in addition to standard macroeconomic factors, the performance of SSH's equity portfolio is also influenced by specific conditions in Slovenia. In reviewing share price movements of investments

managed by SSH in 2024, it is worth noting the shares of Unior, which lost 33.2% of their value, partly due to prevailing conditions in the European machinery manufacturing and automotive industries.

By contrast, NLB's share price increased by 50%, driven by continued favourable interest rate conditions and the resulting strong performance of the banking group. NLB remains one of the largest companies with equity investments under SSH's management. Another financial sector holding managed by SSH, Pozavarovalnica Sava, also recorded substantial growth, with its share price rising by 42.9%.

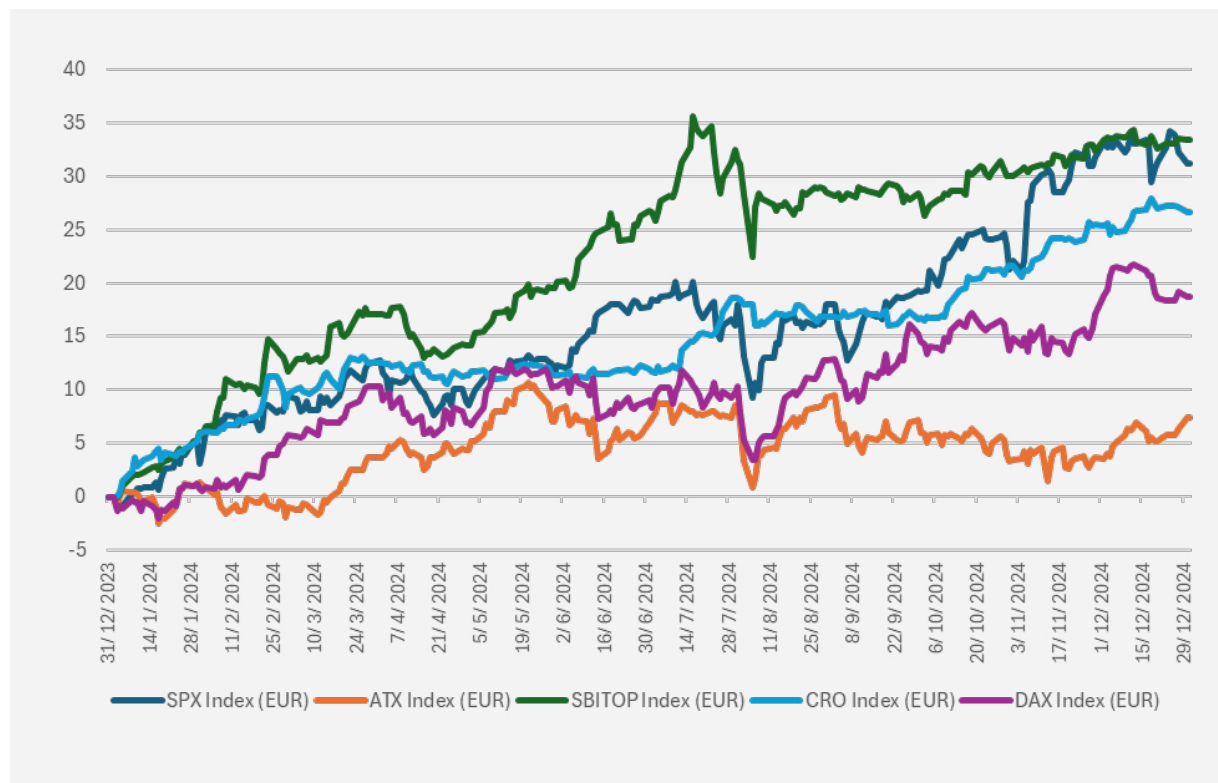
PERFORMANCE OF BLUE-CHIP SHARES ON THE LJUBLJANA STOCK EXCHANGE, WHICH REPRESENT A SIGNIFICANT PROPORTION OF SSH'S EQUITY INVESTMENT PORTFOLIO IN 2024 (IN %), COMPARED WITH THE RETURN GENERATED BY THE SBITOP INDEX



Source: Bloomberg.

The SBITOP index delivered the highest return among comparable indices in 2024, with the US and Croatian stock indices also posting notably strong performance. Of the selected indices, only the Austrian ATX index generated a relatively low return. Overall, global equity investments provided investors with high returns in 2024, with the MSCI All Country World Index increasing by 23.7% (converted into EUR), consistent with certain positive developments and favourable expectations in global markets. The chart below presents the returns of selected equity indices in 2024 (in % in EUR).

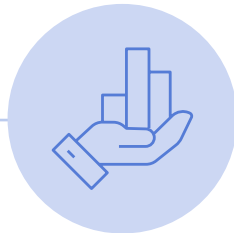
RETURNS OF TOP REGIONAL AND GLOBAL STOCK INDICES AND SBITOP IN 2024 (%)



Source: Bloomberg.

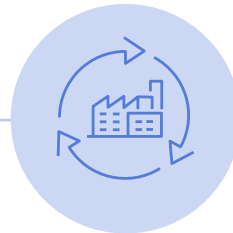
1.4 SSH ACTIVITIES

The core business activities of Slovenian Sovereign Holding (SSH), presented below, are as follows:



MANAGEMENT OF STATE CAPITAL ASSETS

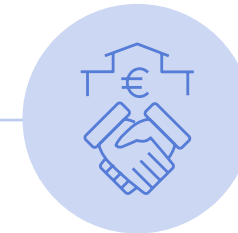
Acquiring and disposing of capital assets in accordance with the Annual Asset Management Plan, as well as exercising the rights of a shareholder or partner and rights pertaining to a founder.



MANAGEMENT OF CLAIMS AND TANGIBLE ASSETS

Acquiring and disposing of SSH claims and other forms of their management, including the engagement in restructuring of companies.

Disposing of real estate and movable property owned by SSH and other forms of their management.



DENATIONALISATION AND SETTLEMENT OF LIABILITIES

Participation in procedures under the Denationalization Act (ZDen) to determine compensation for expropriated property and settling liabilities on behalf of and for the account of SSH.

Settlement of liabilities under the following Acts: ZIOOZP and ZIOOZP, on behalf of and for the account of the Republic of Slovenia.

1.4.1 Capital Asset Management

SSH manages assets in accordance with ZSDH-1, ZGD-1, other acts and regulations, Articles of Association and other legal documents related to asset management, mentioned in the previous Chapter. When managing state assets, SSH observes good corporate governance practices and respects the principles of due diligence, accountability, independence, transparency and cost-effectiveness, the content of which is defined in ZSDH- 1.

Key Elements of Active Management of Capital Assets in 2024

- **Definition and updating of criteria for measuring performance of SOEs:** Strategic and economic-financial objectives for companies under management were determined on the basis of the new State Assets Management Strategy, adopted by the National Assembly of the

Republic of Slovenia on 10 July 2024 as the Ordinance on State Assets Management Strategy (hereinafter referred to as: the “Management Strategy”), taking into account in-depth knowledge of the operations of companies and sectors, and with a critical consideration of the development plans and orientations of individual companies.

- **Regular monitoring of the performance of companies under management:** This was carried out on the basis of quarterly or monthly reports submitted by companies under management and through periodic meetings with members of the management and supervisory bodies of companies of SOEs.
- **Preparation of the Annual Asset Management Plan (AAMP):** In November 2024, SSH prepared the AAMP for 2025, supplementing it in January 2025 in accordance with the provisions of ZPFPPIP and again in April 2025, following the amendment of the Management Strategy. The AAMP sets out the general strategic directions, management objectives and development activities applicable to all companies, as well as SSH's detailed annual objectives for the management of individual portfolio companies, specific plans for achieving the management objectives, and expected cash flows from the management of capital assets. The Government of the Republic of Slovenia approved the AAMP for 2025 on 15 May 2025.
- **Participation and voting at general meetings of companies, adoption of founder's resolutions in companies under SSH management, and exercise of other shareholder or member rights:** Activities included submitting requests to convene general meetings, adding items to meeting agendas, requesting special audits, preparing counterproposals for general meetings, and ensuring appropriate substantive and legal assessment of individual activities and decisions in SSH's role as asset manager.
- **Implementation of good corporate governance practices:** SSH continuously worked to enhance the quality of corporate governance in companies under its management, updated regulations governing the management of State capital assets, and organised training for members of the management and supervisory bodies of companies in which the State holds capital assets.

- **Execution of necessary actions for appropriate and timely accreditation, nomination, and selection procedures for members of supervisory boards**

Disposal and acquisition of capital assets held by RS and SSH

Disposition

Geoplin d. o. o.

Following the adoption of the new Management Strategy, under which the classification of capital assets in Geoplin d. o. o. (hereinafter referred to as: "Geoplin") was changed from important to portfolio, SSH, in accordance with the 2016 exchange agreement with Petrol d. d., carried out an exchange of ownership interest in Geoplin and Plinhold d. o. o. (hereinafter referred to as: "Plinhold"). Under this transaction, the Republic of Slovenia disposed of its 25.01% ownership interest in Geoplin, thereby relinquishing all ownership in the company, and acquired an additional 16.98% ownership interest in Plinhold. The exchange of ownership interest was only implemented in 2024, as prior to the amendment of the Management Strategy, Geoplin was classified among important assets, for which a reduction of the State's ownership interest below 25% plus one share was not permissible.

Sale of Minority Portfolio Capital Assets Held by SSH, RS and KAD

On the basis of a public invitation to submit binding offers for the purchase of 11 minority capital assets owned by SSH, the Republic of Slovenia and KAD d. d. (hereinafter referred to as: "KAD"), (minority capital assets), published jointly by SSH and KAD at the end of 2023, agreements for the sale of shares in four companies (Skupina Prva d. d., NTU d. d., Tekol d. d. and Agis Technologies d. d. – in bankruptcy) were concluded in early 2024.

In October 2024, SSH and KAD again published a joint public invitation to submit binding offers, this time for the purchase of six minority capital as-

sets. By the deadline, offers were received for the purchase of shares in three companies. In December 2024, the sale of shares in Razvojna družba d. d. was successfully completed, followed in April 2025 by the sale of shares in DBS d. d., while the sale process for shares in Savaprojekt d. d. concluded without a sale.

Other

In 2024, the Republic of Slovenia also received cash proceeds for shares in Modra zvezda d. d. and M1 d. d., arising from a resolution on the exclusion of minority shareholders or from a completed merger with another company.

For two companies under SSH management (DUP d. o. o., Sarajevo, and Lubrio d. o. o.), a resolution initiating liquidation proceedings was adopted in 2024, while a resolution initiating bankruptcy proceedings was adopted for Nafta Lendava d. o. o. Two other companies (Proleasing Rijeka d. o. o. – in liquidation and Ravne Presses d. o. o. – in bankruptcy) were struck off the court register.

Acquisition

Termoelektrarna Šoštanj, d. o. o.

Pursuant to ZPFPPIP, the full 100% ownership interest in Termoelektrarna Šoštanj d. o. o. ("TEŠ"), previously held by HSE, was transferred without consideration to the Republic of Slovenia on 31 December 2024.

Premogovnik Velenje, d. o. o.

Pursuant to ZPFPPIP, the full 100% ownership interest in Premogovnik Velenje d. o. o., also previously held by HSE, was transferred without consideration to the Republic of Slovenia on 31 December 2024.

Plinhold d. o. o.

Following the adoption of the new Management Strategy, under which capital assets in Geoplin were reclassified from important to portfolio, SSH, in accordance with the 2016 exchange agreement with Petrol d. d., executed an exchange of ownership interests in Geoplin and Plinhold. As a result, the Republic of Slovenia acquired an additional 16.98% ownership interest in Plinhold (while disposing of its 25.01% ownership interest in Geoplin). Following this exchange, the Republic of Slovenia no longer holds any ownership interest in Geoplin, and its ownership interest in Plinhold increased to 77.08%.

Študentski dom Korotan, d. o. o.

Acting on behalf of and for the account of the Republic of Slovenia, SSH implemented a capital increase in Študentski dom Korotan d. o. o. (hereinafter referred to as: "Korotan") with a cash contribution of EUR 1.9 million. Simultaneously with the recapitalisation, a new five-year management agreement for accommodation facilities was concluded between Korotan and the Mohorjeva družba, while SSH and Mohorjeva družba concluded a guarantee agreement regulating the guarantees provided by the Republic of Slovenia/SSH to Mohorjeva družba.

Sava, d. d.

In 2024, the final financial restructuring of Sava d. d. and the Sava Group was successfully completed. In September 2024, SSH and KAD converted approximately half of their combined claims totalling EUR 35.8 million into Sava's share capital at a price of EUR 2.6 per share, while the remaining claims totalling EUR 36 million were repaid in cash from market borrowings. SSH converted claims totalling EUR 24.7 million into equity, while the remaining EUR 6.9 million was settled in cash. Through the conversion, SSH acquired 9,500,589 new Sava shares, increasing its ownership interest from 61.9% to 64.1%.

D. S. U., d. o. o.

In 2024, SSH successfully completed the transfer of its real estate activities to D. S. U. The merger of SSH's and D. S. U.'s real estate activities was carried out in view of the estimated synergies in the joint development, management and maintenance of the real estate portfolios of both entities, in accordance with the AAMP 2024. Following the transfer of the real estate management activity, SSH acquired a 49.60% ownership interest in D. S. U., while the remaining 50.40% remains owned by the Republic of Slovenia. The transfer was effected as of 31 December 2023, in accordance with the provisions of the Companies Act (ZGD-1), with D. S. U., as the universal legal successor, assuming all rights and obligations relating to the transferred assets.

Istrabenz, holdinška družba, d. o. o.

In 2024, Istrabenz, holdinška družba d. o. o. (hereinafter referred to as: "Istrabenz"), was merged into SSH with effect from 31 December 2023. The merger was entered into the court register of companies on 18 September 2024, upon which Istrabenz was deleted from the register. Following the merger, two Istrabenz subsidiaries – Adriaфин (50% ownership interest) and KB 1909 (0.03% ownership interest) – came under SSH's direct management.

Other

In 2024, pursuant to the Inheritance Act, the Republic of Slovenia acquired a 100% ownership interest in BIO PRIMA as well as additional shares in Krka, Petrol and M1. Pursuant to a final confirmed compulsory settlement, SSH acquired a 100% ownership interest in Meja Šentjur d. d. (hereinafter referred to as: Meja").

Other Significant Management Activities Relating to Individual Capital Assets**Farme Ihan – KPM, d. o. o.**

On the basis of a loan agreement dated 3 June 2024, SSH provided Farme Ihan – KPM d. o. o. (hereinafter referred to as: "Farme Ihan – KPM") with additional financing in the amount of EUR 1 million with the aim of stabilising operations and reducing liquidity risk. Furthermore, in November 2024, in order to ensure an adequate level of liquid assets for the Farme Ihan – KPM Group pending the approval of its financial and business restructuring programme, SSH granted a moratorium on the payment of principal and contractual interest for the period from 1 November 2024 to 30 June 2025.

Kobilarna Lipica, d. o. o.

Pursuant to the new Kobilarna Lipica (Lipica Stud Farm) Act, SSH and the Ministry of the Economy, Tourism and Sport of the Republic of Slovenia signed, on 17 October 2024, an agreement for the performance of advisory tasks and management of nomination procedures in connection with the state's capital assets in Kobilarna Lipica.

EGS-RI, d. o. o.

The year 2024 was a landmark year for EGS-RI d. o. o. (hereinafter referred to as: "EGS-RI") as several agreements were concluded in connection with the arbitration proceedings against RiTE Ugljevik relating to EGS-RI's claims for damages arising from breaches of the 1989 Self-Management Agreement (joint investments in the Ugljevik mine and thermal power plant and the right to a proportional share of the electricity produced). Activities related to this matter, based on the Assignment Agreement for the Recovery of Claims, are carried out by HSE d. o. o., which is entitled to a contractually agreed fee for the performance of these activities. In 2024, EGS-RI reached

an agreement to receive compensation totalling EUR 67 million for undelivered electricity, based on the awards of the ad hoc arbitration in Belgrade, and an agreement to receive compensation totalling EUR 65.2 million for undelivered electricity for the period not covered by the Belgrade ad hoc arbitration. In addition, as of 1 February 2024, one third of the electricity produced at the Ugljevik Thermal Power Plant began to be delivered. SSH closely monitored the course of these activities and granted the necessary approvals for the conclusion of key legal transactions.

Holding Slovenske elektrarne d. o. o.

By the end of May 2024, Holding Slovenske elektrarne d. o. o. (hereinafter referred to as: “HSE”) had fully repaid EUR 492 million which it had received from the Republic of Slovenia in December 2022 as a subsequent payment to share capital, provided with the aim of preventing liquidity difficulties within the HSE Group and ensuring its stable operation.

Performance of Portfolio of Capital Assets Managed by SSH and Targets for 2025

As the core business of SSH is the management of the State’s capital assets, SSH’s objectives are also to a large extent linked to the results achieved in asset management. Key performance results in the area of asset management are presented in this Chapter.

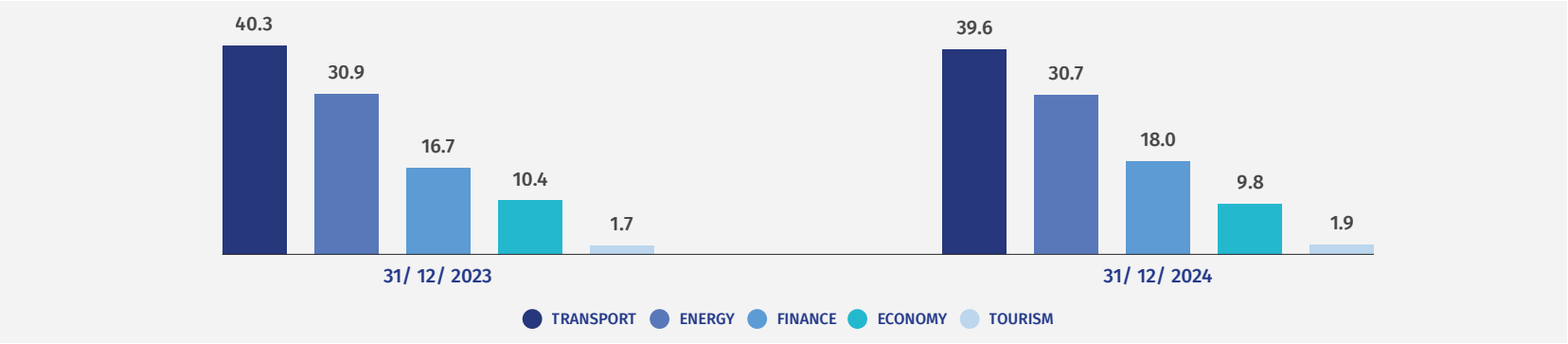
In addition to its own capital assets, SSH has a number of capital assets under management which are owned by RS. In total, there were 82 active companies with assets under SSH management as at 31 December 2024 (84 as at 31 December 2023), of which RS had a direct shareholding in 40 companies, SSH in 25 companies, and both RS and SSH had direct shareholdings in 17 active companies. SSH manages 19 companies with capital assets undergoing liquidation or bankruptcy proceedings. The largest portfolio companies in SSH’s management by value are Krka, Zavarovalnica Triglav, Petrol, Poza-

varovalnica Sava, Cinkarna Celje and Luka Koper, while the largest portfolio companies held directly by the Republic of Slovenia are DARS, GEN energija, HSE, Slovenske železnice, NLB and Zavarovalnica Triglav¹.

Structure of the Capital Asset Portfolio by Management Pillar and Classification Group

The portfolio of capital assets owned by the Republic of Slovenia and SSH is divided into five pillars, with the Transport and Energy pillars together accounting for slightly over 71% of the total carrying amount (see chart below). The total carrying amount of capital assets in the portfolio managed by SSH stood at EUR 13.0 billion as at 31 December 2024 (compared to EUR 12.2 billion as at 31 December 2023). The portfolio is highly concentrated, with the twenty largest portfolio companies by carrying amount accounting for just under 94% of the total portfolio as at the end of 2024. The structure by classification group is presented according to the Asset Management Strategy in force in the relevant year.

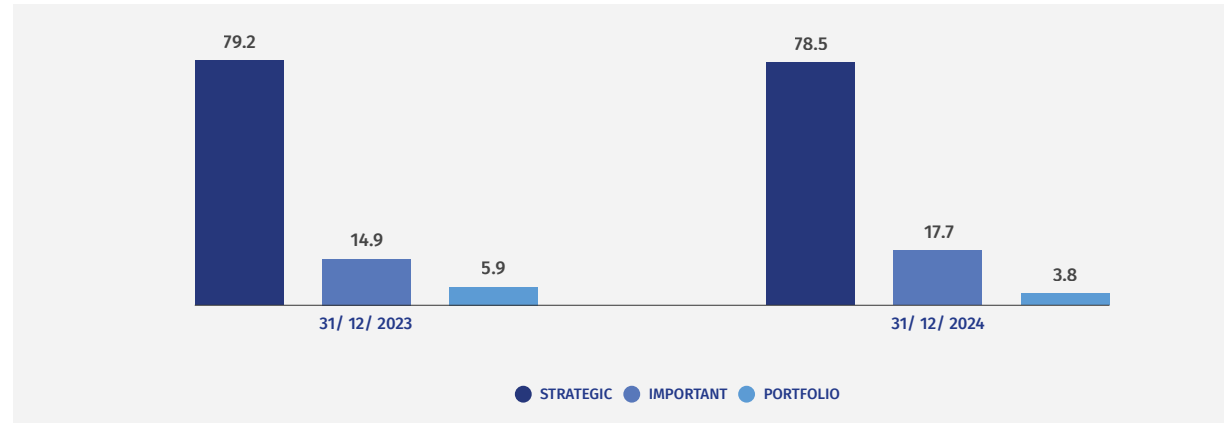
COMPOSITION OF THE MANAGEMENT PORTFOLIO AS AT 31 DECEMBER 2024
– BY MANAGEMENT PILLAR, IN %



¹ The data and calculations for 2024 presented below are based on estimates and unaudited information for the 2024 financial year available at the time of preparing this report and are not necessarily final.

By classification, strategic capital assets predominate.

COMPOSITION OF THE MANAGEMENT PORTFOLIO AS AT 31 DECEMBER 2024 – BY CLASSIFICATION, IN %



Achieved ROE of the Republic of Slovenia and SSH Portfolio

The return on equity (ROE) of the portfolio of capital assets managed by SSH in 2024 stood at 9.7% in 2024, which is significantly above the 2024 Annual Asset Management Plan (AAMP) target of 6.7%, and slightly below the 2023 result of 10.1%. The 2025 target is set at 7.1%.

ROE OF THE MANAGEMENT PILLARS OF THE CAPITAL ASSETS PORTFOLIO, BY YEAR, IN %

Pillar	2020	2021	2022	2023	ESTIMATE 2024	AAMP 2024	AAMP 2025
TRANSPORT	2.0	4.1	5.1	4.9	5.1	4.0	4.1
ENERGY SECTOR	5.4	5.1	-7.8	18.4	15.7	8.6	8.9
FINANCIAL SECTOR	6.9	10.2	9.7	9.9	11.5	9.0	9.4
ECONOMY	5.5	10.1	12.8	7.7	6.6	8.8	8.8
TOURISM	-11.4	4.5	7.2	5.8	7.8	5.9	6.4
PORTFOLIO RS+SSH	4.3	6.1	2.8	10.1	9.7	6.7	7.1

ROE OF THE CAPITAL ASSETS PORTFOLIO UNDER SSH'S MANAGEMENT, BY CLASSIFICATION CRITERIA, BY YEAR, IN %

Classification	2020	2021	2022	2023	ESTIMATE 2024	AAMP 2024	AAMP 2025
STRATEGIC	3.7	4.9	0.9	9.6	8.3	5.8	6.1
IMPORTANT	8.5	12.7	11.3	14.5	13.5	12.0	12.0
PORTFOLIO	3.1	6.6	7.1	5.6	20.2	6.3	3.1
PORTFOLIO RS+SSH	4.3	6.1	2.8	10.1	9.7	6.7	7.1

Total Dividend Receipts of SSH, the Republic of Slovenia and ZPIZ

When formulating proposals for general meeting resolutions and voting positions regarding dividend distributions in 2024, SSH continued to pursue a balanced approach between dividend pay-outs and the development needs of the companies. In 2024, total dividend distributions by companies in SSH's managed portfolio reached EUR 487.7 million, exceeding the AAMP plan (EUR 383.9 million) by EUR 103.8 million. Of this amount, the Republic of Slovenia received EUR 408.5 million, SSH EUR 65.4 million, and ZPIZ EUR 13.7 million. For 2025, total dividend receipts are planned at EUR 464.1 million.

INFLOWS FROM DIVIDENDS OF THE CAPITAL ASSET PORTFOLIO TO THE REPUBLIC OF SLOVENIA, ZPIZ AND SSH IN THE PERIOD 2019–2025, IN EUR MILLION

Year	2019	2020	2021	2022	2023	2024	AAMP 2024	AAMP 2025
RS	193.2	62.7	98.2	101.7	102.7	408.5	327.5	377.5
ZPIZ	19.6	0	13.3	29.0	19.6	13.7	3.9	20.4
Total RS and ZPIZ*	212.8	62.7	111.5	130.7	122.3	422.2	331.4	397.9
SSH	40.1	23.2	39.8	59.9	53.2	65.5	52.5	66.2
Dividends RS, ZPIZ and SSH (EUR mio)	252.9	85.9	151.3	190.7	175.5	487.7	383.9	464.1

Dividends received from the management of capital assets owned by RS flow into the RS budget, while dividends received from the management of ZPIZ's stake in Zavarovalnica Triglav flow into ZPIZ.

Value Added per Employee in SSH’s Portfolio

For 2024, no portfolio-level targets were set in this area. In line with the general objectives and guidelines of the Management Strategy regarding productivity enhancement, value added per employee at portfolio level began to be monitored in 2024, with related targets defined in the 2025 AAMP. The figures reflect the new asset classification criteria set out in the revised Management Strategy.

VALUE ADDED PER EMPLOYEE BY MANAGEMENT PILLAR, BY YEAR, IN EUR THOUSAND

Pillar	2022	2023	ESTIMATE 2024	AAMP 2025
TRANSPORT	75.9	79.1	82.8	79.6
ENERGY SECTOR	47.9	143.7	147.3	115.0
FINANCIAL SECTOR	402.8	459.5	232.7	241.6
ECONOMY	78.5	77.2	80.1	79.6
TOURISM	49.3	55.3	57.0	56.7
PORTFOLIO RS+SSH	69.1	91.2	94.0	86.0

Note: All non-financial companies are included in the calculations, while both insurance companies and banks under SSH’s management are excluded.

VALUE ADDED PER EMPLOYEE BY ASSETS CLASSIFIED BY CLASSIFICATION CRITERIA, BY YEAR, IN THOUSAND EUR

Classification	2022	2023	ESTIMATE 2024	AAMP 2025
STRATEGIC	71.4	115.8	114.7	98.8
IMPORTANT	69.4	83.5	90.4	85.6
PORTFOLIO	65.1	61.3	55.4	57.5
PORTFOLIO RS+SSH	69.1	91.2	94.0	86.0

Note: All non-financial companies are included in the calculations, while both insurance companies and banks under SSH’s management are excluded.

1.4.2 Management of Claims and Tangible Assets

The principal objective in managing claims and tangible assets is to maximise value for SSH. In cases where SSH is both a creditor and an owner of the debtor (holding equity stakes in it), the aim is to maximise total value. The management of claims also covers the management of certain companies with capital assets where the primary management objective is the repayment of SSH’s claims.

The claims management process begins with a situation analysis, assessing: (i) the debtor’s capacity to meet obligations from operating cash flows in the long term, (ii) the potential for the debtor to divest assets, (iii) the legal framework enabling maximum recovery of receivables, (iv) the debtor’s willingness to reach a satisfactory settlement, and (v) other circumstances that may affect repayment. Based on the analysis of the situation, an appropri-

ate strategy is then selected to ensure the highest possible value recovery for the creditor, namely, namely:

- the restructuring of claims,
- the recovery (the realisation) of collateral,
- sale of a claim, or
- full or partial repayment of claims of debtor/guarantor.

FAIR VALUE OF CLAIMS (IN EUR MILLION) AS AT 31 DECEMBER 2024



Restructuring of Debtors

SSH’s objective in restructuring companies is to ensure their long-term operational efficiency, liquidity and competitiveness, and to achieve the highest possible debt repayment from operating cash flows and divestment of non-core assets. Where feasible, SSH seeks to reduce the debtor’s indebtedness to a sustainable level, enabling refinancing of SSH’s existing claims of SSH by a commercial bank. Financial restructuring can be carried out in parallel with operational restructuring, which SSH may actively implement particularly in companies where it holds a controlling or majority ownership interest.

SSH carries out financial restructuring measures in collaboration with other financial creditors. These measures may include extending repayment deadlines, adjusting interest rates, partial debt write-offs (primarily through identification and sale of non-core assets), improving the capital structure, and providing additional liquidity. SSH may also convert its claims into equity, assume other receivables and equity stakes, or increase a debtor's capital through cash or contributions in kind, the latter in cases where SSH already holds an equity stake.

Claims Management through Collateral Recovery Strategy

Where debtors operate at a loss and financial and operational restructuring would not yield greater value than the enforcement and realisation of collateral, SSH, acting as a fair and diligent business operator, opts to enforce pledged assets and initiate enforcement proceedings against the debtor's free assets. This strategy is also applied to debtors already subject to bankruptcy proceedings, or assets for which enforcement proceedings have been confirmed. The realisation of collateral may also be carried out by agreement with the debtor, without recourse to enforcement or insolvency proceedings.

Performance in Management of Claims

In 2024, SSH generated EUR 59.7 million in cash inflows from management of claims. The largest contributions came from claims related to the T-2 Group (hereinafter referred to as: "T-2") and the Goričane Group. The inflows significantly exceeded the planned EUR 32.6 million.

Key Activities in Management of Claims

T-2 Group

In 2024, SSH continued its efforts, in line with the set strategy, to secure maximum possible recovery of claims from companies in the T-2 Group. This objective was achieved by concluding a settlement in August 2024. The settlement ensured optimal timing and structure of repayment at considerably lower risk compared to the alternative scenario of T-2's bankruptcy, which—due to lengthy litigation and unresolved issues regarding recognised claims and rights to separate satisfaction—would have entailed years of uncertainty as to the amount and timing of repayment. SSH's assessments indicated that the net present value of recovery under bankruptcy would have been substantially lower than that achieved under the settlement.

Cimos Group

In 2024, SSH, as a financial creditor, actively participated in the financial restructuring of companies in the Cimos Group (hereinafter referred to as: "Cimos"). In June, together with other financial creditors, SSH signed a standstill agreement deferring payment of over EUR 83 million. Later in the year, Cimos partially repaid its financial liabilities, with SSH receiving a portion of the proceeds. The owner of Cimos also carried out a capital increase, which, together with other measures, will contribute to the company's capital adequacy. In December, contractual terms forming the basis for a new financial restructuring agreement, covering the claims of key financial creditors, were signed.

Papirnica Goričane Group

In 2024, SSH actively participated in the financial restructuring of the Papirnica Goričane Group. Despite the company's efforts to refinance its financial liabilities with commercial banks, these were not fully repaid at maturity on

31 December 2024. The contracting parties agreed to extend the agreement until 30 June 2026, with the group meeting agreed payment deadlines to SSH throughout 2024.

MEJA Šentjur, d. d.

At the end of 2023, the administrator of the compulsory settlement prepared a report on the registration and payment for new shares, with SSH converting EUR 3.6 million of operating receivables into equity, becoming the company's sole shareholder. The court's decision confirming the compulsory settlement became final in August 2024. SSH notified the Slovenian Competition Protection Agency of its acquisition of Meja, which in April 2024 issued a decision that the concentration between Meja and SSH was compliant with competition rules.

Mariborska livarna Maribor, d. d.

Despite measures taken by SSH as owner and by the company's management, the long-term sustainability of operations could not be ensured. Upon the company's proposal, the court issued a final decision on 30 August 2024 to initiate bankruptcy proceedings. By year-end, claims had not yet been examined.

The company continued limited operations after the start of the bankruptcy, positively affecting the general bankruptcy estate and potentially contributing to cost optimisation of the proceedings.

Claims in Kosovo

SSH is conducting enforcement proceedings against several debtors in Kosovo. In 2024, a procedure for the sale of claims was carried out but concluded unsuccessfully in November. SSH will continue exploring available legal and business options for recovery.

Other

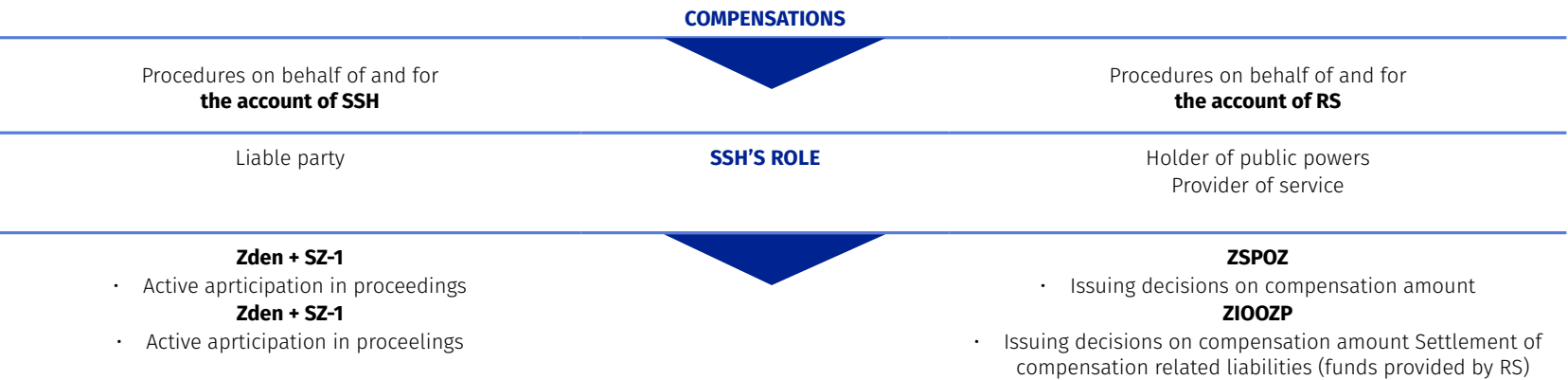
In 2024, SSH received almost EUR 7.5 million from the general bankruptcy estates in the insolvency cases of Primorje, Stavbenik, IMOS, Zvon Ena Holding and SGP Tehnik. In enforcement proceedings against the pledgors of the debtor Mreža JIT, SSH realised collateral in the form of apartments in the Dunajski mozaik complex, receiving almost EUR 1.0 million.

Management of Tangible Assets

Following the spin-off of the real estate business to D. S. U., SSH retained relatively little tangible property, with a carrying amount of EUR 4.7 million at the end of 2024. In 2024, SSH generated EUR 0.2 million in inflows from this source. As the 2024 plans were prepared on the assumption that the real estate spin-off would not occur, this section also notes inflows generated by D. S. U., amounting to EUR 3.9 million. Combined with SSH’s inflows, this totals EUR 4.1 million, which is below the planned EUR 8.7 million.

SSH undertakes all necessary management activities to preserve and enhance the value of its tangible assets and, in certain cases, assets pledged as collateral by debtors. Tangible assets are managed with the objective of maintaining and increasing their value. Most tangible assets are intended for sale, with a portion for (permanent) lease or lending (e.g. artworks). Tangible assets intended for sale are marketed appropriately and sold through transparent procedures. In cases of greater demonstrated interest, sales are typically conducted via electronic auctions.

1.4.3 Denationalisation and Settlement of Compensation under Various Legislative Acts



Role of SSH in Denationalisation Proceedings

In denationalisation proceedings, SSH performs two principal functions: it acts as a party to the proceedings and as the liable entity for the payment of compensation, exercising all rights, tasks and obligations entrusted or assigned to it under legislation governing denationalisation. The restitution of property is carried out under the General Administrative Procedure Act (ZUP) and the Denationalisation Act (ZDen) before administrative and judicial authorities, and in proceedings for determining compensation pursuant to Article 73 of ZDen, in which compensation is determined under the general rules on damages. Proceedings may also be concluded through mediation.

SSH conducts a thorough examination of submitted claims in terms of their legal basis, scope and amount, and endeavours to ensure a consistent de-

termination of the correct compensation due to the beneficiary. In 2024, SSH also handled denationalisation cases concerning major nationalised companies or equity holdings in companies that had been owned by natural and legal persons. The subject of compensation claims included land, residential and commercial buildings, industrial facilities and movable property. Disputed issues remain primarily those relating to the basis for nationalisation, the legal succession of claimants, entitlement to denationalisation, reciprocity in the case of foreign nationals, and the status of building land.

Complex denationalisation cases involving intricate legal and factual matters are ongoing.

Denationalisation Proceedings at the National Level

The Ministry of Justice, which monitors the denationalisation process and prepares semi-annual statistical reports, recorded that, as at 31 December 2024, 98.8% of cases before administrative authorities had been finally concluded. Seventy-five of a total of 39,715 administrative cases remained unresolved. At local courts, 99.9% of cases had been concluded, with three unresolved out of a total of 2,903 cases. This figure relates only to claims under Article 5 of ZDen; courts do not report on unresolved claims under Article 73 of ZDen or claims of re-established agrarian communities.

Denationalisation Procedures at SSH Level

In its procedures, SSH provides a comprehensive position on all facts affecting the correct and lawful determination of compensation. It reviews valuations of nationalised agricultural and building land and appraisals of movable property, and verifies valuations of business premises, buildings and works of art with the assistance of independent experts and certified valuers. It obtains documents and verifies cadastral and land registry data. SSH actively participates in proceedings by attending oral hearings and preparing settlement proposals in mediation or pre-trial procedures. The efficiency of SSH’s operations is demonstrated by the conduct of special fact-finding procedures and decisions in line with the expectations of both parties. Cases are only reconsidered at second-instance level or further stages where differing legal interpretations exist between the parties and the competent authorities.

As at 31 December 2024, SSH had 154 open claims in 107 administrative and judicial cases. Restitution of nationalised property continues, with two new compensation claims received in 2024. Administrative authorities and courts scheduled 36 oral hearings and sessions, which SSH attended or to which it responded in writing. In 2023, SSH received five decisions rejecting claims at first instance and higher levels. It reviewed eight construction and

agricultural valuations. In 2024, SSH received 538 submissions and responded substantively to appeals, lawsuits, applications for revision and other documents filed by claimants. SSH lodged legal remedies against compensation decisions where the facts were found to be incompletely or incorrectly established, or where substantive law had been incorrectly applied.

NUMBER OF SIGNIFICANT DOCUMENTS RECEIVED AND SENT

	Total as at 31 December 2024	From 1 January to 31 December 2024
New and continued claims received	22,552	2
Reports received on the factual and legal state of affairs of the case	22,786	21
First-instance decisions received determining compensation in bonds	20,646	20
Legal remedies lodged against decisions with a preclusive deadline	6,088	8

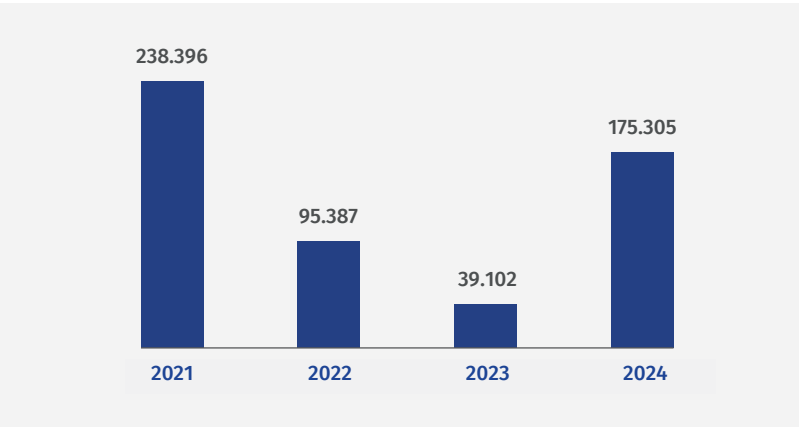
Enforcement of Denationalisation Decisions and Settlement of Liabilities

As the liable entity for payment of compensation, SSH enforces final denationalisation decisions issued in administrative and judicial proceedings. Under secondary legislation, entitled persons – being the beneficiary, their legal successors or a court-appointed trustee – must apply for payment of compensation, as payments are not made without a claim by a party with standing. Decisions are enforced through the payment of the full value of SOS2E bonds, including all matured coupons.

Denationalisation claims are in their final stage; however, the number of bonds paid out varies from year to year, depending on whether decisions concern high-value compensation amounts or, conversely, whether pending

probate proceedings result in only partial enforcement of denationalisation decisions.

NUMBER OF SOS2E BONDS PAID



Since the start of its mandate and up to 31 December 2024, SSH had transferred 17,943,080 SOS2E bonds to 28,274 holders, with a total value of EUR 1.7 billion. In 2024, compensation amounting to EUR 17.3 million was paid to 36 beneficiaries.

Settlement of Compensation to Victims of Wartime and Post-War Violence and for Confiscated Property due to Annulled Confiscation Sentences

Pursuant to the public powers conferred under ZSPOZ, SSH conducts procedures to issue decisions on the amount of compensation and, on behalf of and for the account of the Republic of Slovenia, carries out all administrative and technical tasks related to their enforcement. On the basis of the relevant policies and regulations and criteria laid down by ZSPOZ, SSH

calculates the compensation amount and issues an appropriate decision to the beneficiaries as defined by ZZVN or Zpkri. The total amount received by an individual beneficiary under ZSPOZ cannot exceed the legally established limit of EUR 8,345. SSH therefore also issues declaratory decisions determining that, despite recognised status, a beneficiary is not entitled to compensation.

In 2024, SSH issued 11 compensation decisions under ZPkri. From 1 January to 31 December 2024, it paid out EUR 111 thousand to beneficiaries under ZSPOZ.

Under ZIOOZP, on behalf of and for the account of the Republic of Slovenia, SSH calculates and applies interest to the compensation specified in an enforceable title on behalf and for the account of the Republic of Slovenia, in accordance with the criteria set out in that Act. Final compensation decisions for confiscated property are enforced through the payment of the full value of RS21 bonds.

In 2024, compensation equivalent to 4,613 RS21 bonds, totalling EUR 284 thousand, was paid to beneficiaries or their legal successors.

1.4.4 Development of Corporate Governance Practices and Amendments to Key Governance Documents

One of SSH's key tasks is to contribute to the development of the corporate governance system of SOEs, the foundation of which lies in the content of the asset management instruments. These acts, which are publicly available, ensure predictability, a higher degree of uniformity and transparency

within the system. They include the State Assets Management Strategy, the Annual Asset Management Plan (AAMP), the Criteria for Measuring Performance of SOEs, the Corporate Governance Code for SOEs, and the Asset Management Policy. In 2024, SSH continued, through its active management approach, to promote the adoption of good corporate governance practices to achieve the established management objectives. In the same year, the National Assembly of the Republic of Slovenia also adopted a new State Assets Management Strategy.

SSH ACTIVITIES IN 2024

Questionnaire on Compliance with the Code and Recommendations and Expectations

In early July 2024, SSH sent a questionnaire to selected companies with state capital assets and, indirectly, to their subsidiaries, on compliance with the SSH Corporate Governance Code and the SSH Recommendations and Expectations. The online questionnaire contained questions tailored to the status and legal organisational form of the companies concerned.

Based on the responses received, an analysis was prepared with the aim of determining the proportion of companies with state capital assets that comply with individual principles and recommendations set out in the SSH Code and in the SSH Recommendations and Expectations, comparing the level of compliance in 2024 with that in 2021 (when the analysis was last conducted), identifying companies that deviate fully or partially from the recommendations, and, after understanding the reasons for such deviations, notifying companies, where appropriate, to align their practices with the recommendations. Companies were also given the opportunity to propose improvements to the Code and to the Recommendations and Expectations. The analysis showed that overall compliance with the recommendations in both instruments is high and has been increasing compared to previous

years. Some room for improvement remains in the following areas: adoption of diversity policies for management and supervisory bodies; adoption and publication of competence profiles for members of supervisory boards; adoption of internal succession policies; arrangements for compliance and integrity; corporate culture; and sustainable business practices. SSH will continue to monitor compliance with the recommendations in both instruments and will strive to further increase the level of adherence.

Updates to SSH Recommendations and Expectations

In December 2024, SSH adopted slightly revised and supplemented Recommendations and Expectations. In addition to minor editorial adjustments, the key updates include: (i) the lifting of the sponsorship ban for companies in which the Republic of Slovenia or SSH holds a majority shareholding or dominant influence and which are 100% financed from public funds (sponsorships are now permitted for this category of companies to a limited extent); (ii) amendments and additions to the section on sustainable business practices; and (iii) several changes regarding the formulation of remuneration policies for management and supervisory bodies. The Recommendations have also been supplemented with two annexes: a model remuneration policy for supervisory bodies and an example of a supervisory board resolution setting out the criteria for payment of the variable component of remuneration to the company's management or management board.

1.5 ANALYSIS OF SSH OPERATIONS AND LIQUIDITY

1.5.1 Cash Flows and Financial Debt

On the inflows side of cash flows, the most significant items comprise dividends received, the management fee for state-owned capital assets, and inflows from claims and the leasing of real estate. Major outflows include the payment of net profit to the state, compensation payments to denationalisation beneficiaries, settlement of operating expenses, corporate income tax prepayments, VAT and property tax liabilities. Significant outflows may also arise from payments made under three laws, on behalf of and for the account of the Republic of Slovenia (ZSPOZ, ZIOOZP and ZVVJTO), which, however, have no impact on the Company's financial position; SSH is only required to provide temporary funding until reimbursement is received from the Republic of Slovenia on the basis of an issued claim.

Sava Turizem has obtained long-term loans from commercial banks, with final maturity at the end of 2036. The Group settles these obligations in line with the agreed amortisation schedules. The value of the assets of the Sava Group pledged as collateral for financial liabilities significantly exceeds the amount of those financial liabilities.

in EUR '000

	SSH 2024	SSH 2023	SSH Group 2024	SSH Group 2023
Cash flows from operating activities				
<i>Cash receipts from operating activities</i>	59,832	125,140	206,896	261,551
<i>Cash payments relating to operating activities</i>	-20,920	-64,820	-142,074	-181,848
Net cash flow from operating activities	38,912	60,320	64,822	79,703
Cash flow from investing activities				
<i>Cash receipts from investing activities</i>	165,064	68,524	272,629	125,063
<i>Cash payments relating to investing activities</i>	-21,655	-76,635	-105,683	-145,935
Net cash flow from investing activities	143,409	-8,111	166,946	-20,872
Cash flows from financing activities				
<i>Cash receipts from investing activities</i>	0	0	69,613	0
<i>Cash payments from investing activities</i>	-95,406	-33,960	-209,595	-42,713
Net cash flows from financing activities	-95,406	-33,960	-139,982	-42,713
Cash at end of period	134,821	47,906	158,858	67,072
<i>Net cash inflow/(outflow) during the period</i>	86,915	18,249	91,786	16,118
<i>Cash at beginning of period</i>	47,906	29,657	67,072	50,954

1.5.2 Statement of Financial Position

The Company presents all investments in shares and equity interests under non-current assets in the Statement of Financial Position. Due to positive trends in the capital markets, the value of financial investments increased by EUR 231.2 million compared to 31 December 2023. Subsidiaries are measured at cost, while all other equity investments are measured at fair value through other comprehensive income (FVTOCI); the related tax liability will arise on the date of disposal/sale of each investment.

Among non-current provisions, SSH recognises liabilities to denationalisation beneficiaries, liabilities arising from unresolved legal disputes, and issued guarantees. The portion of liabilities to denationalisation beneficiaries expected to be settled in 2025 is recognised under current liabilities.

In 2024, the merger of subsidiary Istrabenz and the spin-off of part of the real estate operations to D.S.U. took place, as detailed in Section 2.6.

In the SSH Group, associates and jointly controlled entities are accounted for using the equity method, while the Sava Group is consolidated in full. Material differences in the Statement of Financial Position between the Company and the Group relate to items of property, plant and equipment from the tourism business and, on the liabilities side, to items of financial liabilities and non-current provisions.

in EUR '000

	SSH 31 December 2024	SSH 31 December 2023	SSH Group 31 December 2024	SSH Group 31 December 2023
ASSETS	1,733,750	1,508,614	1,942,316	1,747,039
Non-current assets	1,416,284	1,050,402	1,590,314	1,260,272
Property, plant and equipment	2,695	3,113	252,783	255,603
Financial investments	1,412,287	1,047,289	1,333,126	1,000,479
Investment property	1,302	0	4,379	4,164
Trade receivables	0	0	26	26
Current assets	317,466	458,212	352,002	486,767
Inventories of real estate and equipment	3,446	94,276	4,898	95,445
Financial investments	176,435	300,896	157,437	203,468
Cash and cash equivalents	134,821	47,905	158,858	67,072
Trade and other payables	2,764	15,135	30,809	120,782
EQUITY AND LIABILITIES	1,733,750	1,508,614	1,942,316	1,747,039
Equity	1,579,366	1,359,616	1,683,767	1,461,854
Equity attributable to the owners of the controlling company	1,579,366	1,359,616	1,607,829	1,394,115
Called-up equity	301,766	301,766	301,766	301,766
Capital reserve	112,287	112,287	112,287	112,287
Other revenue reserves	250,601	250,601	313,510	313,510
Fair value reserve	830,014	616,057	461,064	303,840
Retained net profit or loss	1,083	0	295,003	319,520
Net loss for the period	83,615	78,905	122,670	43,192
Minority interest	0	0	75,938	67,739
Non-current liabilities	117,998	111,429	188,434	174,384
Provisions	27,412	44,766	40,449	58,228
Financial liabilities	39	41	50,813	42,889
Deferred tax liabilities	90,547	66,622	97,172	73,267
Current liabilities	36,386	37,569	70,115	110,801
Financial liabilities	177	194	7,217	34,414
Trade and other liabilities	36,209	37,375	62,898	76,387

1.5.3 Income Statement and Statement of Other Comprehensive Income

In 2024, the Company's operating income was lower compared to 2023 due to the spin-off of the real estate business, as revenues from property sales were transferred to D.S.U. Finance income was higher year-on-year, primarily on account of increased dividend income.

The realised profit exceeded the planned profit slightly, mainly due to the revaluation of receivables. Realised finance costs were higher than planned, primarily due to write-offs of trade receivables, financial assets and the revaluation of receivables.

in EUR '000

	SSH Realised in 2024	SSH Realised in 2023	SSH Group Realised in 2024	SSH Group Realised in 2023
Operating income	7,478	35,664	144,617	163,658
Cost of goods sold	0	13,300	26,497	40,695
Operating expenses excluding denationalisation-related reserves	13,173	17,929	114,618	113,501
Expenses from non-current provisions for denationalisation	3,780	5,014	3,780	5,014
Operating profit/(loss)	-9,475	-579	-278	4,448
Financial income	112,565	99,455	92,025	81,636
Financial expenses	17,220	16,784	22,397	50,930
Share of profit/loss from investments measured at equity method		0	65,870	9,949
Profit or loss before taxes	85,870	82,092	135,220	45,103
Income tax	-2,574	-2,737	-3,773	-3,322
Deferred tax	319	-450	307	612
Net profit/(loss) for the period	83,615	78,905	131,755	42,393

Events after the reporting period are presented in sections 2.11 and 3.11 of the financial statements section of this Annual Report.

1.6 ORGANISATIONAL DEVELOPMENT OF SSH

1.6.1 Compliance and Corporate Integrity System

The Compliance and Integrity System (CIS) at SSH is established in accordance with Chapter 6 of the Slovenian Sovereign Holding Act (ZSDH-1) and further enhanced through rules and procedures set out in the Company's internal rules and regulations. The compliance and integrity system is an integral part of the comprehensive risk management system at SSH. The key instrument for identifying and managing risks of corruption, unlawful and unethical conduct is the Integrity Plan, which is regularly updated to reflect newly identified risks and measures. The currently valid version of the Integrity Plan is publicly available on SSH's website.

The Integrity Plan covers risks relating to influence and demands, conflicts of interest, abuse of office, recruitment processes, procurement of goods and services, the functioning of the Chief Compliance and Integrity Officer, contract conclusion, inefficient use of public funds, prevention of money laundering and terrorist financing, protection of data and inside information, compliance with applicable legislation and internal rules and regulations of the Company, and other unethical conduct risks.

Key activities of the Chief Compliance and Integrity Officer and the organisational unit responsible for CIS, carried out under the annual work plan in 2024, included:

- strengthening the advisory role of SSH's CIS service for companies with state capital assets, and for their CIS officers, in which SSH (in its role as asset manager) holds a majority stake or has a controlling influence, by supplementing the Corporate Governance Code for SOEs and SSH Recommendations and Expectations in the field of CIS, organising working meetings of CIS officers, and preparing opinions on current issues in individual companies;
- conducting internal training and events at SSH related to the CIS area;
- preparing opinions on all materials for the Management Board and Executive Committees prior to decision-making, reviewing all contracts with a value exceeding EUR 10,000, and issuing opinions on all amendments or supplements to internal rules and regulations;
- providing advisory support on CIS matters to all entities obliged under ZSDH-1;
- performing all tasks arising from Chapter 6 of ZSDH-1, SSH's internal acts, and the requirements of executive management;
- carrying out tasks in the areas of anti-money laundering, counter-terrorist financing, and personal data protection;
- acting as the body responsible for the external reporting of alleged irregularities.

Overview of Key Education and Training and Corporate Events in 2024

In 2024, two full-day meetings were organised for Compliance and Integrity System (CIS) officers from companies with state capital assets in which SSH holds a majority stake or exercises controlling influence.

The meetings addressed amendments to the Corporate Governance Code for SOEs and SSH Recommendations and Expectations in the field of CIS, current topics in the areas of lobbying, handling of reports of irregularities, implementation of SSH recommendations, recommended reporting content for management and supervisory bodies, and included a participant discussion on current issues, developments, challenges, and topics in the CIS area.

Handling Reports on Alleged Irregularities

Particular attention was devoted to the handling of reports of irregularities, where activities were primarily linked to the provisions of the Reporting Persons Protection Act (ZZPri). SSH also considers reports that do not meet the statutory conditions under ZZPri. Detailed procedures for handling reports of irregularities are published on the Company's website.

The Chief Compliance and Integrity Officer received a total of 60 reports under the system for handling reports of suspected irregularities.

In accordance with internal processes, reports were categorised into the following categories:

- alleged irregularities by employees, members of bodies and working bodies of SSH;
- alleged irregularities by companies with state capital assets;
- violations subject to oversight by other authorities or institutions: (referred for external handling);
- inappropriate conduct under Article 57 of ZSDH-1;
- expression of opinion by persons reporting non-ethical or illegal conduct;
- other issues not classified as reports.

Forty-eight reports concerned suspected irregularities in the operations of SOEs in the portfolio of assets under SSH’s management (external reports). Ten reports reflected the opinions of the whistleblowers or related to other matters in which no elements of suspected irregularities were identified. Two reports referred to alleged irregularities within SSH and were handled in accordance with internal procedures. External reports were addressed by SSH within the scope of its competences, and in individual cases appropriate measures were taken or recommendations were issued to the companies concerned.

Personal Data Protection

In the area of personal data protection, the Company included in its register of filing systems new sets of personal data that began to be processed in 2024. Following the spin-off of the real estate activity, SSH appropriately amended the relevant internal act and aligned activities with its new organisational structure.

All personal data protection activities were carried out smoothly and on a continuous basis. The Company received one request from an individual for

access to personal data processed by SSH and provided the corresponding disclosures. Based on a decision by the Information Commissioner, additional documentation was sent to the individual concerned.

Money Laundering

Activities in the field of anti-money laundering and counter-terrorist financing (AML/CTF) were carried out smoothly and on a continuous basis. The Company conducted 129 customer due diligence checks in accordance with applicable legislation and the provisions of SSH’s internal rules and regulations.

The AML/CTF Officer provided ongoing advisory support and organised internal training for all employees whose work involves AML/CTF matters.

1.6.2 Internal Audit

SSH’s Internal Audit is an organisationally independent function responsible for internal auditing. Its operations are governed by the Internal Audit Charter. The scope and scheduling of Internal Audit work are defined in the annual work plan, adopted by the Management Board with the approval of SSH’s Supervisory Board.

In 2024, Internal Audit within SSH conducted four regular audits and one extraordinary audit. The most significant audits concerned reviews of individual applications newly introduced in the management of claims and accounting processes, as well as the effectiveness and efficiency of processes for the settlement of statutory obligations and the controlling function. The audits covered both compliance and operational efficiency and were conducted in accordance with the Internal Auditing Standards Hierarchy. The

professional competence of the internal auditors enabled the execution of all internal audit assignments.

To mitigate significant risks for SSH and/or the Republic of Slovenia that could affect their objectives relating to the ownership of individual companies with capital assets, annual reviews are also performed of the operations of companies under SSH’s management. In 2024, three such reviews were carried out, focusing on processes for real estate management, engagement of external consultants, and the management of investment projects.

In areas where deficiencies were identified, both SSH and the reviewed companies under its management were issued recommendations and proposals for establishing a more effective internal control system and appropriate risk management practices. SSH and the reviewed companies have actively commenced implementing corrective measures.

REVIEW OF RECOMMENDATIONS AND PROPOSALS ISSUED AND IMPLEMENTED BY INTERNAL AUDIT IN 2024

Internal Audit’s Recommendations/Proposals	Recommendations and Proposals for SSH	Recommendations and Proposals for Portfolio Companies
Open as at 1 January 2024	58	4
Newly issued in 2024	54	27*
Implemented in 2024	87	23
Discontinued/implemented in another manner	9*	0
Still open as at 31 December 2024	16	8

* In connection with the transfer of the real estate activity from SSH to D.S.U., eight outstanding recommendations were also transferred to that company.

For the areas reviewed, Internal Audit assessed that:

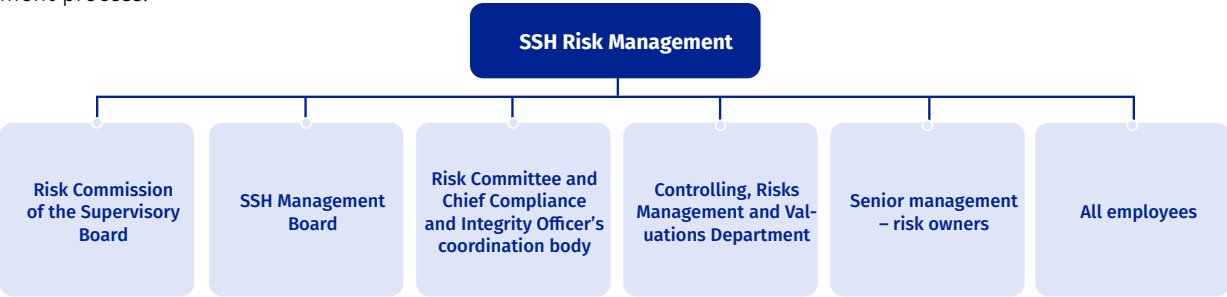
- significant risks were identified and evaluated, and appropriate risk responses were selected, an internal control system for the prevention of fraud has been established,
- in the reviewed areas, the Company operates in compliance with internal and external regulations, ensuring the reliability and integrity of business information, and
- in the field of organisational management, the Company adheres to the adopted guidelines and business objectives.

1.6.3 Risk Management

In 2024, activities in the field of risk management at SSH were focused on ensuring the effective flow of information between individual operational areas and on cooperation among professional units within SSH, strengthening the culture of risk management awareness and the integration of risk-based thinking into employees’ day-to-day work processes.

Activities were carried out through joint meetings of the Risk Committee (hereinafter referred to as: the “Committee”) and the Chief Compliance and Integrity Officer’s coordination body, meetings with risk owners, and regular joint meetings of the Three Lines of Defence Working Group, whose members include representatives from the CIS Office, Internal Audit, Controlling and Valuation, and Risk Management.

The Management Board of SSH is responsible for risk management and is required to establish a system and environment for effective risk management. The following bodies and functions participate in the overall risk management process:



Each **employee** is responsible, within the scope of their duties, for identifying risks, proposing measures, and alerting risk owners in the event of a potential occurrence of material risks. **Risk owners** are employees holding senior or managerial positions within the Company and are responsible for managing existing risks and identifying new ones. The **Controlling, Risk and Valuation Department** coordinates the risk management process.

The Committee generally meets at least four times a year, with its meetings held jointly with the Chief Compliance and Integrity Officer’s coordination body. The Committee is chaired by the President of **the SSH Management Board** and, in addition to the Management Board, its members include the Director of the Compliance and Integrity Department, the Director of Internal Audit, the Corporate Security Officer, the Executive Director for Claims and Real Estate Management Departments, a representative of the Capital Assets Management Department, a representative of Corporate Affairs, and a Senior Risk Adviser from the Controlling, Risk and Valuation Sector. The Committee regularly monitors medium- and high-rated risks (above EUR 1 million), considers newly identified risks, reviews the adequacy and effectiveness of the measures taken and their implementation, and ensures that risk assessments are appropriate and updated. It also continuously monitors identified risks and the implementation of measures under the Integrity Plan. All risks listed in the risk registers are reviewed and updated by the Committee twice a year (30 June and 31 December of the current year). The Committee also discusses loss events at its meetings.

The Risk Commission, an advisory body to the Supervisory Board of SSH, is also involved in the risk management process. Its role is to provide expert opinions on the established risk management system within SSH and propose improvements by making recommendations at its meetings. The risks to which SSH is exposed in its operations are systematically recorded in the SSH Master Risk Register:



The **Basic Risk Register** contains all risks to which SSH is exposed in its operations. The risk model groups these risks into three categories: I. Corporate-level risks, II. Operational risks, and III. External business environment risks. The **Security Risk Register** lists all security risks, while the **Integrity Plan** lists corruption risks, conflicts of interest, and misuse of inside information in the management of state assets, as well as unlawful and unethical conduct.

Except for risks listed in the Integrity Plan (addressed in the [Compliance and Integrity](#) section), SSH assesses its exposure to risks using a five-level matrix based on uniform risk assessment criteria, considering both the potential impact on SSH's operations and the probability of occurrence.

Key risks are defined as those related to the achievement of the business results of companies under SSH's management that deviate negatively from expectations and objectives set out in the company's business and financial plan or in the Annual Asset Management Plan, as well as risks arising from adverse business conditions (recession, deteriorated economic conditions, state price regulation). Such risks affect the value of SSH's assets and the payment of planned dividends, and in some cases may even threaten the continued operations of companies. SSH monitors the operations of these companies intensively (through regular meetings with company representatives, the adoption of appropriate measures in case of deviations, minimising impacts, preparing internal and sensitivity analyses, cooperation with external experts, and, in exceptional circumstances, deciding on the implementation of business and financial restructuring measures under ZFPPIPP, among other activities).

Cyber risks are also considered material by SSH. A broad set of measures has been adopted to manage these risks, and their implementation is regularly and carefully monitored. SSH also continuously monitors risks in the external business environment – such as geopolitical and country risks, the long-term adverse impact of extraordinary events on the Slovenian econo-

my, the risk of economic downturn, and risks related to the functioning of critical infrastructure – and considers them highly significant.

SSH does not directly lead the SSH Group of companies as a joint concern and therefore does not intervene directly in their processes, internal control systems, or risk management systems.

1.6.4 Corporate Security

In 2024, the function of Corporate Security Officer was assigned responsibility for the corporate security activities of SSH. The key tasks of the Corporate Security Officer during the year included:

- managing the Security Risk Register with the aim of mitigating security risks and ensuring the safety of people and property;
- providing quarterly reports to the Risk Committee and to the Chief Compliance and Integrity Officer;
- reviewing the Company's cybersecurity arrangements; and
- upgrading the fire safety and fire alarm systems for SSH's office premises on Mali ulica in Ljubljana.

In addition, the Corporate Security Officer was responsible for:

- monitoring the adequacy of internal regulations and advising in cases of identified non-compliance in the area of corporate security;
- implementing information and security measures in cooperation with the IT Department;
- analysing corporate security events and incidents;
- raising employee awareness on appropriate and responsible conduct in the field of corporate security;
- preparing and enforcing site access rules for secured areas;

- advanced management of credentials and monitoring access to them; and
- harmonising the physical and technical security controls of the Company.

No new corporate security risks were identified at SSH in 2024.

1.6.5 Access to Information of Public Nature

SSH is subject to the Public Information Access Act (ZDIJZ). In 2024, it received seven requests under this Act, relating to various areas of its operations.

The structure of applicants was as follows: natural persons (2), legal entities (1), municipality (1), journalists (3).

The decisions on the requests received were as follows:

- refusals: 5;
- granted: 1;
- proceedings terminated due to withdrawal of request:

2 FINANCIAL STATEMENTS OF SSH

2

2.1 STATEMENT OF MANAGEMENT RESPONSIBILITY

The Management Board is responsible for the preparation of the Accounting Report so that it provides a true and accurate account of the financial position of SSH as at 31 December 2024 as well as of the SSH's financial performance and cash flows for 2024, in accordance with the provisions of ZSDH-1 and ZGD-1.

The Management Board confirms that appropriate accounting policies and prudent accounting estimates have been consistently applied in the preparation of the separate financial statements of SSH (hereinafter also referred to as: the "Company"). The Management Board further confirms that the financial statements and interpretations have been prepared under an assumption of the going concern and are compliant with applicable legislation and take into account the International Financial Reporting Standards as adopted by the EU (hereinafter referred to as: the "IFRS"), with the exception of the inclusion of subsidiaries in the consolidated financial statements. Article 36(a) of ZSDH-1 namely stipulates that subsidiaries, in which the position of the controlling company has been obtained through the transfer of assets, rights, and obligations from BAMC to SSH in accordance with the act regulating such measures, are not to be included in the consolidated annual report.

The Management Board is responsible for adequate and orderly accounting and the adoption of appropriate measures for safeguarding property and other assets as well as for the prevention and detection of fraud as well as other irregularities and illegalities.

At any time, tax authorities may review the operations of SSH within five years from the tax calculation date which may consequently result in additional tax liabilities, interest and penalties being imposed pursuant to the Corporate Income Tax Act or arising from any other taxes and levies. The Management is not aware of any circumstances that may give rise to any potential material liability arising thereunder.

The President and the Member of the Management Board of Slovenian Sovereign Holding hereby declare that we are familiar with the content of all integral parts of the Accounting Report and we confirm it hereby with our signatures.

Ljubljana, 30 May 2025



Janez Tomšič,
Member of SSH Management Board



Žiga Debeljak, MSc
President of SSH Management Board

2.2 INDEPENDENT AUDITOR'S REPORT



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SI-1000 Ljubljana
Slovenija

INDEPENDENT AUDITOR'S REPORT
To the shareholder of SSH
(Translation from the original in Slovene language)

REPORT ON THE AUDIT OF THE SEPARATE FINANCIAL STATEMENTS

Opinion
We have audited the separate financial statements of the company SSH (hereinafter -the Company-) which comprise the separate statement of financial position as at 31 December 2024, the separate income statement, the separate statement of other comprehensive income, the separate statement of changes in equity and the separate statement of cash flows for the year then ended and notes to the separate financial statements, comprising material accounting policy information and other explanatory information.

In our opinion the accompanying separate financial statements have been prepared, in all material respects, in accordance with the accounting requirements of the Slovenian Sovereign Holding Act (ZSDH-1).

Basis for Opinion
We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those rules are further described in the *Auditor's Responsibilities for the Audit of the Separate Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board of Accountants' Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the separate financial statements in Slovenia, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

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

Emphasis of Matter - Basis of Accounting
We draw attention to note 2.4.2 *Basis for preparation of separate financial statements*, which describes the basis of accounting. The Act Amending the Slovenian Sovereign Holding Act (ZSDH-1A, Official Journal of the Republic of Slovenia No. 140/22 of 4 November 2022) exempts the Company from consolidating entities over which it has control and that were acquired in terms of the assets and liabilities transfer from BAMC to SSH in accordance with the Act Regulating Measures of the Republic of Slovenia to Strengthen the Stability of Banks. The ZSDH -1A requires the Company to comply with International Financial Reporting Standards (IFRS) and non-inclusion of all subsidiaries in the consolidated financial statements constitutes a departure from IFRS. Our opinion is not modified in respect of this matter.

Other Information
Management is responsible for the other information. Other information comprises the information included in the Annual Report other than the separate financial statements and the auditor's report thereon. Other information was obtained before the date of the auditor's report, with the exception of the Supervisory Board report, which will be available later.

Our opinion on the separate financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the separate financial statements, our responsibility is to read other information and, in doing so, assess whether the other information is materially inconsistent with the separate financial statements, legal requirements or our knowledge obtained in the audit, other than those relating to the Sustainability Report, on which a separate limited assurance report was issued, or otherwise appears to be materially misstated. If, on the basis of the work done, we conclude that there is a material misstatement of other information, we must report such circumstances. Based on the procedures performed, we report that:

- the other information is in all material respect consistent with audited financial statements;
- the other information, except the Sustainability Report, to which we issued a separate limited assurance report dated 30. May 2025, is prepared in compliance with applicable law or regulation;
- based on the knowledge and understanding of the Company obtained in the audit, we have not identified any material misstatement of other information.

BDO Revizija d.o.o., slovenska družba z omejeno odgovornostjo, je članica BDO International Limited, britanske družbe "limited by guarantee" in je del mednarodne BDO mreže med seboj neodvisnih družb članic.
Okrajšano sodišče v Ljubljani, v.l.št. 1/26892/00, osnovni kapital: 9.736,66 EUR, matična št.: 5913691, ID št. za DDV: SI94637920.



Responsibilities of the Management and the Supervisory Board for the Separate Financial Statements

Management is responsible for the preparation and fair presentation of the separate financial statements in accordance with ZSDH-1, and for such internal control as management determines is necessary to enable the preparation of separate financial statements that are free from material misstatement, whether due to fraud or error.

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

The Supervisory Board is 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 ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the 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 internal controls of the Company.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the separate and 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, among other matters, the planned scope and timing of the audit and significant findings from the audit, including significant deficiencies in internal control we have identified during our audit.

Ljubljana, 30 May 2025
BDO Revizija d.o.o.
Cesta v Mestni log 1, Ljubljana
(Signature on the original Independent Auditor's Report in Slovene language)

Mateja Vrankar, certified auditor, Managing partner

2.3 SEPARATE FINANCIAL STATEMENTS OF SSH

2.3.1 Separate Statement of Financial Position of SSH

in EUR '000

	Note	31 Dec 2024	31 Dec 2023
ASSETS			
NON-CURRENT ASSETS		1,416,284	1,050,402
Intangible assets		448	652
Investment property	2.7.5	1,302	0
Property, plant and equipment	2.7.1	2,246	2,446
The right to use leased assets		1	15
Investments in subsidiaries	2.7.2.1	147,363	124,980
Investments in associates and jointly controlled entities	2.7.2.2	458,766	300,683
Financial assets measured at fair value through other comprehensive income (FVTOCI)	2.7.2.3	806,158	621,626
CURRENT ASSETS		317,446	458,212
Inventories of real estate and equipment	2.7.5	3,446	94,276
Financial assets measured at fair value through profit or loss (FVTPL)	2.7.2.5	156,435	225,896
Financial assets measured at amortised cost	2.7.2.7	20,000	75,000
Trade receivables	2.7.3	2,224	14,959
Income tax receivables		330	0
Other current assets		210	176
Cash and cash equivalents	2.7.4	134,821	47,905
TOTAL ASSETS		1,733,750	1,508,614

EQUITY AND LIABILITIES

EQUITY	2.7.6	1,579,366	1,359,616
Equity attributable to the owners of the controlling company		1,579,366	1,359,616
Called-up equity		301,766	301,766
Capital reserve		112,287	112,287
Other revenue reserves		250,601	250,601
Fair value reserve		830,014	616,057
Retained net profit or loss		1,083	0
Net profit for the period		83,615	78,905
NON-CURRENT LIABILITIES		117,998	111,429
Provisions and non-current deferred revenues	2.7.7	27,412	44,766
Financial liabilities	2.7.8	39	39
Finance lease payables		0	2
Deferred tax liabilities	2.7.17	90,547	66,622
CURRENT LIABILITIES		36,386	37,569
Financial liabilities	2.7.8	177	177
Finance lease payables		0	17
Liabilities from contracts with customers		161	507
Operating liabilities	2.7.9	19,293	20,150
Income Tax Liabilities		0	1,593
Other liabilities	2.7.10	16,755	15,125
LIABILITIES		154,384	148,998
LIABILITIES AND EQUITY - TOTAL		1,733,750	1,508,614

* Notes to the financial statements form an integral part of financial statements and should be read in conjunction with them.

2.3.2 Separate Income Statement of SSH

in EUR '000

	Note	2024	2023
Income from contracts with customers	2.711	4,872	25,185
Other operating income	2.711	2,606	10,479
Operating income		7,478	35,664
Cost of goods sold	2.712	0	13,300
Costs of materials and services	2.712	4,182	6,276
Labour costs	2.713	7,128	9,285
Depreciation and amortisation	2.714	484	463
Non-current provisions	2.77	3,780	5,014
Write-offs and impairments	2.715	338	1,719
Other operating expenses		1,041	186
Operating profit/(loss)		-9,475	-579
Financial income	2.716	112,565	99,455
Finance expense	2.716	17,220	16,784
Profit or loss before taxes		85,870	82,092
Income tax	2.717	-2,574	-2,737
Deferred taxes	2.717	319	-450
Net profit/(loss) for the period		83,615	78,905

* Notes to the financial statements form an integral part of financial statements and should be read in conjunction with them.

2.3.3 Separate Statement of Other Comprehensive Income of SSH

in EUR '000

	2024	2023
Net profit/(loss) for the period	83,615	78,905
Change in fair value reserve (financial investments)	215,345	94,682
Recalculation of post-employment benefits	-43	23
Deferred tax effect	-24,213	-11,007
Total other comprehensive income not to be recognized in Income Statement in the future	239,515	105,712
Other comprehensive income after tax - total	215,302	94,705
Total comprehensive income after tax	298,917	173,610

* Notes to the financial statements form an integral part of financial statements and should be read in conjunction with them.

2.3.4 Separate Statement of Cash Flows of SSH

in EUR '000

	2024	2023
Cash flows from operating activities		
<i>Cash receipts from operating activities</i>	59,832	125,140
Receipts from operating activities	59,687	122,531
Receipts from Republic of Slovenia (sales on consignment)	145	2,609
<i>Cash payments relating to operating activities</i>	-20,920	-64,820
Payments to suppliers for goods and services	-4,182	-42,468
Payments to and on behalf of employees	-7,135	-9,395
Payments of taxes and duties of all kinds	-5,723	-5,913

in EUR '000

	2024	2023
Payments mandated by law	-2,887	-3,944
Payments on behalf the Republic of Slovenia (sales on consignment)	-529	-2,375
Other cash payments relating to operating activities	-464	-725
Net cash flow from operating activities	38,912	60,320
Cash flow from investing activities		
Cash receipts from investing activities	165,064	68,524
Interest received - deposits	3,956	830
Dividends received	66,345	53,282
Proceeds from the sale of non-current financial investments	10,600	38
Proceeds from the sale of current financial investments	84,163	14,374
Cash payments relating to investing activities	-21,655	-76,635
Payments to acquire property, plant and equipment	-654	-1,587
Payments to acquire non-current financial investments	-1,001	-48
Payments to acquire current financial investments	-20,000	-75,000
Net cash flow from investing activities	143,409	-8,111
Cash flows from financing activities		
Cash receipts from investing activities	0	0
Cash payments from investing activities	-95,406	-33,961
Repayment of non-current financial liabilities	0	-30,016
Dividends paid	-78,906	0
Repayment of current financial liabilities	-16,500	-3,945
Net cash flows from financing activities	-95,406	-33,961
Cash at end of period	134,821	47,905
Net cash inflow/(outflow) during the period	86,915	18,248
Cash at beginning of period	47,905	29,657

* Notes to the financial statements form an integral part of financial statements and should be read in conjunction with them.

2.3.5 Separate Statement of Changes in Equity of SSH

in EUR '000

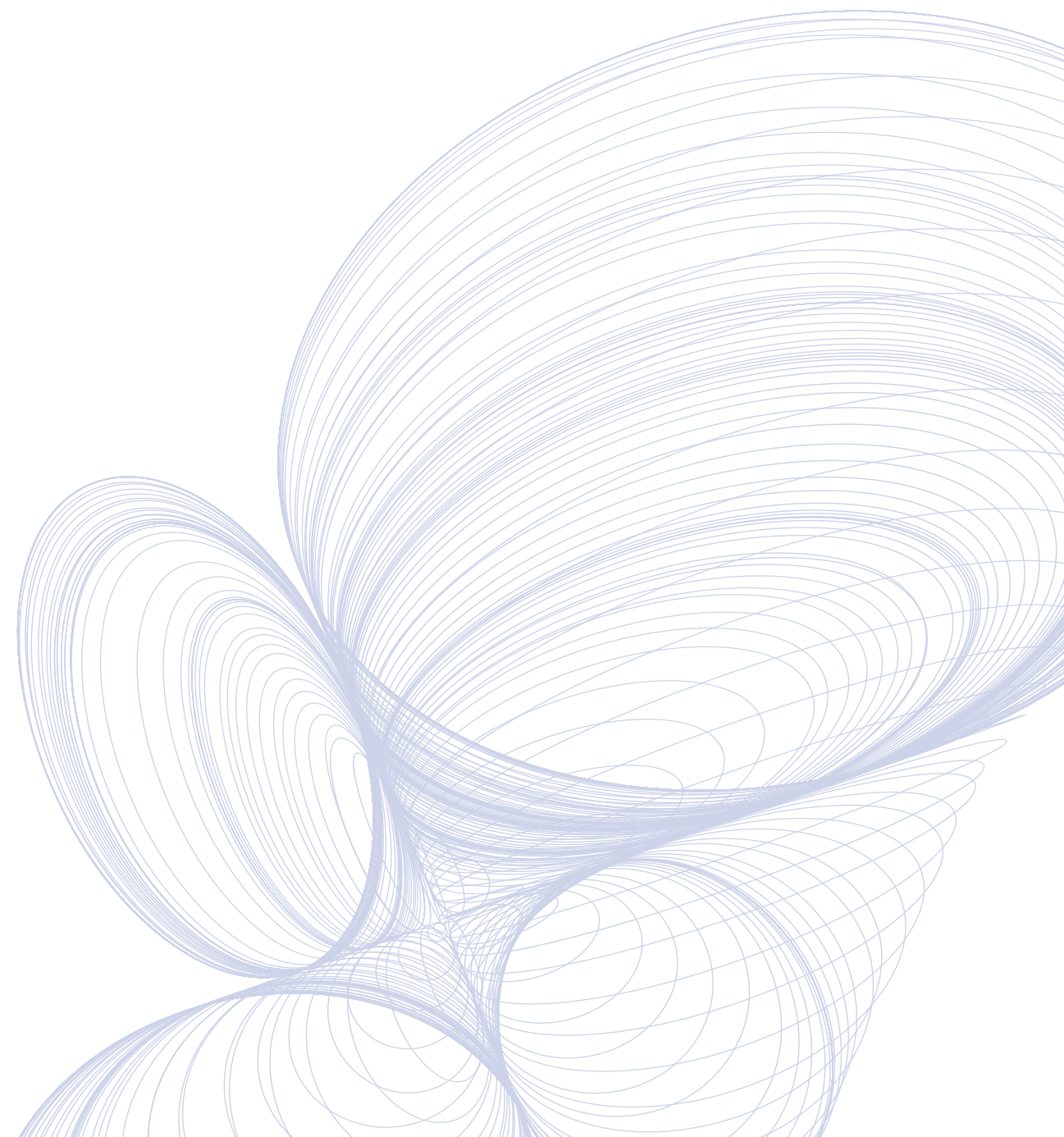
	Called-up equity	Capital reserve	Other revenue reserves	Fair value reserve	Retained profit/loss	Net profit/loss	Total
Balance as at 31 Dec 2023	301,766	112,287	250,601	616,057	0	78,905	1,359,616
Merger with Istrabenz	0	0	0	-1,274	1,013	0	-261
Carve-out to D. S. U.	0	0	0	-2	0	0	-2
Balance as at 1 1 2024	301,766	112,287	250,601	614,781	1,013	78,905	1,359,353
Total comprehensive income for the period	0	0	0	215,302	0	83,615	298,917
Net profit for the period	0	0	0	0	0	83,615	83,615
Other comprehensive income	0	0	0	215,302	0	0	215,302
Transactions with owners	0	0	0	-72	70	-78,905	-78,907
Transfer to retained profit/loss	0	0	0	0	78,905	-78,905	0
Dividends paid	0	0	0	0	-78,905		-78,905
Transfer of actuarial losses to retained earnings	0	0		22	-22		0
Transfers due to sale of financial investments	0	0	0	-92	92	0	0
Closing balance as at 31 Dec 2024	301,766	112,287	250,601	830,014	1,083	83,615	1,579,366

in EUR '000

	Called-up equity	Capital reserve	Other revenue reserves	Fair value reserve	Retained profit/loss	Net profit/loss	Total
Opening balance as at 1 1 2023	301,766	112,287	66,003	521,324	189,877	0	1,191,257
Total comprehensive income for the period	0	0	0	94,705	0	78,905	173,610
Net profit for the period	0	0	0	0	0	78,905	78,905
Other comprehensive income	0	0	0	94,705	0	0	94,705
Transactions with owners	0	0	184,598	28	-189,877	0	-5,251
Transfer to retained profit/loss	0	0	189,877	0	-189,877	0	0
Transfer of assets as a return of capital (2.7.2.4)	0	0	-5,251	0	0	0	-5,251
Transfer of actuarial losses to retained earnings	0	0	-5	5	0	0	0
Transfers due to sale of financial investments	0	0	-23	23	0	0	0
Closing balance as at 31 Dec 2023	301,766	112,287	250,601	616,057	0	78,905	1,359,616

* Notes to the financial statements form an integral part of financial statements and should be read in conjunction with them.

The Financial Statements for the financial year of 2024 were approved for the publication by the SSH Management Board on 30 May 2025.



2.4 NOTES TO SEPARATE FINANCIAL STATEMENTS

2.4.1 Reporting Company

The reporting company, Slovenian Sovereign Holding (hereinafter also referred to as: the “Company”), is a joint-stock company registered with the Ljubljana District Court by Decision SRG. No. 199304616 dated 25 March 1993. It is entered in the Court Register under the Entry No. 1/21883/00, with Registration No. 5727847000 and Tax No. 46130373. In accordance with the provisions of Articles 55 and 56 of ZGD-1 (the Companies Act), the Company is classified as a medium-size company required to undergo a regular annual audit.

In line with the Standard Classification of Activities, SSH’s activity is categorised as: K 64.990 - *Other financial service activities, except insurance and pension funding*. The SSH’s activity is presented in detail in the Business Report, Chapter 1.5.

The Company’s share capital as at 31 December 2024 amounted to EUR 301,765,982.30. The Company’s share capital is divided into 180,788 non- par value shares not listed on the regulated stock exchange market. The sole shareholder of SSH is the Republic of Slovenia.

Slovenian Sovereign Holding is a controlling company of Slovenian Sovereign Holding Group, with its company office registered in the Republic of Slovenia, at the address: Mala ulica 5, Ljubljana. As explained in Note 2. 6. Business Combinations, in 2024, Istrabenz was merged into Slovenian Sovereign Holding with an effective date of 31 December 2023, and at the same time, the real estate business was carved out into and transferred to the company D. S. U.

LIST OF ASSOCIATED AND JOINT VENTURES OF SSH AS AT 31 DECEMBER 2024

Company	Registered office		Interests in %	Core business/notes
ADRIAFIN d. o. o.	Vojkovo nabrežje 38	6000 Koper	50	Business and other management consultancy activities
<i>Vinakoper, d. o. o.</i>			78.81*	
D.S.U., d. o. o.	Dunajska cesta 160	1000 Ljubljana, SLO	49.6	Holding company
Unior, d. d.	Šmarska cesta 10	3214 Zreče, SLO	39.43	Metal forging, pressing, stamping and rolling; powder metallurgy
Casino Bled, d. d.	Cesta svobode 15	4260 Bled, SLO	33.75	Casinos
Zavarovalnica Triglav, d. d.	Miklošičeva 19	1000 Ljubljana, SLO	28.09	Non-life insurance
Hit, d. d.	Delpinova 7A	5000 Nova Gorica, SLO	28.54	Casinos
Cinkarna Celje, d. d.	Kidričeva 26	3000 Celje, SLO	24.44	Manufacture of dyes and pigments

**Vinakoper*: 78.81% owned by *Adriaфин d. o. o.*

Adriaфин d. o. o. is classified as a joint venture.

LIST OF ASSOCIATED COMPANIES OF SSH AS AT 31 DECEMBER 2023

Company	Registered office		Interests in %	Core business/notes
Unior, d. d.	Kovaška cesta 10	3214 Zreče, SLO	39.43	Metal forging, pressing, stamping and rolling; powder metallurgy
Casino Bled, d. d.	Cesta svobode 15	4260 Bled, SLO	33.75	Casinos
Salomon, d. o. o.	Vevška cesta 52	1260 Ljubljana Polje, SLO	30.59	Temporary employment agency activities
Zavarovalnica Triglav, d. d.	Miklošičeva 19	1000 Ljubljana, SLO	28.09	Non-life insurance
Hit, d. d.	Delpinova 7A	5000 Nova Gorica, SLO	28.54	Casinos
Cinkarna Celje, d. d.	Kidričeva 26	3000 Celje, SLO	24.44	Manufacture of dyes and pigments

LIST OF DIRECT AND INDIRECT SUBSIDIARIES OF SSH AS AT 31 DECEMBER 2024

Company	Registered office		interests	Core business/notes
Subsidiaries			in %	
PS za avto, d. o. o.	Tržaška cesta 133	1000 Ljubljana, SLO	90	Business administration
Elektrooptika, d. d.	Mala ulica 5	1000 Ljubljana, SLO	70.48	Business and other management consultancy activities
Avtotehna Zagreb, d. o. o.	Nova cesta 109	10000 Zagreb, CRO	100	Sale of motor vehicles
Farme Ihan - KPM, d. o. o.	Korenova cesta 9	1241 Kamnik, SLO	100	Pig farming
Go- KO, d. o. o.			100	
Farme Ihan - MPR, d. o. o.			100	
VOA, d. o. o.			100	
Meso Kamnik, d. d.			91.2	
Hyundai auto Beograd, d. o. o.	Bulevar Mihajla Pupina 10A/12	11070 Belgrade, SRB	100	Sale of motor vehicles
Istrabenz turizem, d. d.	Obala 33	6320 Portorož, SLO	100	Hotels and tourism
Sklad turističnih naložb, d. o. o.	Davčna ulica 1	1000 Ljubljana, SLO	100	Holding company (in real estate sector)
Thermana, d. d.	Zdraviliška cesta 6	3270 Laško, SLO	100	Hotels and tourism
MK Založba, d. d.	Slovenska cesta 29	1000 Ljubljana, SLO	83.47	Publishing
MK trgovina, d. o. o.			83.47*	
Grafika Soča, d. o. o.			83.47*	
CZ-Z, d. o. o.			83.47*	
Mozaik knjiga, d. o. o.			83.47*	
Mladinska knjiga društvo sa ograničenim odgovornošću za izdavačko delatnost i trgovinu Beograd	83.47*		83.47*	
DS Projekt, d. o. o.	Ulica bratov Rozmanov 1	1000 Ljubljana, SLO	74	Buying and selling of own real estate
Sava, d. d.	Dunajska cesta 152	1000 Ljubljana, SLO	64.13	Holding company (in real estate sector)
Sava Turizem, d. d.			95.5	

Sava Zdravstvo, d. o. o., Ljubljana (owned by Sava Turizem)		95.5*		Gojenje pečkataga in koščičastega sadja
Poslovni sistem Domina, d. o. o, Beograd	Bulevar Mihajla Pupina 10A/12	11070 Belgrade, SRB	55.52	Real estate
MEJA Šentjur, d. d.	Cesta Leona Dobrotinška 3	3230 Šentjur, SLO	100	Growing of pome fruits and stone fruits
Hmezad Hram, d. o. o.			100	

LIST OF DIRECT AND INDIRECT SUBSIDIARIES OF SSH AS AT 31 DECEMBER 2023

Company	Registered office		interests	Core business/notes
Subsidiaries			in %	
PS za avto, d. o. o.	Tržaška cesta 133	1000 Ljubljana, SLO	90.00	Business administration
Elektrooptika, d. d.	Mala ulica 5	1000 Ljubljana, SLO	70.48	Business and other management consultancy activities
Argolina, d. o. o.	Davčna ulica 1	1000 Ljubljana, SLO	100.00	Management of construction projects
Avtotehna Zagreb , d. o. o.	Nova cesta 109	10000 Zagreb, CRO	100.00	Sale of motor vehicles
BR89, d. o. o.	Breznikova cesta 89	1230 Domžale, SLO	100.00	Pig farming
han, d. o. o. Beograd			100.00	
DUP, d. o. o., Sarajevo	Ul.Vrazova broj 3	71000 Sarajevo, BiH	100.00	Real estate
DUTB Crna Gora, d. o. o.	Ul.Svobode 74/II	81000 Podgorica, MNE	100.00	Real estate
Factor projekt, d. o. o. Croatia	Šetalište Svetog Bernardina bb Krk	51500 Krk, CRO	100.00	Real estate
Farme Ihan– KPM, , d. o. o.	Korenova cesta 9	1241 Kamnik, SLO	100.00	Pig farming
Go- KO, d. o. o.			100.00	
Farme Ihan - MPR, d. o. o.			100.00	
VOA, d. o. o.			100.00	
Meso Kamnik, d. d.			91.08	
Fundus, d. o. o. Beograd	Bulevar Mihajla Pupina 10A/12	11070 Belgrade, SRB	100.00	Real estate
Hyundail auto Beograd, d. o. o.	Bulevar Mihajla Pupina 10A/12	11070 Belgrade, SRB	100.00	Sale of motor vehicles

Company	Registered office		inter- ests in %	Core business/notes
Subsidiaries				
Illuria Holdings Limited	ARCH. MAKARIOU III, 195	3030 Cyprus	100.00	In liquidation
Istrabenz turizem, d. d.	Obala 33	6320 Portorož, SLO	100.00	Hotels and tourism
Istrabenz, d. o. o.	Obala 33	6320 Portorož, SLO	100.00	Business and other management consul- tancy activities
MLM, d. d.	Oreško nabrežje 9	2000 Maribor, SLO	100.00	Foundry, machine tools
MLM Alutec, d. o. o. Bugojno			99.97	
PROleasing Rijeka, d. o. o. - in liquidation	Prolaz Marije Krucifikse Kozulić 2	51000 Rijeka, CRO	100.00	Leasing
Sklad turističnih naložb, d. o. o.	Davčna ulica 1	1000 Ljubljana, SLO	100.00	Holding company (in real estate sector)
Thermana, d. d.	Zdraviliška cesta 6	3270 Laško, SLO	100.00	Hotels and tourism
MK Založba, d. d.	Slovenska cesta 29	1000 Ljubljana, SLO	83.47	Publishing
MK trgovina, d. o. o.			83.47*	
Grafika Soča, d. o. o.			83.47*	
CZ-Z, d. o. o.			83.47*	
Mozaik knjiga, d. o. o.			83.47*	
Mladinska knjiga društvo sa ograničenim odgovornošću za iz- davačko delatnost i trgovinu Beograd			83.47*	
DS Projekt, d. o. o.	Ulica bratov Rozmanov 1	1000 Ljubljana, SLO	74.00	Buying and selling of own real estate
Sava, d. d.	Dunajska cesta 152	1000 Ljubljana, SLO	61.91	Holding company (in real estate sector)
Sava Turizem, d. d.			59.11	
Sava Zdravstvo, d. o. o., Ljubljana (owned by Sava Turizem)			59.11*	
BLS SINERGIJE, d. o. o., Portorož			35.00**	
Poslovni sistem Domina, d. o. o., Beograd	Bulevar Mihajla Pupina 10A/12	11070 Belgrade, SRB	55.52	Real estate

*Share calculated to indirect ownership of SSH in a company that is a subsidiary of an SSH subsidiary.
** BLS SINERGIJE, d. o. o. : 10% owned by Sava, d. d., 60% owned by Sava Turizem, d. d.

2.4.2 Basis for preparation of separate financial statements

2.4.2.1 Statement of Compliance

The separate financial statements of the controlling company were prepared in accordance with the requirements of ZSDH-1. The Company follows the International Financial Reporting Standards (IFRS) and Interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) and adopted by the EU with the exception of the inclusion of subsidiaries in the consolidated financial statements. Article 36(a) of the ZSDH-1 namely stipulates that subsidiaries in which the position of the controlling company was acquired through the transfer of shares or equity interests resulting from the transfer of assets, rights, and obligations from BAMC to SSH — pursuant to the act regulating measures to strengthen the stability of banks — are not to be included in the consolidated annual report. The financial statements have also been prepared in accordance with Slovenian legislation (ZGD-1 and ZGD-1) and the SSH’s internal policies and regulations.

For the year ending on 31 December 2024, in addition to separate financial statements, the consolidated financial statements were also prepared. They are presented in Chapter 3 of the Annual Report.

2.4.2.2 Basis of measurement

These Financial Statements were prepared under the going concern assumption.

The historical cost basis was used as the basis for measurement in these financial statements, except for the follow-
ing items the measurement of which is presented in detail in the remainder of the notes.

- investments in subsidiaries - acquisition cost or lower recoverable value;
- investments in associates and join ventures - at fair value through other comprehensive income (FVTOCI);
- other financial investments - fair value through other comprehensive income;
- loans - fair value through profit or loss;
- inventory of property or property held for resale - the lower of cost or net realizable value;
- operating receivables and liabilities - at amortised cost;

- provisions for retirement benefits and jubilee premiums - at present value of assessed deferred payments on the basis of an actuarial calculation;
- other provisions - at present value of the assessed deferred payments;
- deferred tax assets and liabilities - non-discounted, measured using the applicable tax rate.

2.4.2.3 Use of estimates and judgements

The preparation of financial statements requires the management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts for assets, liabilities, income and expenses. The estimates and underlying assumptions are based on experience and other factors which are considered reasonable in the circumstances and are the basis for determining the carrying amount of assets and liabilities. Estimates and assumptions are reviewed on an on-going basis. Revisions to accounting estimates, judgements and assumptions are recognised in the period in which the estimates are revised and in any future periods affected.

Significant management judgements primarily relate to determining when the control of assets is transferred to the buyer in asset sales, resulting in the derecognition of those assets, as well as to the determination of categories for which fair value levels are disclosed separately.

Estimates and assumptions are involved in the following judgements:

- income from contracts with customers: the relationship of a principal or agent;
- adjustments to the value of receivables;
- estimates of the net realisable value of inventories (real estate and equipment);

- assessing the value of provisions and contingent liabilities, and the categorization of provisions as current or non-current;
- estimating the fair value of assets;
- assessing the likelihood of utilising deferred tax assets.

Estimates and related assumptions and uncertainties are disclosed in the notes to individual line items in financial statements.

Regardless of the fact that the management carefully examines all factors which might affect such assumptions and estimates, it is possible that the actual outcomes of business events may be different from the estimates. Estimates are subject to subjective judgement and a degree of uncertainty.

2.4.2.4 Application of new and revised IFRS Standards and IFRIC Interpretations

Standards and Interpretations Newly Applicable in the Year Ended 31 December 2024

The following new or amended standards became effective on 1 January 2024 but did not have a material impact on the Company.

- Amendments to IFRS 16 – Leases The amendments relate to sale and leaseback transactions that meet the requirements of IFRS 15 for recognition as a sale. The amendments require a seller-lessee to subsequently measure the liability arising from such a transaction in a way that does not recognise any gain or loss in respect of the retained right of use. This effectively defers recognition of such gain, even where there is a variable payment obligation not dependent on an index or rate.
- Amendments to IAS 1 – Presentation of Financial Statements: Classification of liabilities as current or non-current with financial covenants (effective date set by the IASB: 1 January 2024). The amendments clarify

how conditions that an entity must comply with within twelve months after the reporting period affect the classification of liabilities.

- Amendments to IAS 7 – Statement of Cash Flows and IFRS 7 – Financial Instruments: Supplier Finance Arrangements (issued by the IASB on 25 May 2023; effective date set by the IASB: 1 January 2024). The amendments introduce new disclosure requirements and guidance within the existing disclosure framework to provide both qualitative and quantitative information on supplier finance arrangements.

New Standards and Interpretations Adopted by the EU, Effective from 1 January 2025

Certain new accounting standards and interpretations have been issued that are mandatory for annual periods beginning on or after 1 January 2025 and have not been early adopted by the Company. Unless otherwise stated below, the relevant new standards and interpretations are not expected to have a significant impact on the separate financial statements.

- Amendments to IAS 21 – Lack of Exchangeability Issued by the IASB on 15 August 2023 (effective date as adopted by the EU: 1 January 2025). The amendments provide guidance on how to assess whether a currency is exchangeable and how to determine the exchange rate when it is not.

New Standards and Amendments to Existing Standards Issued by the IASB but Not Yet Adopted by the EU

- Classification and Measurement of Financial Instruments: On 30 May 2024, the IASB issued amendments to IFRS 9 and IFRS 7, effective for annual periods beginning on or after 1 January 2026. These amendments address the following:
 - a) clarification of the derecognition and recognition date for certain financial assets and liabilities, including a new exception for spe-

cific financial liabilities settled through electronic payment systems;

- b) clarification and further guidance on the assessment of whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;
 - c) introduction of new disclosure requirements for financial instruments with contractual terms that may alter cash flows, such as those linked to environmental, social and governance (ESG) targets; and
 - d) updates to disclosure requirements for equity instruments measured at fair value through other comprehensive income (FVOCI).
- Contracts for Electricity Linked to Nature-based Generation – Amendments to IFRS 9 and IFRS 7: Also effective from 1 January 2026, these amendments aim to improve corporate reporting on the financial effects of electricity contracts that depend on nature-based generation, which are often structured as power purchase agreements (PPAs).
 - New IFRS 18 – Presentation and Disclosure in Financial Statements (issued on 9 April 2024; effective for annual periods beginning on or after 1 January 2027): In April 2024, the IASB issued IFRS 18, a new standard on the presentation and disclosure of financial statements, with a particular focus on updates to the statement of profit or loss. Key new concepts introduced by IFRS 18 include:
 - a) a revised structure for the statement of profit or loss;
 - b) mandatory disclosures in the financial statements relating to certain performance measures reported outside the financial statements (i.e. management-defined performance measures); and

c) enhanced principles for aggregation and disaggregation, which apply both to the primary financial statements and to the notes in general.

- IFRS 18 will replace IAS 1; many of the existing principles in IAS 1 are retained with limited modifications. The standard does not affect the recognition or measurement of items in the financial statements, but it may change what the Group reports as its “operating profit”. IFRS 18 is applicable for annual reporting periods beginning on or after 1 January 2027 and will also apply to comparative information. The Company is currently assessing the impact of the new standard on its financial statements.
- IFRS 19 – Subsidiaries without Public Accountability: Disclosures (Issued on 9 May 2024; effective for annual periods beginning on or after 1 January 2027)–. IFRS 19 permits eligible subsidiaries to apply IFRS with reduced disclosure requirements. The use of IFRS 19 is expected to lower the cost of preparing financial statements for qualifying subsidiaries. The Company is currently assessing the impact of the new standard on its financial statements.

2.4.2.5 Amendments to accounting policies

There were no changes to accounting policies in 2024.

2.4.2.6 Currency reporting

a) Functional and presentation currency

All financial information in the financial statements of SSH is presented in Euros (EUR), which is the functional and presentation currency of SSH. All accounting information, with the exception of the earnings of the members of the Management Board, Supervisory Board and the Supervisory Board Committees, presented in the Euro, were rounded to the nearest thousand.

The rounding may result in some insignificant differences in totals and tables.

b) Transactions and balances

Transactions expressed in foreign currencies are converted into the Euro at the European Central Bank’s reference exchange rate at the transaction date. The gains or losses incurred in these transactions and in the reconversion of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income.

2.5 MATERIAL ACCOUNTING POLICY INFORMATION

Operating income

Income from contracts with customers relates to services rendered and goods sold. They are recognised when control over the product or service is transferred to a customer in the amount which reflects the consideration for which SSH expects to be entitled in exchange for transferring those goods or services. Income from contracts with customers is recognised at the fair value of the consideration received, reduced by any potential discount. Income is measured when the benefits of services rendered have been passed on to the customer. Income is recognised in the reporting period during which services are rendered.

Significant types of income are as follows:

- compensation for managing capital assets owned by the Republic of Slovenia;
- rental income from real estate;
- income from the sale of real estate inventory.

Other operating income mainly relates to income associated with denationalisation and is recognised when SSH is eligible to receive a fee.

Financial income and expense

Financial income relates to the following: income from a share in profits, interest income, income from the sale of debt financial instruments measured at fair value through other comprehensive income (FVTOCI) or through profit or loss (FVTPL) and to changes in fair value of financial assets through

profit and loss (FVTPL). Income from shares in profits is recognised as income from financing activities when AGMs of these companies pass a resolution on the profit distribution and its pay-out. Interest income is recognised as it accrues unless there is a doubt about its collection.

Any potential profits or losses upon the disposal of subsidiaries are recognized as financial income or expenses.

Financial expenses comprise borrowing costs, changes in the fair value of financial assets at fair value through profit or loss (FVTPL), and losses arising on the impairment of financial assets. Borrowing costs are recognised using the effective interest rate method.

Investments in subsidiaries

A subsidiary is a company in which the controlling company has a controlling interest or exercises a controlling influence by other means, effectively controlling the company.

Investments in subsidiaries are measured at their original cost, reduced by any potential impairments.

Investments in associates and joint ventures

Associates are companies in which SSH holds from 20% to 50% of voting rights, or companies it has a significant influence over but which it does not control. Joint ventures are entities in which SSH holds 50% of the voting rights. Joint control is the contractually agreed sharing of control, which

exists only when decisions about the relevant activities — those that significantly affect the returns of the investee — require a consent of the parties sharing control. The parties to a joint venture have rights to the net assets of the entity.

Investments in associates and joint ventures are disclosed in the separate financial statements at fair value through other comprehensive income (FVOCI). The quoted market price at the date of the Statement of Financial Position is used, while the remaining investments are valued using an appropriate valuation model. SSH regularly monitors business results and major events and measures fair value at an annual basis. All changes in fair value are recognised in Other Comprehensive Income Statement.

Tangible fixed assets

Tangible fixed assets include property, plant and small tools. Tangible fixed assets are recognised at cost less depreciation and accumulated impairment losses.

The depreciation of tangible fixed assets is calculated at the straight-line method taking into account the useful life of the assets. The estimated useful life is as follows:

- buildings and parts of buildings: from 10 to 33 years;
- computer equipment : from 2 to 5 years;
- motor vehicles: 8 years;
- other equipment : from 3 to 5 years.

Property, plant and equipment with a useful economic life exceeding one year and with individual acquisition cost of less than EUR 500 are expensed, except for printers, smart phones, desktop computers, and similar equipment.

Investment property

Investment property is stated using at cost model.

In cases where it is necessary to determine whether an asset is an investment property or property, the asset is classified as an investment property if more than 20 percent of its total value is used for rental purposes.

Depreciation is calculated using the straight-line method for the useful life of each investment property. Land is not depreciated.

The useful lives of investment property are the same as those for similar property, plant, and equipment.

Financial assets

Financial assets include cash and cash equivalents, deposits, receivables, loans and financial investments (excluding investments in subsidiaries, associates and joint ventures).

When a financial asset is first recognised, it is classified in accordance with the business model used for managing financial assets and in line with the characteristics of the contractual cash flows generated by the assets. Financial assets are classified into one of the groups below:

- financial assets measured at amortised cost;
- financial assets measured at fair value through profit or loss (FVTPL);

- financial investments measured at fair value through other comprehensive income (FVTOCI).

Cash and cash equivalents are initially recognized in the amount stated in relevant records. In the Cash Flow Statement, cash and cash equivalents comprise cash in hand, cash at bank, deposits and certificates of deposit held with banks (with a maturity of no more than 90 days from the transaction execution date) and other investments in money market instruments. When a bank account overdraft contract has been signed, overdrawn amounts are recognised as current financial liabilities in the Statement of Financial Position.

Financial assets measured at amortised cost are financial assets held by SSH as part of its business model of collecting contractual cash flows and where the cash flows comprise solely payments of principal and interest on the amount of principal outstanding. This group includes trade receivables and deposits. Initially, they are recognised at fair value increased by direct transaction costs and subsequently they are measured at amortised cost using the method of effective interest rate and are written down in the event of impairment losses. Trade receivables include receivables arising from financial investments and related to financial income, as well as receivables for management fees of state-owned capital assets, receivables from loans/equity investments /properties sold, receivables for advances paid for real estate purchases, receivables arising from deposits paid for auction participations, receivables for rents charged, other receivables due by the state, and other minor receivables.

SSH acquired an additional segment of loans measured at fair value through profit or loss (FVTPL) with the merger of BAMC in 2022. These are loans which BAMC took over from four systemic banks in 2013 and 2014 and from the merger with Factor banka and Probanka in 2016. Loans are valued at least once a year based on the valuation policy adopted, which is presented in the section “Loan Valuation Methodology measured at fair value

through profit or loss”. The effects of valuation are recognized in the Income Statement as revaluation gains/losses. The fair value of loans is calculated using the Binomial Option Pricing Model (BOPM), except for loans with gross exposure lower than EUR 0.3 million.

Loans can also be recovered through the acquisition of ownership of the collateralised assets. Loans can be converted into equity investments, properties, or equipment. The asset subject to conversion is measured at the amount of the converted loan based on the final plan for the distribution of the debtor’s bankruptcy estate. Any difference between the conversion value and the carrying amount of the converted loan is recognized in the Income Statement as gains/losses from loans and/or gains/losses from properties.

Financial assets measured at fair value through other comprehensive income (FVTOCI), represent investments in equity instruments, i.e. shares of other companies. Upon initial recognition of investments as equity instruments not held for trading, SSH makes an irrevocable election to measure these investments at fair value through other comprehensive income (FVTOCI). This election is made for each investment separately. The fair value of listed investments is measured using the closing quote on the reporting date. The fair value of non-listed investments is measured by using the estimate model. Gains and losses arising from the changed fair value are recognized in the Statement of Comprehensive Income and are presented in equity as fair value reserves in the net amount, after the associated deferred tax assets or liabilities are calculated. Amounts presented in other comprehensive income must not be subsequently transferred to the profit or loss, however, they may be transferred to retained earnings or loss.

Impairment of financial assets

The Company does not hold any debt financial instruments measured through the Statement of Comprehensive Income. Impairment requirements for financial assets apply to trade receivables and deposits granted.

Based on historical data and forward-looking information, the Company evaluates whether there are expected credit losses relating to the potential default of receivables within the next 12 months. The impairment amount is the difference between the carrying amount and the present value of the estimated future cash flows. The impairment is recognized in profit or loss as a revaluation expense. For the purpose of carrying out impairment tests, each financial asset is evaluated individually, taking account of the identity and circumstances of the debtor.

Impairment of non-financial assets

At each reporting date, the carrying amount of assets is reviewed with the aim of determining whether there are any indications of impairment of assets. If such indication exists, an assessment of recoverable value is performed. The amount of the impairment loss recognized is the excess of the carrying amount of an asset over its recoverable value.

For the purpose of assessing an impairment, assets are divided into smaller units which can be identified as generating cash flows independently of other units (cash-generating units).

Inventories of real estate and equipment

Inventories largely consist of properties, acquired through insolvency proceedings with the purpose of recovering the non-performing loans or optimizing the profitability of existing properties.

Inventory is presented at lower of cost or net realizable value. The net realizable value is calculated as the fair value reduced by the costs of selling the inventory.

The amount of the write-down is recognized as an inventory loss in the period when it occurs. Any subsequent increase in the net realizable value of the inventory is recognized as a reversal of write-down in inventory. The amount of the write-down reversal is limited to the original amount, so that the new carrying amount is equal to the acquisition cost or the adjusted net realizable value, taking the lower of the two values.

When the inventory is sold, its carrying value is recognized as an expense in the same period as the revenue from the sale of inventory.

Financial and operating liabilities

Financial liabilities include loans and operating liabilities. Operating liabilities are amounts due to suppliers for assets acquired or services rendered, and liabilities due to employees, government, the owners.

Financial liabilities are recognised when incurred at fair value without any associated transaction costs. In subsequent periods, financial liabilities are measured at amortised cost using the effective interest rate method. The portion of non-current liabilities which are overdue or which are due within twelve months after the reporting date is recognised as current liabilities.

Provisions

Significant provisions include:

- provisions for claims from the beneficiaries of denationalization;
- provisions for unsettled legal disputes;
- provisions for retirement benefits and jubilee awards;

- provisions for warranties to remedy defects in apartments sold;
- provisions for bank guarantees issued;
- provisions for guarantees and sureties issued.

When estimating which claims arising from denationalisation proceedings are to be included among provisions and which are to be included among contingent liabilities, decisions of administrative bodies and courts and the current case law for similar cases were taken into account, together with SSH's own assessment. Contingent liabilities include some claims referring to various legal issues. It is difficult to make a reliable assessment in respect of these cases, however, it can be expected that the Company will not be liable to pay a compensation. In cases when, by examining all facts, it is considered that there is a small likelihood that SSH will be deemed as a party liable to pay compensation, such claims are classified as contingent liabilities.

The Company reviews the probability of a cash outflow and estimates the most likely amount needed to settle the liability at least once a year.

Deferred tax

A deferred tax asset is recognised when it is probable that sufficient taxable income will be generated in the future to enable the utilization of deferred tax asset. Tax assets and tax liabilities are recognised net (mutually offset) in the Statement of Financial Position since deferred taxes (both assets and liabilities) relate to the same tax authority.

Deferred tax liabilities primarily arise from temporary taxable differences due to the fair value revaluation of financial assets, while deferred tax assets arise from provisions, tax losses, and investments.

Equity

Total equity comprises called-up capital, capital reserves, profit reserves, fair value reserves, retained earnings and the undistributed profit for the current year.

The fair value reserve relates to changes in fair value of financial investments measured at fair value through other comprehensive income (FVTOCI) and actuarial gains/losses or losses arising from provisions for retirement bonus payments.

The profit remaining after covering losses and creating statutory reserves according to applicable regulations is allocated to other reserves in accordance the Company's Articles of Association, except as stated in Note 2.11.

Fair value measurement

In accordance with SSH's accounting policies, there is a requirement to determine the fair value of financial instruments in a number of cases. For this purpose, financial instruments are categorised into two groups:

- financial instruments which are measured at fair value in the Statement of Financial Position, which include investments in associates and joint ventures, loans, and equity instruments other than investments in subsidiaries which are measured at cost in accordance with IFRS 28, and
- financial instruments for which a fair value disclosure is required even though they are not measured at fair value in the Statement of Financial Position, and which include trade receivables, financial and operating liabilities.

When measuring the fair value of financial instruments, the following three-level fair value hierarchy is used:

- the first level includes quoted prices (unadjusted) in active markets for identical assets or liabilities; this level includes listed shares and bonds;
- the second level includes the values which are not equal to quoted prices but can be also acquired directly or indirectly from the market (for example, values which have been derived from quoted prices in an active market); for example, UCITS units of mutual funds;
- the third level includes input data for an asset or liability not based on market data; this level represents non-marketable shares, bonds and receivables. Valuations are based on the yield-based method and partially on the asset-based method. The methods used by SSH are the discounted cash flow method, the comparable company analysis, the comparable purchases-and-sales method and the adjusted book values method.

SSH used quoted prices as a basis for determining fair value of financial instruments; if financial instrument is not listed on the regulated market, inputs from the second and third levels are used by SSH to evaluate the fair value of a financial instrument.

Methodology for the valuation of loans measured at fair value through profit or loss (FVTPL)

The valuation of loans with a gross exposure exceeding EUR 300,000 is performed at individual debtor level, while smaller exposures are subject to collective valuation at the level of the debtor group. Valuations are based on Level 3 of the fair value hierarchy and incorporate unobservable inputs, representing assumptions that reflect the best information available under the prevailing circumstances. This includes SSH's own proprietary data

(formerly that of BAMC), such as information on market participant assumptions that are available and reasonably reliable.

Individual loan valuations at debtor level

Loan valuations are based on the Binomial Model for Valuation of Real Options (BMVRO). Two scenarios, or rather strategies (restructuring scenario and realisation of collateral scenario) are considered for each individual debtor, along with the forecast of future expected cash flows.

The key unobservable input in the loan assessment process is the estimation of the probability of successfully implementing each of the two strategies. In cases where it is assessed by the Company that the probability of realizing the collateral realisation strategy is higher, only the future cash flows of that strategy are considered to have 100% probability. In cases where it is assessed by the Company that there is a higher probability of implementing the restructuring strategy, the DPS model (Default Probability Scorecard) is used to determine the probability of implementing the restructuring scenario. The probabilities of implementing the restructuring scenario calculated using the DPS tool can be overruled by the claims manager with appropriate justification (based on an explanation of various risk factors and presentation of realistic options). The loan valuation methodology described is in line with the requirements of IFRS and International Valuation Standards (IVS) as it ensures the following:

- applicability and theoretical consistency;
- repeatability of the valuation process;
- comparability of the valuation process irrespective of who the valuer is;
- identification of key specific risks relating to the feasibility of the scenario, not covered in the discount rate.

The DPS model defines 13 different elements of business risk on a 7-point scale, which reflects different levels of risk. The risk elements are defined

based on specific knowledge of the debtor. If a high level of risk is identified for an individual element of business risk, the probability of implementing the restructuring strategy is reduced. Once all the levels of risk for individual elements are determined, the average risk profile (avgP) of the restructuring strategy is calculated.

The probability of implementing the collateral realisation strategy is determined as “1– probability of implementing the restructuring strategy” in restructuring cases.

After determining the probabilities of implementing each individual strategy, and the future cash flows are determined for each strategy, the loan value is calculated. If a restructuring strategy is adopted, the BMVRO model is used. This model is a discrete model based on probability distribution and assumes that SSH (formerly BAMC) can also opt for a modified scenario – changing the strategy from restructuring to collateral realisation if the restructuring fails. The main input data for the BMVRO model are as follows:

- the probability of implementing the restructuring strategy (which is determined by using the DPS model);
- the probability of implementing the collateral realisation strategy (which is determined by using the DPS model);
- the period of transition from the restructuring strategy to the collateral realisation strategy. According to the principle of conservatism, SSH (formerly BAMC) assumes that such a strategy change is possible with immediate effect. The model considers the probability of restructuring failure, thus eliminating the possibility of deferring this failure to later periods. Additionally, SSH (formerly BAMC) estimates that due to the early stage and uncertain nature of restructuring, it is reasonable to assume that the restructuring fails, it does so within a very short period;
- the future cash flows for each strategy (restructuring and collateral realisation). Under the restructuring strategy, future cash flows are de-

rived from the debtor’s ability to service the debt and from cash flow forecasts. Under the collateral realisation strategy, future cash flows are based on the valuation of the collaterals;

- the risk-free rate of return is not treated as a separate input within the BMVRO model as it is already factored into the calculation of the discount rate and included in the present value for both strategies.

In general, the SSH (formerly BAMC) calculated the probability-weighted average of the present values of forecasted cash flows in both scenarios. This subsequently reduces the present value of the loan from a higher value under restructuring scenario to a lower value under collateral realisation scenario, taking into account the probability of restructuring success and the value of collaterals considered in the realisation scenario. This reflects the assumption of the BMVRO that the collateral realisation strategy is a real option to the restructuring strategy.

Valuation and Control Process

Individual loan valuations at the debtor level are carried out once a year, specifically on 31 December.

The individual manager of each case is responsible for preparing a cash flow forecast and determining the probabilities of both scenarios, which are further confirmed by business analysts. In the collateral realisation scenario, the basis for valuing the collaterals consists of estimates of asset values which have been provided by real estate experts and/or business analysts from the Controlling, Risks and Valuations Department. The valuation report is prepared in accordance with international valuation standards.

The process includes, among other things, a review of key assumptions, such as:

- under the restructuring scenario:
 - defining the reasons for specifying individual factors which determine the probability of restructuring success via DPS;
 - the sustainability of forecasted cash flows;
 - any adjustments to inflows and their justifications;
 - the recognition of appropriate sources of cash flows (from operations, divestments, refinancing, etc.).
- Under the collateral realisation scenario:
 - using appropriate valuation estimates as a basis for valuing the collaterals and providing appropriate justifications for value adjustments;
 - assumptions regarding the conversion of loans into assets (real estate) and assumptions about the timing of sales;
 - recognition of relevant costs related to individual assets.

Collective Valuation of Debtor Group Exposures

Valuation is performed collectively for smaller credit exposures (where the total exposure does not exceed EUR 300,000 at the level of the debtor group). The valuation is based on the estimated probability of default and the value of a potential realisation scenario in the event of default. This value represents the collateral pledged by each borrower to secure the loan. SSH additionally recognises a 100% impairment adjustment for loans with overdue payments exceeding five years, irrespective of the condition or value of the related collateral. Debtors subject to this collective valuation are presented under the category Collectively Valued Exposure.

Valuation and Control Process

Collective loan valuations at the level of the debtor group are carried out once a year, on 31 December.

The process includes, among other things, a review of key assumptions, such as:

- the appropriate classification of debtors into groups based on the number of days past due; and
- the correct application of valuation bases for recognising collateral.

The valuations performed are reviewed and approved by the Management Board.

Real Estate Valuation Methodology

The internal real estate valuation methodology applies to both the property inventory and real estate received as collateral. Valuations are based on Level 3 of the fair value hierarchy and incorporate unobservable inputs, representing assumptions that reflect the best information available under the prevailing circumstances. These include SSH's internal data, taking into account available and supportable information and assumptions about market participants.

The key unobservable inputs in the valuation process are adjusted market rental value, adjusted market sale price of the property, investment costs, and illiquidity discount (related to the estimated time to sell the asset).

Notwithstanding the above methodology, the Company applies transaction values or prices as fair value where the outcome of a sale transaction is highly probable — for example, where a contract has been signed or a deposit received.

The market comparison method is the most commonly used approach for property valuation, as it provides the most realistic reflection of market value. It is applied when reliable data on market transactions (e.g. Trgoskop, internal databases) or listings (e.g. Nepremičnine.net) are available.

When using this method, the adjusted market value of the subject property is determined by adjusting the market prices of several comparable properties in the sample for factors such as condition, size, age, and location. Based on the data, the average of the adjusted prices is then calculated and used as the indicative value of the property being assessed.

Valuations are always performed on the property together with its functional land, and such combined assets are compared with similarly composed properties. Functional land refers to the parcel of land required for the property to serve its intended use. Where a building includes more land than is functionally necessary, and that excess land cannot be sold as a separate unit, the adjustment reflects this constraint, as it affects the overall property value. Before initiating the valuation process, all data is verified, including whether the transactions were carried out between unrelated parties, whether the price includes or excludes taxes, and whether the property area is consistent with the records held by the Surveying and Mapping Authority of the Republic of Slovenia (GURS).

The income-based valuation method may be applied using one of two approaches. If a stable annual income is expected to continue throughout the remaining useful life of the property, the capitalisation method based on stabilised annual income is used. If, however, the income is expected only for a limited number of years, the discounted cash flow (DCF) method is applied. Before commencing the valuation, market rent adjusted for the subject property is determined. This involves adjusting either gross or net rents, depending on the data available, and considering comparable cost structures. Once effective income is calculated — as the product of market rent and the lettable (or saleable) area — adjustments are made for

vacancy rates. In addition, the following are taken into account: indirect investment costs (e.g. feasibility studies, valuations, technical documentation), investor's profit margin, financing costs, the estimated time required to complete the project, and the assumed time to sell the property.

The simplified valuation method is applied to properties with an estimated value of less than EUR 0.1 million.

As with the market comparison method, relevant transaction data from the past 12 months is sought. If sufficient data is not available, the reference period is extended and time-adjusted using the price growth index for the relevant property type.

Based on the selected sample of transactions, the valuer calculates the median price, median age, and median size. The subject property is then adjusted to the median age and size, and the resulting value is adopted as the market value. To determine fair value under specific conditions, a discount for the estimated time to sale is applied, along with additional adjustments to reflect any significant physical, functional, or economic obsolescence.

Valuation and Control Process

The Company performs property revaluations once a year, as at 31 December. Properties are generally subject to a full valuation every three years, while annual revaluations are carried out for those properties for which relevant market price data is available. Comprehensive valuations are performed by authorised valuers, either employed by the Company or appointed externally.

In the interim period between full valuations (up to three years), the values of properties are adjusted annually to reflect market conditions. This is done using statistical indices for specific property types and regions in Slovenia, published semi-annually by the Surveying and Mapping Authority of the Republic of Slovenia (GURS), and applied to properties located in Slovenia.

2.6 BUSINESS COMBINATIONS

In 2024, two business combinations took place — both transactions under common control — namely, the merger of Istrabenz and the carve-out of part of operations to another company, as further described below. As transactions under common control are not addressed by IFRS, the executive management adopted an accounting policy, in accordance with the provisions of the Slovenian Companies Act (ZGD-1), to recognise the transfer of assets as at 1 January 2024 at carrying amounts based on the book values as at the transaction date, i.e. 31 December 2023. All income and expenses from 1 January 2024 onwards are recognised by the acquiring company. Comparative period figures were restated.

2.6.1 Merger of Istrabenz

The company Istrabenz had been wholly owned by the Bank Assets Management Company (BAMC) since 2021, and in 2022 became wholly owned by SSH following the merger of BAMC with SSH. Through the merger of Istrabenz (the transferring company), all of its assets, operations, and contractual relationships were transferred to SSH as the acquiring company. Following the merger, the transferring company ceased to exist.

The primary purpose of the merger was to optimise the Group’s cost structure, obtain direct ownership of the investments held by the transferring company, settle outstanding loans, and enable SSH to generate returns directly from the investment property previously owned by the transferring company.

The merger was recognised in the financial statements as at 1 January 2024, which represents the date from which all actions of the transferring company are deemed to have been carried out entirely on behalf of the acquiring company. The merger was accounted for at the carrying amounts as at 31 December 2023.

In line with the Company’s accounting policy, the transaction was treated as a transaction under common control. Accordingly, the assets and liabilities were transferred into SSH’s financial statements at their carrying amounts on the merger date.

The table below presents the recognized amounts of assets acquired and liabilities assumed from Istrabenz as at 1 January 2024, as disclosed in the separate financial statements of SSH.

	in EUR '000
ASSETS	5,379
Investment property	324
Financial assets measured at fair value through other comprehensive income (FVTOCI)	53
Interests in joint ventures	4,909
Cash and cash equivalents	93
LIABILITIES	5,640
Current financial liabilities	5,633
Current operating liabilities	7
NET ASSETS ACQUIRED	-261



Although the net assets transferred to SSH under the merger — recognised at carrying amounts — were negative, the fair value of the transferred assets amounted to EUR 6,365 thousand, resulting in a fair value of net assets acquired of EUR 724 thousand.

Following the merger, the financial liabilities of the transferring company to the acquiring company, totalling EUR 5,633 thousand, were offset against loans of the same amount granted by the acquiring company.

As at the merger date, Istrabenz reported accumulated tax losses carried forward from previous years in the amount of EUR 334,694 thousand, which were fully transferred to SSH as the acquiring company.

2.6.2 Carve-out of Real Estate Management Operations

Among the assets transferred to SSH in 2022 through the merger of BAMC was the entire real estate management business. On 1 January 2024, this business was carved out and transferred to D.S.U.

As part of the carve-out process, SSH transferred the entire business activity — including employees, processes, assets, and liabilities functionally related to the real estate management operations — to D.S.U. At the time of the carve-out, the acquiring company, D.S.U., was wholly owned by the Republic of Slovenia. Following the transaction, ownership interests in D.S.U. were allocated to SSH as the transferring company, which thereby became a 49.6% shareholder in D.S.U., alongside the Republic of Slovenia. The related assets were transferred to D.S.U. as part of the carve-out.

The carve-out was recognised in SSH’s financial statements as at 1 January 2024, the date from which all activities of the transferring company

are deemed to have been carried out entirely on behalf of the acquiring company. The carve-out was accounted for at carrying amounts as at 31 December 2023.

In line with the Company’s accounting policy, the carve-out was treated as a transaction under common control. Accordingly, the assets and liabilities were derecognised from SSH’s financial statements on the carve-out date at their carrying amounts.

The table below presents the amounts of assets and liabilities derecognised from SSH’s separate financial statements on 1 January 2024 (at their carrying amounts as at 31 December 2023).

	in EUR '000
ASSETS	107,054
Intangible assets	10
Property, plant and equipment	89
Investments in subsidiaries	562
Current operating receivables	11
Financial assets , measured at fair value through other comprehensive income (FVTOCI)	7,087
Inventories of real estate and equipment	91,667
Trade receivables	3,128
Other current assets	38
Cash and cash equivalents	4,462
EQUITY AND LIABILITIES	5,355
Fair value reserve	2
Provisions and non-current deferred revenues	923
Financial liabilities	15
Operating liabilities	1,116
Contractual liabilities from contracts with customers	397
Deferred tax liabilities – transfer of receivables	-31
Income Tax Liabilities	491
Other liabilities	2,442
NET ASSETS TRANSFERRED	101,699

SSH recognised an investment in D.S.U. in the amount of the net assets transferred as at 1 January 2024. No gains or losses were recognised in connection with this transaction.

2.7 NOTES TO INDIVIDUAL ITEMS IN SEPARATE FINANCIAL STATEMENTS

2.7.1 Tangible fixed assets

in EUR '000

	31 Dec 2024	31 Dec 2023
Land	193	193
Buildings	1,752	1,791
Equipment	301	462
Total	2,246	2,446

In December 2023, the Company acquired additional office space at Mala ulica 5, Ljubljana, valued at cost at EUR 1.095 million, encompassing a usable area of 608.40 m² (an entire floor of an office building). The amount was proportionately allocated to land and buildings.

The tangible fixed assets are not subject to mortgages, liens, or other encumbrances. As at the reporting date, there were no signs of impairment of these assets.

2.7.2 Financial assets (excluding trade receivables and cash and cash equivalents), investments in subsidiaries and associates

in EUR '00

	1 Jan 2024	Merger (2.6.1)	Transfer of assets to D. S. U. and acquisition of an investment (Note 2.6.1)	Acquisitions	Disposals/Repayments	Revaluations/Gains	31 Dec 2024
Investments in subsidiaries (Note 2.7.2.1)	124,980	0	-562	24,820	0	-1,875	147,363
Investments in associates and joint ventures (Note 2.7.2.2)	300,683	4,910	101,699	0	-3,600	55,074	458,766
Financial assets measured at fair value through other comprehensive income (FVTOCI) (Note 2.7.2.3)	621,626	53	0	0	-1	184,480	806,158
Financial assets measured at fair value through profit or loss (FVTPL) (Note 2.7.2.5)	225,896	-5,633	-7,087	1,054	-82,415	24,620	156,435
Deposits measured at amortised cost (Note 2.7.2.7)	75,000	0	0	71,000	-126,000	0	20,000
Total	1,348,185	-670	94,050	96,874	-212,016	262,299	1,588,722

in EUR '000

	1 Jan 2023	Acquisitions	Transfers	Disposals/Repayments	Revaluations/Gains	31 Dec 2023
Investments in subsidiaries (Note 2.7.2.1)	129,515	0	0	-258	-4,277	124,980
Investments in associates (Note 2.7.2.2)	299,337	0	0	-36	1,382	300,683
Financial assets measured at fair value through other comprehensive income (FVTOCI) (Note 2.7.2.3)	517,268	0	0	-1	104,359	621,626
Financial assets measured at fair value through profit or loss (FVTPL) (Note 2.7.2.5)	247,604	4,392	-2,631	-52,103	28,634	225,896
Deposits measured at amortised cost (Note 2.7.2.7)	14,374	74,953	0	-14,327	0	75,000
Total	1,208,098	79,345	-2,631	-66,725	130,098	1,348,185

The restriction on the disposal of shares of Casino Bled and Casino Portorož was recorded as at the balance sheet date.

2.7.2.1 Financial investments in subsidiaries

in EUR '000		
	31 Dec 2024	31 Dec 2023
Investments in subsidiaries	147,363	124,980

The table below provides an overview of investments in subsidiary companies, detailing the stake in their capital and the net profit or loss. These figures were not subject to audit.

in EUR '000					
Company	Interests in %	31 Dec 2024		31 Dec 2023	
		Equity	Net profit or loss	Equity	Net profit or loss
* Argolina, d. o. o.	100.00	-	-	-3,986	-488
Avtotehna Zagreb, d. o. o.	100.00	-	-	83	0.1
DS Projekt, d. o. o. Ljubljana	74.00	1,876	-57	1,933	-46
* DUP, d. o. o., Sarajevo	100.00	-	-	561	-3,285
* DUTB Crna Gora, d. o. o.	100.00	-	-	-247	8
Elektrooptika, d. d.	70.48	-84	22	-106	-2
* Factor projekt, d. o. o. Hrvatska (Croatia)	100.00	-	-75	-394	-62
Farme Ihan - KPM, d. o. o.	100.00	5,332	-470	5,447	-590
*Fundus, d. o. o., Beograd - in liquidation	100.00	83	-75	158	-75
Hyundai auto Beograd, d. o. o.	100.00	-6,419	-167	-6,246	-14
Illuria Holdings Ltd - in liquidation*	100.00	-	-	n.a.	n.a.
Istrabenz turizem, d. d.	100.00	43,302	2,050	41,679	1,774
** Istrabenz, d. o. o.	100.00	-	-	-261	252
MK Založba, d. d.	83.47	38,995	1,279	32,724	282
Poslovni sistem Domina, d. o. o, Beograd	55.52	-3,856	-24	-3,746	-110
PROLeasing Rijeka, d. o. o. - in liquidation*	100.00	-	-	n.a.	n.a.

PS ZA AVTO, d. o. o.	90.00	6,317	166	5,674	165
Sava, d. d.	64.13	162,524	7,670	119,848	2,031
STNA, d. o. o.	100.00	6	-0.3	6	0.5
Thermana, d. d.	100.00	29,860	3,474	26,487	1,085
MEJA Šentjur, d. d.	100.00	6,059	122	-	-

*The companies were transferred through the carve-out of real estate activities to D.S.U.
** The company was merged into SSH.

The ownership percentage is equal to the percentage of voting power in all subsidiaries. All investments in subsidiaries are classified as long-term investments.

DATA FROM THE STATEMENTS OF FINANCIAL POSITION AND INCOME STATEMENTS OF SUBSIDIARIES FOR 2024 AND 2023

in EUR '000						
	PS ZA AVTO, d. d.		Elektrooptika, d. d.		Sava Group	
As at	31 Dec 2024	31 Dec 2023	31 Dec 2024	31 Dec 2023	31 Dec 2024	31 Dec 2023
Current assets	3,756	3,125	11	1	34,536	58,900
Non-current assets	3,832	3,851	0	0	225,527	220,835
Current liabilities	79	109	95	107	33,728	103,576
Non-current liabilities	1,193	1,193	0	0	63,811	56,310
Equity	6,317	5,674	-84	-106	162,524	119,848
Year	2024	2023	2024	2023	2024	2023
Sales revenue	424	369	0	0	130,811	119,781
Net profit or loss	166	165	22	-3	7,670	2,031
Other comprehensive income	0	0	0	0	238	-534
Total comprehensive income	166	165	22	-3	7,907	1,479
SSH ownership interest (in %)	90.00	90.00	70.48	70.48	64.13	61.91

2.7.2.2 Investments in associates and joint ventures

in EUR '000

	31 Dec 2024	31 Dec 2023
Investments in associates	453,577	300,683
Investments in joint ventures	5,189	0
Total	458,766	300,683

The ownership percentage is equal to the percentage of voting power in all associates and joint ventures.

DATA FROM THE STATEMENTS OF FINANCIAL POSITION AND INCOME STATEMENTS OF ASSOCIATES FOR 2024 AND 2023

in EUR '000

	Casino Bled, d. d.		HIT Group		Unior Group	
As at	31 Dec 2024	31 Dec 2023	31 Dec 2024	31 Dec 2023	31 Dec 2024	31 Dec 2023
Current assets	5	116	47,680	45,749	180,735	151,323
Non-current assets	180	210	100,873	98,234	155,356	239,486
Current liabilities	130	221	41,840	38,247	200,714	78,810
Non-current liabilities	0	0	35,101	36,423	10,878	125,526
Equity	55	105	71,612	69,313	124,499	186,473
Year	2024	2023	2024	2023	2024	2023
Sales revenue	617	1,144	172,427	171,135	249,697	294,237
Net profit or loss	-406	-216	7,883	10,664	-54,071	4,937
Other comprehensive income	0	0	-224	-626	-8,162	-1,804
Total comprehensive income	-406	-216	7,659	10,038	-62,233	3,132
SSH ownership interest (in %)	33.75	33.75	20.00	20.00	39.43	39.43

in EUR '000

	Zavarovalnica Triglav Group		Cinkarna Celje		D. S. U.	Adriafin
As at	31 Dec 2024	31 Dec 2023	31 Dec 2024	31 Dec 2023	31 Dec 2024	31 Dec 2024
Current assets	49,638	138,888	154,390	144,697	119,470	1,943
Non-current assets	3,224,190	3,960,140	116,963	114,387	132,761	8,275
Current liabilities	86,988	102,832	41,393	25,929	17,844	13
Non-current liabilities	3,186,841	3,105,096	18,924	19,271	45,459	0
Equity	989,042	891,100	211,036	213,884	188,928	10,205
Year	2024	2023	2024	2023	2024	2024
Sales revenue	1,297,952	1,382,793	200,285	176,464	21,612	7
Net profit or loss	131,418	16,265	23,087	5,489	4,493	56
Other comprehensive income	6,313	34,672	408	-458	685	284
Total comprehensive income	137,728	50,937	22,679	5,031	3,808	284
SSH ownership interest (in %)	28.09	28.09	24.44	24.44	49.60	50.00

* The audited data are presented for the Triglav Insurance Group, Hit Group, Unior Gorup, and the company Cinkarna Celje, while the data for D.S.U., Adriafin, and Casino Bled are unaudited.

**The joint venture investment relates to Adriafin, d.o.o.

As investments in associates are valued at fair value through other comprehensive income (FVTOCI), the effect of the disposal is recognised in equity as a reclassification from the fair value reserve to retained earnings. In 2023, a sale agreement for Salomon was concluded; the transaction was completed in March 2024.

2.7.2.3 Financial assets measured at fair value through other comprehensive income (FVTOCI)

Financial assets measured at fair value through other comprehensive income include:

in EUR '000

	31 Dec 2024	31 Dec 2023
Other equity investments	806,158	621,626
Total	806,158	621,626

Other equity investments comprise a portfolio of financial investments that are classified as strategic and important assets from the Republic of Slovenia’s perspective, much like associated and subsidiary entities. The methodologies for assessing the fair value of these investments are delineated in Note 2.7.2.4, and for the categorisation as listed and unlisted investments in Note 2.7.2.6. The impact of valuing these investments, alongside those of associated entities, are recorded in other comprehensive income, as detailed in Note 2.7.6. Dividends from these investments, in addition to those from associated and subsidiary entities, are recorded under financial income, as specified in Note 2.7.16. Corresponding deferred tax liabilities are elucidated in Note 2.7.17.

2.7.2.4 Valuation of capital assets

VARIABLES USED IN THE VALUATION OF FINANCIAL INVESTMENTS

Variables used	31 Dec 2024	31 Dec 2023
Discount rate (WACC)	8.34–12.15%	8.70–13.23%
Long-term growth rate (g)	2–2.13%	2–2.02%
Discount for the lack of control	0–29.03%	0–27.34%
Discount for the lack of lack of marketability	5–20%	3.29–24.00%

* The variables employed relate to equity investments in subsidiary, associates and joint ventures, as well as other equity investments.

Valuing some important investments for which market prices were not available as at 31 December 2024

An impairment assessment was conducted for non-market investments (for subsidiaries), and all estimates of the value of investments were made by accredited, certified valuers for the financial reporting purposes. The estimates were made on the basis of the fair value as defined in IFRS 13, which matches the market value under the International Valuation Standards

(IVS). Valuation reports were made in accordance with the Hierarchy of Valuation Rules (Official Gazette RS, No. 106/10). The use of different valuation methodologies or different valuation assumptions may result in different fair values SSH is aware of this fact, but at the same time considers the values as appropriate.

Where an equity investment held by SSH is measured at fair value and the most recent valuation is not prepared as at the reporting date but is no more than one year old, an assessment is carried out to determine whether there have been any significant changes in the company’s performance and/or asset value since that valuation. If there is no indication of a material change in performance or asset value compared to the latest valuation, such valuation may be used for financial reporting purposes. As actual performance naturally fluctuates around the projected future performance used in valuation models, the key assumption is that no significant or unforeseen business events have occurred since the last valuation (provided it is not older than one year), and that medium- to long-term performance is expected to remain broadly in line with the projections underlying that valuation.

The fair value of SSH’s 11.74 percent shareholding in **Adria, d. d.**, was appraised utilising the discounted cash flow method (DCF method) on a going concern assumption, with the comparable listed company method applied as a secondary valuation technique for validation. Based on an analysis of the company’s performance, a review of the management’s plan for 2024–2027 period, and a review of capacity, risks, and market and development potential, the valuer prepared an independent financial projection from the perspective of a controlling shareholder. Appropriate discounts for lack of marketability and control were applied.

The fair value of SSH’s 8.08 percent shareholding in **Terme Olimia, d. d.**, was appraised utilising the discounted cash flow method (DCF method) on the going concern assumption, with the comparable companies method applied as a secondary valuation technique for validation. Based on an

analysis of the company’s performance and the management’s business plan for the period through to 2029, the valuer prepared an independent financial projection from the perspective of a controlling shareholder, applying appropriate discounts for lack of control and lack of marketability.

The fair value of SSH’s 15% shareholding in **Loterija Slovenije, d. d.**, was appraised utilising the discounted cash flow method (DCF method) on the going concern assumption, together with an analysis of the largest European companies in the sector. Based on an analysis of the company’s performance, the management’s business plan for the period 2025–2027, and the company’s long-term strategy, the valuer prepared an independent financial projection from the perspective of a controlling shareholder and applied appropriate discounts for lack of control and lack of marketability.

The fair value of SSH’s 20 percent shareholding in **HIT, d. d.** (for the ordinary shares, which represent 33.33% of the voting rights), the capitalisation of normalised cash flows method was applied on the going concern assumption. Based on an analysis of the company’s performance and a review of the management’s business plan for the 2025–2029 period, the valuer prepared an independent financial projection for the HIT Group from the perspective of a controlling shareholder. In addition, the valuer also carried out a valuation of the preferred shares of HIT, which are owned by SSH, but which do not carry voting rights and represent an 8.54 percent stake in the company. Due to the specific characteristics of this class of shares, the dividend discount model was used for the valuation.

In the 2024 financial year, SSH’s real estate operations were carved out and merged with the company **D.S.U. d. o. o.**, through a carve-out by absorption. For the purpose of determining the exchange ratio in the carve-out by absorption, the fair value of the real estate operations was assessed by an independent valuer in accordance with the International Valuation Standards (IVS). This value corresponds in substance to the market value for sale from the perspective of a controlling shareholder and, in this case, also reflects the fair value for financial reporting purposes. The real estate operations

of SSH functioned as a holding company, owning property assets, where the holding's value typically corresponds to the value of the underlying assets net of recurring costs. Accordingly, the asset accumulation method was applied to the value the real estate operations. The carved-out share represents a 49.6% equity interest in the merged entity, D.S.U.

In the case of the holding company **Adriafin**, whose principal investment is its interest in VinaKoper d.o.o., SSH holds a 50% equity stake in Adriafin, which in turn holds a 78.81% interest in VinaKoper. The valuation of VinaKoper was performed using an income-based approach, specifically the discounted cash flow (DCF method), with the comparable company method applied as a secondary valuation technique for validation. The valuation of Adriafin itself was carried out using an asset-based approach, namely the net asset value method on the going concern assumption. In this case, where a 50% interest in Adriafin was being valued, appropriate discounts for lack of marketability and lack of control were applied.

The fair value of SSH's 15% shareholding in **Farne Ihan, KPM, d. d.**, was appraised utilising the discounted cash flow method (DCF method) on the going concern assumption, together with an analysis of consolidated financial statements and forward-looking business projections. The comparable listed company method was also applied as a secondary valuation technique for validation. The valuation was performed based on an adjusted management plan for the 2025 financial year, an analysis of the company's operations, a sector review including the performance of comparable companies, and additional data and explanations provided by the management.

The fair value of SSH's 83.47% equity interest in **Mladinska knjiga založba, d. d.** and the Mladinska knjiga Group was appraised utilising the discounted cash flow method was applied, based on consolidated financial statements and forward-looking business projections, under the going concern assumption. The comparable listed company method was applied as a secondary valuation technique for validation. The valuation was prepared on the basis of an adjusted management plan for the 2025 and 2026 financial

years, supported by detailed analyses of the company's operations, the performance of other entities within the Group, and a sectoral review of comparable companies.

The fair value of the tourism holding company **Sava, d. d.**, whose principal asset is its investment in Sava Turizem d. d. and which derives the majority of its income from dividends on financial investments, was determined under the going concern assumption using the asset accumulation method (net asset value method). The valuer reviewed historical performance data for the company and the Group and conducted an analysis of companies operating within the tourism sector. Additional information and forecasts provided by the company's management were also reviewed and assessed. The value of SSH's 64.14% equity interest in Sava was determined using an asset-based valuation approach, applying the asset accumulation method.

Valuing some important investments for which market prices were not available as at 31 December 2023

An impairment assessment was conducted for non-market investments (for subsidiaries), and all estimates of the value of investments were made by accredited, certified valuers for the financial reporting purposes. The estimates were made on the basis of the fair value as defined in IFRS 13, which matches the market value under the International Valuation Standards (IVS). Valuation reports were made in accordance with the Hierarchy of Valuation Rules (Official Gazette RS, No. 106/10). The use of different valuation methodologies or different valuation assumptions may result in different fair values SSH is aware of this fact, but at the same time considers the values as appropriate.

The fair value of SSH's 15 percent shareholding in **Loterija Slovenije, d. d.**, was appraised utilising the discounted cash flow method (DCF method) on a going concern assumption, and the dividend discount model was applied as a secondary valuation technique for validation. Based on an analysis of the company's historical performance, its management's plan for 2023-2025,

and the long-term strategy up to 2027, the valuer prepared an independent financial projection relating to the company's business activities from the viewpoint of a majority shareholder, incorporating discounts due to the absence of a controlling interest.

The fair value of SSH's 11.74 percent shareholding in **Adria, d. d.**, was appraised utilising the discounted cash flow method (DCF-method) on a going concern assumption, and the method of comparable transactions as a secondary valuation technique for validation (also taking into account the discount for lack of control). Based on an analysis of the company's historical performance, and taking into account an analysis of the company's capacities, risks and market and development opportunities, the valuer prepared an independent financial projection for the company's future performance from the perspective of the majority owner.

The fair value of SSH's 4.42% shareholding in **KOTO, d. o. o.**, was appraised utilising the comparable companies method. The valuer applied the average EV/EBITDA multiple to the EBITDA of KOTO for the year 2023 based on the analysis.

The fair value of SSH's 100 percent shareholding in **Farne Ihan - KPM** was appraised utilising the discounted cash flow (DCF method) method on the going concern assumption. The valuation was prepared based on the management's plan for the 2024 financial year, the forecast for the 2025-2026 period, an analysis of the company's historical performance, an analysis of the industry and operations of other companies in the same sector, and taking into account other explanations and data provided by the executive management.

The fair value of SSH's 100 percent shareholding in **Thermana, d. d.**, was appraised utilising the discounted cash flow method (DCF method) on a going concern assumption, with the comparable companies method as a secondary valuation technique for validation. The valuation was prepared based on the management's plan, an analysis of historical performance, an

analysis of the industry and operations of other companies in the same sector, and taking into account other explanations and data provided by the executive management.

2.7.2.5 Financial assets measured at fair value through profit or loss (FVTPL) - loans

This group includes loans which were acquired through the merger of BAMC with SSH in 2022, the outstanding amount of the receivable purchased/loan to Sava, which was obtained by SSH during the Sava's financial restructuring process in 2016 and was repaid in 2024. All loans acquired are classified as current.

in EUR '000

	31 Dec 2024	31 Dec 2023
Loans valued in accordance with the restructuring strategy	33,199	84,302
Loans valued in accordance with the collateral realisation strategy	122,335	118,014
Loan to Sava, d. d.	0	22,427
Other loans	901	1,153
Total	156,435	225,896

CLASSIFICATION OF LOANS IS BASED ON THE SELECTED STRATEGY

in EUR '000

	31 Dec 2024		31 Dec 2023	
	Fair value	Number of debtors	Fair value	Number of debtors
Loans valued in accordance with the restructuring strategy	33,199	11	84,302	10
Loans valued in accordance with the collateral realisation strategy	122,335	307	118,014	351
Other loans	901	153	1,153	160
Total	156,435	471	203,469	521

FAIR VALUE OF LOANS BY MATURITY

in EUR '000

	31 Dec 2024	31 Dec 2023
Restructuring strategy	33,199	84,302
Non-overdue loans	17,389	26,242
Overdue loans	15,810	58,060
Overdue by up to 90 days	8,742	0
Overdue between 90 days and one year	6,968	0
Overdue between one and three years	0	0
Overdue by more than three years	101	58,060
Collateral realisation strategy	122,335	118,014
Non-overdue loans	51,261	12,514
Overdue loans	71,075	105,499
Overdue by up to 90 days	0	0
Overdue between 90 days and one year	14,165	633
Overdue between one and three years	0	14,187
Overdue by more than three years	56,910	90,679
Collectively valued exposure	901	1,153
Non-overdue loans	358	607
Overdue loans	542	546
Overdue by up to 90 days	268	263
Overdue between 90 days and one year	196	104
Overdue between one and three years	11	16
Overdue by more than three years	67	162
Total	156,435	203,469

FAIR VALUE OF LOANS BY INDUSTRY SECTOR OF DEBTOR

in EUR '000

	31 Dec 2024	31 Dec 2023
Companies	152,696	198,288
Construction industry	18,056	39,834
Manufacturing	37,214	41,087
Wholesale and Retail Trade	815	1,883
Tourism	8,601	8,694
Professional Services	3,086	6,882
Financial Services	8,845	15,240
Real Estate Activities	5,713	5,227
Other Activities	65,978	73,653
Companies with Foreign Registered Offices	4,389	5,787
Natural persons	3,635	5,078
Republic of Slovenia	101	101
Banks	3	0
Total	156,435	203,468

FAIR VALUE OF LOANS BY THE LOCATION OF THE REGISTERED OFFICE AND THE TYPE OF DEBTORS

in EUR '000

	31 Dec 2024	31 Dec 2023
Companies	152,696	198,288
Slovenia	148,307	190,412
EU Member States	1,948	2,102
Other European countries	2,441	5,774
Natural persons	3,635	5,078
Republic of Slovenia	101	101
Banks	3	0
TOTAL	156,435	203,468

The value of collateral in the loan portfolio

Loans can be secured with one or more types of collateral or may be entirely unsecured. The majority of loans were transferred to BAMC together with their collateral, or BAMC acquired the collateral without having an influence on the selection of loans or collateral transferred. SSH's active role in obtaining new or additional collateral is evident during the financial restructuring when the debtors' contractual obligations are redefined.

The fair value of individually valued loans is calculated as the discounted value of future cash flows from the restructuring scenario and the collateral realisation scenario (weighted by the probability of each scenario occurring). The collateral realisation scenario includes only expected cash flows from the realisation of collateral.

The expected collateral value used as input for the collateral realisation scenario assessment is an estimate based on a formal internal appraisal and additional knowledge of the circumstances surrounding the realisation of the collateral.

The tables below present the value as expected from the realisation of collateral. The value from the realisation of the collateral represents the expected cash flows of each debtor (separately for each scenario) discounted at the weighted average cost of capital.

THE VALUE OF RESTRUCTURING AND COLLATERAL REALISATION SCENARIOS AS AT 31 DECEMBER 2024

Unweighted by scenario, unlimited in terms of total exposure	Fair value	Value of the restructuring scenario	Value of the collateral realisation scenario	Share of collateral realisation scenario value in fair value
Restructuring strategy	33,199	33,332	39,891	120%
Collateral realisation strategy	122,335	0	124,153	101%
Collectively valued exposure	901	0	1,769	196%
Total	156,435	33,332	168,813	106%

THE VALUE OF RESTRUCTURING AND COLLATERAL REALISATION SCENARIOS AS AT 31 DECEMBER 2023

Unweighted by scenario, unlimited in terms of total exposure	Fair value	Value of the restructuring scenario	Value of the collateral realisation scenario	Share of collateral realisation scenario value in fair value
Restructuring strategy	84,302	88,437	86,418	102%
Collateral realisation strategy	118,014	29,539	120,562	102%
Collectively valued exposure	1,153	-	11,571	1004%
Total	203,468	117,975	218,551	107%

Movements in loans and receivables

The changes in the tables below mostly relate to the portfolio of debtors in the collateral realisation strategy.

MOVEMENTS IN LOANS AND RECEIVABLES IN 2024

	in EUR '000
	31 Dec 2024
Balance as at 1 Jan 2024	203,468
Effect of the carve-out (Note 2.6)	-7,087
Effect of the merger (Note 2.6)	-5,633
Increases in loan portfolio	1,054
Purchases of receivables	0
New loans granted	1,000
Realization of guarantees	0
Other increases	54
Decreases	-59,335
Cash repayments	-59,214
Transfers to real estate and equipment	-4
Transfers to operating receivables	0
Loans sold	0
Debt equity conversion	-118
Increases/decreases due to revaluation	-5,012
Increases/decreases due to realized profits/losses	29,632
Other changes and repayments (netting of assumed loans and receivables)	-652
Closing balance as at 31 Dec 2024	156,435

MOVEMENTS IN LOANS AND RECEIVABLES IN 2023

	in EUR '000
	31 Dec 2023
Opening balance as at 1 Jan 2023	225,177
Increases in loan portfolio	4,392
Purchases of receivables	0
New loans granted	4,388
Realization of guarantees	0
Other increases	4
Decreases	-54,735
Cash repayments	-49,115
Transfers to real estate and equipment	-2,631
Transfers to operating receivables	0
Loans sold	-2,989
Debt equity conversion	0
Increases/decreases due to revaluation	22,136
Increases/decreases due to realized profits/losses	5,892
Other changes	606
Closing balance as at 31 Dec 2023	203,468

2.7.2.6 Fair value levels of financial instruments**FINANCIAL INSTRUMENTS MEASURED AT FAIR VALUE ACCORDING TO FAIR VALUE HIERARCHY LEVELS AS AT 31 DECEMBER 2024**

	in EUR '000		
	1 level	2 level	3 level
Investments in associates and joint ventures	320,908	0	137,858
Other non-current financial assets	788,501	0	17,657
<i>Investments in listed shares</i>	<i>788,501</i>	<i>0</i>	<i>0</i>
<i>Non-listed shares and stakes</i>	<i>0</i>	<i>0</i>	<i>17,657</i>
Other current financial assets	134,821	0	178,659
<i>Bad loan receivables</i>	<i>0</i>	<i>0</i>	<i>156,435</i>
<i>Purchased receivables</i>	<i>0</i>	<i>0</i>	<i>0</i>
<i>Cash and cash equivalents and deposits to commercial banks</i>	<i>134,821</i>	<i>0</i>	<i>20,000</i>
<i>Current operating receivables</i>	<i>0</i>	<i>0</i>	<i>2,224</i>
Finance lease payables	0	0	0
Financial liabilities	0	0	216
Current operating liabilities	0	0	19,293

FINANCIAL INSTRUMENTS MEASURED AT FAIR VALUE ACCORDING TO FAIR VALUE HIERARCHY LEVELS AS AT 31 DECEMBER 2023

	in EUR '000		
	1 level	2 level	3 level
Investments in associates	273,397	0	27,286
Other non-current financial assets	604,829	0	16,797
<i>Investments in listed shares</i>	<i>604,829</i>	<i>0</i>	<i>0</i>
<i>Non-listed shares and stakes</i>	<i>0</i>	<i>0</i>	<i>16,797</i>
Other current financial assets	47,905	0	315,855
<i>Bad loan receivables</i>	<i>0</i>	<i>0</i>	<i>203,469</i>
<i>Purchased receivables</i>	<i>0</i>	<i>0</i>	<i>22,427</i>
<i>Cash and cash equivalents and deposits to commercial banks</i>	<i>47,905</i>	<i>0</i>	<i>75,000</i>
<i>Current operating receivables</i>	<i>0</i>	<i>0</i>	<i>14,959</i>
Finance lease payables	0	0	19
Financial liabilities	0	0	216
Current operating liabilities	0	0	20,150

Fair values are equal to book values in all cases.

2.7.2.7 Other financial investments measured at amortised cost

	in EUR '000	
	31 Dec 2024	31 Dec 2023
Financial assets measured at amortised cost	20,000	75,000
Total	20,000	75,000

Financial assets measured at amortised cost as at 31 December 2024 relates to EUR 20 million in deposits with a maturity of more than 90 days (31 December 2023: EUR 75 million).

2.7.3 Current operating receivables

	in EUR '000	
	31 Dec 2024	31 Dec 2023
Receivables due from customers	676	4,401
Impairment of receivables due from customers	-143	-723
Interest receivable	512	8,683
Impairment of interest receivable	-16	-16
Dividend receivables	0	0
Receivables due from the Republic of Slovenia in accordance with ZSPOZ, ZIOOZP, ZVJT0	284	0
Receivables due from state institutions	71	1,588
Other receivables	14,147	14,301
Adjustments of other receivables	-13,307	-13,275
Total	2,224	14,959

Interest receivables as at 31 December 2023 primarily relate to receivables from Sava (EUR 7,743 thousand), which were repaid in 2024, and to interest on deposited funds.

The disclosed value of current operating receivables reflects their fair value.

MOVEMENTS IN BAD DEBT PROVISION

	in EUR '000	
	31 Dec 2024	31 Dec 2023
Adjustment balance as at 1 Jan	14,014	15,177
Collected receivables for which adjustment was made	4	0
Written-off receivables for the year	0	-515
Adjustments made for the year	337	424
Reversal of provision (write -off) due to the completed bankruptcy proceedings	0	-1,072
Reversal of provision due to the carve-out of real estate operations	-889	0
Bad debt provision as at 31 Dec	13,466	14,014

2.7.4 Cash and cash equivalents

	in EUR '000	
	31 Dec 2024	31 Dec 2023
Credit balances at commercial banks	10,071	6,069
Cash equivalents	124,750	41,836
Total	134,821	47,905

2.7.5 Inventories of real estate and equipment

in EUR '000

	31 Dec 2024	31 Dec 2023
Real estate	1,605	91,969
Advance payments for real estate inventory and equipment	557	603
Equipment	1,284	1,704
Total	3,446	94,276

As disclosed in Note 2.6.1, real estate inventory with a carrying amount of EUR 91,667 thousand was transferred to the acquiring company as part of the carve-out of the real estate management activity. In addition, one property was reclassified from real estate inventory to investment property due to a change in its intended use.

The majority of the total EUR 2,889 thousand (31 December 2023: EUR 93,673 thousand) of real estate inventory and equipment was acquired through debt-for-asset swaps or purchases at public auctions.

Out of the total real estate inventory amounting to EUR 1,605 thousand (31 December 2023: EUR 91,969 thousand), EUR 808 thousand (31 December 2023: EUR 76,749 thousand) of inventory was measured at cost, and EUR 797 thousand (31 December 2023: EUR 15,220 thousand) at net realizable value.

The inventories were not pledged as at 31 December 2024 or 2023.

MOVEMENTS IN REAL ESTATE INVENTORY AND EQUIPMENT IN 2024

in EUR '000

	Real estate	Equipment	Total
Balance as at 31 Dec 2023	91,969	1,704	93,673
Effect of the carve-out (Note 2.6)	-91,247	-420	-91,667
Balance as at 1 Jan 2024	722	1,284	2,006
Transfer to investment property	-1,313	0	-1,313
Acquisitions	1,395	0	1,395
Transfer from investment property	302	0	302
Revaluations	495	0	495
Transfers from loans	4	0	4
Closing balance as at 31 Dec 2024	1,605	1,284	2,889

MOVEMENTS IN REAL ESTATE INVENTORY AND EQUIPMENT IN 2023

in EUR '000

	Real estate	Equipment	Total
Balance as at 1 Jan 2023	103,008	1,925	104,933
Transfers from loans	2,631	0	2,631
Acquisitions	2,131	0	2,131
Disposals	-18,357	-193	-18,550
Revaluations	2,556	-28	2,528
Closing balance as at 31 Dec 2023	91,969	1,704	93,673

On 30 September 2024, SSH transferred its real estate operations to the acquiring company, D.S.U., thereby acquiring an equity interest in the company. As part of the transaction, real estate assets with a carrying amount

of EUR 90,656 thousand and movable assets with a carrying amount of EUR 426 thousand were transferred as at the transfer date.

The revaluation effect includes an increase in value amounting to EUR 495 thousand (the reversal of previous impairments up to the acquisition cost or, where lower, lower net realisable value).

2.7.6 Equity

The Company's equity comprises share capital of EUR 301,766 thousand, capital reserves of EUR 112,287 thousand, other profit reserves of EUR 250,601 thousand, fair value reserves of EUR 830,014 thousand, retained earnings of EUR 1,083 thousand, and net profit for the financial year of EUR 83,615 thousand.

ACCUMULATED PROFIT/LOSS

in EUR '000

	2024	2023
Retained earnings (loss) at 1 January	78,905	189,877
Dividends approved or paid	-78,905	0
Retained earnings taken over from Istrabenz upon merger	1,083	0
Transfers due to redistribution financial investments	0	0
Net profit for the period	83,615	78,905
Total	84,698	268,782
Transfer to other revenue reserves in accordance with Article 25 of Articles of Association	0	-189,877
Accumulated profit/(loss) as at 31 Dec	84,698	78,905

The accumulated profit/(loss) has been disclosed in accordance with Article 66 of ZGD-1.

In accordance with the dividend policy of the sole shareholder, accumulated profit is not distributed, except for the purpose of financing measures in accordance with the Reconstruction, Development and Provision of Financial Resources Act.

On 7 March 2024, the Government of the Republic of Slovenia, acting in its capacity as the General Meeting of the Company, adopted a resolution on the amendment and supplementation of the Company's Articles of Association. The amendment pertains to the use of accumulated profit and stipulates that the Company's net profit for the financial years 2024, 2025, 2026, 2027, and 2028, which remains each year after covering any accumulated losses and creating statutory reserves, may be used to finance measures under Article 1, Paragraph 1 of the Reconstruction, Development, and Provision of Financial Resources Act.

Proposal for the distribution of retained earnings:

The executive management of SSH proposes to the General Meeting that the entire retained earnings for 2024, amounting to EUR 84,698,242.02, be utilised to finance measures referred to in Article 1, Paragraph 1 of the Reconstruction, Development, and Provision of Financial Resources Act, in accordance with the Decision of the Government of the Republic of Slovenia of 7 March 2024.

The equity of the Company includes the called-up capital, fair value reserves arising from revaluation of financial investments, actuarial gains/losses and retained losses. The sole shareholder of SSH is the Republic of Slovenia.

FAIR VALUE RESERVE BALANCE

in EUR '000

	2024	2023
Revaluation of investments	922,410	684,218
Actuarial gains/losses	85	108
Deferred tax liability	-92,481	-68,269
Total	830,014	616,057

MOVEMENTS IN FAIR VALUE RESERVE IN 2024

in EUR '000

	Financial investments	Deferred tax expense	Net financial investments	Provisions for severance payments	Total
Opening balance as at 1 Jan 2024	684,218	-68,269	615,949	108	616,057
Other comprehensive income	238,104	-24,212	213,892	-23	213,869
Transfer to retained earnings	0	0	0	0	0
Transfers due to sale of financial investments	88	0	88	0	88
Closing balance as at 31 Dec 2024	922,410	-92,481	829,929	85	830,014

MOVEMENTS IN FAIR VALUE RESERVE IN 2023

in EUR '000

	Financial investments	Deferred tax expense	Net financial investments	Provisions for severance payments	Total
Opening balance as at 1 Jan 2023	578,454	-57,261	521,193	132	521,325
Other comprehensive income	105,741	-11,007	94,734	-28	94,706
Transfer to retained earnings	0	0	0	4	4
Transfers due to sale of financial investments	23	-1	22	0	22
Closing balance as at 31 Dec 2023	684,218	-68,269	615,949	108	616,057

Disclosure in regard to deferred tax liabilities is provided in Note 2. 7. 17.

BOOK VALUE OF SSH SHARE

	in EUR '000	
	31 Dec 2024	31 Dec 2023
Value of equity	1,579,366	1,359,616
Number of shares	180,788	180,788
Book value per share	8.74	7.52

The book value per SSH share is calculated as the ratio of total equity to the number of SSH shares outstanding at the end of the year.

2.7.7 Provisions and non-current accrued costs and deferred revenues

	in EUR '000	
	31 Dec 2024	31 Dec 2023
Provisions for denationalisation	23,216	40,238
Provisions for guarantees on apartments sold	0	199
Provisions for warranties given	82	89
Provisions for collateral given	0	0
Provisions for jubilee premiums	102	118
Provisions for severance payments	333	408
Provisions for legal disputes	3,243	3,317
Non-current deferred revenues	436	397
Total	27,412	44,766

The applicable legislation, past experience and above all the case law are taken into account when assessing whether conditions have been met in order to create non-current provisions for denationalisation claims lodged under ZDen. Provisions were assessed by examining each denationalisation claim. The current practice shows that the amount of such claims usually significantly exceeds the amount of approved compensation which is taken into account when forming the estimation. Provisions are reviewed at least once a year. The denationalisation claims are in different phases; the closer the claim is to its conclusion, the more reliable the estimates tend to be.

- The following phases can be distinguished: potential final decisions with the compensation amount having already been determined - SSH agrees with the claim, however, legal remedies lodged by claimants are considered possible;
- claims where decisions have been given but legal remedies have been lodged and the procedure has been renewed;
- claims where a decision has not been given and the proceedings are still ongoing.

Provisions for guarantees for the elimination of defects in apartments sold were formed based on the provisions of the Protection of Buyers of Apartments and Single Occupancy Buildings Act, which stipulate that the seller is liable for the so-called hidden defects of the property which were not discoverable on the property's takeover, if these hidden defects appear within two years of the takeover of the property. The provision amount has been estimated based on past experiences, specifically for the number of apartments for which the company's liability as a seller has not yet expired.

Provisions for legal disputes were formed by the Company based on assessments and assumptions derived from knowledge of individual legal cases, judicial practices, and other factors. Despite the best knowledge of events and ongoing activities, the actual results may differ from estimates. The

Company adjusts the estimates and assumptions on an ongoing basis and recognizes their effects during the period of change.

The Company's executive management, in cooperation with the legal department, has assessed individual cases and considers that there is a likelihood of losses in certain legal proceedings. For cases where the probability of an unfavourable outcome exceeds 50%, a provision for legal disputes has been recognised in the full amount of the currently known obligation.

MOVEMENTS IN PROVISIONS OF SSH

in EUR '000

	Balance as at 31 Dec 2023	Carve-out (2.6)	Opening balance as at 1 Jan 2024	Newly formed provisions	Use	Transfer from current provisions	Transfer to current provisions	Balance as at 31 Dec 2024
Provisions for denationalisation	40,238	0	40,238	3,057	-17,299	12,575	-15,355	23,216
Provisions for guarantees on apartments sold	199	-199	0	0	0	0	0	0
Provisions for warranties given	88	0	88	0	-7	0	0	81
Provisions for collateral given	0	0	0	0	0	0	0	0
Provisions for jubilee premiums	118	-27	91	22	-11	0	0	102
Provisions for severance payments	408	-102	306	66	-39	0	0	333
Provisions for legal disputes	3,317	-595	2,722	724	-203	0	0	3,243
Non-current deferred revenues	398	0	398	39	0	0	0	437
Total	44,766	-923	43,843	3,908	-17,559	12,575	-15,355	27,412

in EUR '000

	Balance as at 1 Jan 2023	Newly formed provisions	Use	Transfer from current provisions	Transfer to current provisions	Reversal of provisions (2.7.11)	Balance as at 31 Dec 2023
Provisions for denationalisation	42,024	4,508	-3,809	8,468	-10,953	0	40,238
Provisions for guarantees on apartments sold	157	79	-37	0	0	0	199
Provisions for warranties given	445	0	-323	0	0	-34	88
Provisions for collateral given	2,257	0	0	0	0	-2,257	0
Provisions for jubilee premiums	102	26	-10	0	0	0	118
Provisions for severance payments	360	86	-38	0	0	0	408
Provisions for legal disputes	3,443	428	-49	0	0	-505	3,317
Non-current deferred revenues	359	39	0	0	0	0	398
Total	49,147	5,166	-4,266	8,468	-10,953	-2,796	44,766

2.7.8 Financial liabilities

	in EUR '000	
	31 Dec 2024	31 Dec 2023
Other	216	216
Total	216	216
Long-term portion	39	39
Short-term portion	177	177
Total	216	216

The amount of EUR 216 thousand reported under 'Other' relates to short-term and long-term deposits placed as collateral for issued guarantees, primarily intended to cover obligations arising from defect rectification, and arranged through banks and other institutions.

2.7.9 Current Operating Liabilities

	in EUR '000	
	31 Dec 2024	31 Dec 2023
Trade payables	302	902
Liabilities due to denationalisation beneficiaries	15,473	17,125
Liabilities due to employees	485	664
Liabilities due to state institutions	53	284
Other operating liabilities	2,980	1,175
Total	19,293	20,150

All liabilities relating to compensation to denationalisation beneficiaries on the basis of SOS2E bonds (not fully paid yet) and on the basis of final decisions are reported under current operating liabilities. The amount of the matured and outstanding debt has no significant value for SSH. The reason for the non-payment lies with beneficiaries who fail to submit the necessary payment data.

At the end of the reporting period, except for wages and salaries payables, there are no payables outstanding associated with related undertakings. There are no matured and outstanding liabilities.

2.7.10 Other liabilities

	in EUR '000	
	31 Dec 2024	31 Dec 2023
Current provisions for denationalisation	15,355	10,953
Accrued expense	1,395	1,962
Current deferred revenue	0	2,205
Other liabilities	5	5
Total	16,755	15,125

2.7.11 Operating income

INCOME FROM CONTRACTS WITH CUSTOMERS

	in EUR '000	
	2024	2023
Income from management of capital assets	4,634	4,501
Income from sale of real estate	0	13,988
Income from sale of goods, rental income and income from re-charged expenses in the EU market	0	4,679
Rental income	238	2,017
Net sales revenues	4,872	25,185

Income from contracts with customers includes fees for the management of capital assets owned by RS, and in accordance with contracts, the reimbursement of direct costs incurred in the sale of state-owned assets, fees for the implementation of three laws (i.e., ZIOOZP, ZSPOZ and ZVJTO), income from sale of real estate, rental income and other income.

OTHER OPERATING INCOME

	in EUR '000	
	2024	2023
Income from reversal and utilisation of non-current provisions – denationalisation	0	2,796
Income from reversal and utilisation of other non-current provisions	15	0
Income connected with denationalisation	1,444	3,362
Revalued operating income	1,147	4,321
Other operating income	2,606	10,479

Material income allocated for denationalisation includes:

- proceeds from the sale and management of agricultural land and forests, paid by the Farmland and Forest Fund of the Republic of Slovenia;
- proceeds from the restructuring of companies' ownership – paid in cash or by means of shares or equity holdings transferred to SSH partly from D. S. U. and partly from the budget of the Republic of Slovenia.

Revalued operating income primarily includes the reversal of the previous impairment of real estate inventories.

2.7.12 Costs of goods, materials and services

	in EUR '000	
	2024	2023
Cost of goods sold	0	13,300
Cost of material	182	179
Cost of services	4,000	6,097
Total	4,182	19,576

Costs of goods sold relates to the carrying amount of the properties sold and the related equipment.

COST OF MATERIAL

	in EUR '000	
	2024	2023
Energy costs	129	122
Write-ups of small tools	1	2
Cost of office supplies and professional literature	25	26
Other costs of material	27	29
Total costs of material	182	179

COST OF SERVICES

	in EUR '000	
	2024	2023
Property management costs	101	1,849
Telecommunication expense	80	91
Maintenance expense	549	383
Renting expense	265	409
Reimbursement of work-related expenses	37	85
Cost of payment transactions, banking services, insurance services	213	290
Costs of intellectual and personal services	1,424	1,709
Costs of fairs, advertising and entertainment	13	105
Costs of natural persons not performing self-employed activities	259	300
Cost of other services	1,059	876
Total costs of services	4,000	6,097

DISCLOSURE OF TRANSACTIONS WITH AUDITORS

	in EUR	
	2024	2023
Annual Report audit	97,800	97,800
Other services relating to providing assurances	22,100	0
Other audit-related services	5,760	0
Total	125,660	97,800

The amounts presented in the table above represent contractual amounts.

2.7.13 Labour costs

Labour costs include wages and salaries paid to employees, wage compensation attributable to employees for the time of their absence from work, in accordance with the law, collective agreement or an employment agreement, and bonuses and rewards paid to employees, as well as taxes charged on the aforementioned items. They also include reimbursement for travel expenses paid to employees and costs of meals, holiday allowances, any severance payments paid upon the termination of the employment relationship and costs of provisions for jubilee premiums and retirement benefits, as well as provisions for labour-law related lawsuits.

	in EUR '000	
	2024	2023
Salaries and wages	5,573	7,215
Retirement insurance costs	499	877
Costs of voluntary supplementary pension insurance	170	239
Social security contributions	409	545
Annual leave allowance, reimbursements and other earnings	429	341
Provisions for jubilee awards and retirement benefits	48	68
Total	7,128	9,285

2.7.14 Depreciation and amortisation

	in EUR '000	
	2024	2023
Amortisation of intangible assets	124	175
Depreciation of buildings	79	48
Depreciation of equipment and spare parts	247	237
Depreciation of right-of-use assets	2	3
Depreciation and amortisation of investment property	32	0
Total	484	463

2.7.15 Write-offs and impairments

	in EUR '000	
	2024	2023
Write-offs and impairments related to property, plant and equipment	0	107
Write-offs and impairments of real estate inventories	0	928
Write-offs and impairments of current assets, excluding financial investments	338	684
Total	338	1,719

2.7.16 Net profit or loss

FINANCIAL INCOME

	in EUR '000	
	2024	2023
Dividends and income similar to dividends - enterprises	49,019	32,323
Dividends - insurance companies	16,503	20,837
Capital gains	922	385
Income from the realization of loans	32,518	7,460
Income from valuation of financial investments at fair value	8,206	33,903
Interest from purchased receivables (Sava)	1,866	2,650
Other interest	3,527	1,735
Other finance income	4	162
Total	112,565	99,455

FINANCIAL EXPENSES

	in EUR '000	
	2024	2023
Interest on loans granted by banks	0	177
Impairments of capital asset	1,875	4,276
Impairments of loans	13,218	11,766
Loss on repayment of loans	1,948	515
Interest from leases	0	2
Other (default interest)	179	48
Total	17,220	16,784
Net profit or loss	95,345	82,671

2.7.17 Taxes

CALCULATION OF THE EFFECTIVE TAX RATE

	in EUR '000	
	2024	2023
Profit before tax	85,870	82,092
Tax at applicable rate (22% for 2024; 19% for 2023)	18,891	15,597
Effect of non-taxable income	-13,695	-9,627
Effects non-deductible income	72	185
Tax relief	-15	-83
Loss coverage	-2,626	-2,820
Other adjustments in taxable profit	-53	-516
Increases/ Reversal of deferred tax assets due to changes in taxable profits	-319	450
Income tax	2,255	3,187
Effective tax rate	2.63%	3.88%

DEFERRED TAX ASSETS AND TAX LIABILITIES

	in EUR '000	
	2024	2023
Deferred tax assets	1,934	1,647
Deferred tax liabilities	92,481	68,269
Net deferred tax assets/tax liabilities	-90,547	-66,622

Deferred tax liabilities relate to the effects of fair value valuation of financial investments (Notes 2.7.2.2 and 2.7.2.3).

The deferred tax assets are a result of impairment of financial investments, of provisions for retirement benefits and jubilee premiums, investment reliefs and unutilised tax losses. Estimated future tax liabilities for corporate income tax were used to determine the expected amount of the utilisation of deferred tax assets.

UNRECOGNISED DEFERRED TAX ASSETS

	in EUR '000	
	2024	2023
Unutilised tax losses	412,311	295,011
Impairment of receivables	72	508
Total unrecognised deferred tax assets	412,383	295,519

Unutilised tax losses may be carried forward to future periods over the next five years.

MOVEMENTS IN TAX LOSSES

	in EUR '000	
	2024	2023
Opening balance of unutilised tax losses	1,551,638	1,566,478
Increase due to merger with Istrabenz	334,694	0
Utilised in the period	-11,939	-14,840
Closing balance of unutilised tax losses	1,874,393	1,551,638

MOVEMENTS IN DEFERRED TAX IN 2024

	in EUR '000					
	Financial invest-ments	Adjust-ments of receivables	Provisions	Invest-ment relief	Tax loss	Total
Balance as at 1 Jan 2024	0	0	59	0	1,588	1,647
Use in 2024	0	0	-38	0	0	-38
Recognised in the year	0	0	0	0	326	326
Balance as at 31 Dec 2024	0	0	21	0	1,914	1,935

MOVEMENTS IN DEFERRED TAX IN 2023

	in EUR '000					
	Financial invest-ments	Adjust-ments of receivables	Provisions	Invest-ment relief	Tax loss	Total
Balance as at 1 Jan 2023	0	0	54	0	2,043	2,097
Use in 2023	0	0	0	0	-455	-455
Recognised in the year	0	0	5	0	0	5
Balance as at 31 Dec 2023	0	0	59	0	1,588	1,647

All movements in deferred tax assets are recognised through profit or loss.

MOVEMENTS IN DEFERRED TAX LIABILITIES

	in EUR '000	
	31 Dec 2024	31 Dec 2023
Balance of deferred tax liabilities	68,269	57,261
Change arising from revaluation of investments	24,212	11,008
Balance as at 31 December	92,481	68,269

The change in deferred tax liabilities was accounted for through other comprehensive income. Deferred tax liabilities include the revaluation of financial investments at fair value through other comprehensive income (FVTOCI). When recognising long-term deferred tax liabilities or deferred tax assets, the provisions of the applicable Corporate Income Tax Act are taken into account, on the basis of which and subject to the fulfilment of certain conditions, half of the capital gain is excluded from the taxable base.

2.7.18 Note to the Cash Flow Statement

The cash flow statement shows changes in the cash balances in a given financial year using the direct method. The data were obtained from the books of account of SSH and from other accounting records such as original documents on receipts and expenditure and account balance slips provided by commercial banks. The data for the preceding year were prepared using the same methodology.

The amounts paid for SOS2E bond interest and principal were disclosed in the first part of the Cash Flow Statement (cash flows from operating activities), since SSH’s core business includes the settling of denationalisation liabilities. Proceeds, with the exception of proceeds from financial investments sold in order to cover these outflows were recognised as operating proceeds. Similarly, the first part of the Statement of Cash Flows includes cash flows arising from the payment of liability due by the Republic of Slovenia which are executed on its behalf by SSH (ZSPOZ, ZIOOZP and ZVVJTO). The payment of dividends to the Republic of Slovenia, as approved by the Government on 7 March 2024, is also presented among operating outflows.

The main sources of funding for SSH’s liabilities in 2024 and 2023 included dividends received from companies owned by SSH, inflows from lease payments and re-invoiced costs, as well as reimbursements of expenses related to the management of capital assets held on behalf of the Republic of Slovenia.

2.8 FINANCIAL RISK MANAGEMENT OF SSH

Financial risks are continuously monitored and assessed by SSH with the aim to provide for a long-term liquidity and to avoid excessive exposure to individual risks. SSH Group is exposed to and monitors the following risks: credit risk, interest rate risk, and particularly market and liquidity risk. All financial instruments are denominated in Euros, currency risk is negligible for SSH.

2.8.1 Credit risk

The Company is exposed to credit risk primarily in the case of trade receivables. The exposure to this type of risk increases with the tightening of economic conditions. The Company reduces its exposure by continuously monitoring the creditworthiness of customers, conducting business on the basis of prepayments, monitoring bad payers, pursuing timely recovery, investing in enforcement proceedings, and using security instruments and compensations.

Financial assets at amortized cost represent deposits with commercial banks in Slovenia for which a minimal credit risk has been assessed. The same applies to cash and cash equivalents.

Financial assets measured at fair value through profit or loss (FVTPL), represent loans resulting from the merger with BAMC, and receivables due from a subsidiary. These are typically non-performing loans. Credit risk in these instances is primarily associated with restructuring scenarios. Risks related to the credit portfolio are explained in more detail in Section 2.8.5.

TOTAL MAXIMUM EXPOSURE TO CREDIT RISK

	in EUR '000	
	31 Dec 2024	31 Dec 2023
Operating receivables	2,224	14,959
Financial assets measured at amortised cost	20,000	75,000
Cash and cash equivalents	134,821	47,905
Financial assets measured at fair value through profit or loss FVTPL)	156,435	225,896
Total	313,480	363,760

BALANCE OF OVERDUE AND NOT YET DUE TRADE RECEIVABLES

	in EUR '000	
	31 Dec 2024	31 Dec 2023
Trade receivables - balance	15,690	28,973
Overdue receivables	14,147	15,177
Receivables not yet due	1,543	13,796
Impairment of receivables	-13,466	-14,014
Total net receivables	2,224	14,959

The highest potential exposure to credit risk is the carrying amount of financial assets.

2.8.2 Interest rate risk

The Company was not exposed to interest rate risk in either 2024 or 2023. Risks associated with the loan portfolio are disclosed in Note 2.8.5.

2.8.3 Liquidity risks

Special attention was dedicated to managing liquidity risk. As before, all liabilities were regularly settled. A thorough planning of cash flows enabled a timely forecasting in regard to potential deficits or surpluses and their optimum management.

In accordance with the provisions of the Act on Financial Operations, Insolvency Proceedings and Compulsory Dissolution, particularly in regard to the short-term and long-term financial capacity and solvency of SSH, it was assessed that SSH remains solvent and is not at risk of insolvency. The value of assets exceeds the value of liabilities., and the solvency is not at risk.

The Slovenian Sovereign Holding settles all its liabilities in due time. All salaries to employees were paid in accordance with employment contracts. Taxes and benefits were regularly settled on the day of the salary pay-out.

The balance of cash and cash equivalents as at 31 December 2024 stood at EUR 134,821 thousand, exceeding the short-term liabilities. Consequently, SSH considers the liquidity risk to be minimal.

MATURITY OF LIABILITIES ACCORDING TO CONTRACTUAL CASH FLOWS AS AT 31 DECEMBER 2024

in EUR '000

Contractual cash flows

Book value of liabilities	Liability	up to 6 months	from 6 to 12 months	from 1 to 5 years	more than 5 years
Finance lease payables	0	0	0	0	0
Financial liabilities	216	216	0	0	0
Operating liabilities	19,293	19,293	0	0	0
Other liabilities	16,755	16,755	0	0	0
Total liabilities	36,264	36,264	0	0	0

MATURITY OF LIABILITIES ACCORDING TO CONTRACTUAL CASH FLOWS AS AT 31 DECEMBER 2023

in EUR '000

Contractual cash flows

Book value of liabilities	Liability	up to 6 months	from 6 to 12 months	from 1 to 5 years	more than 5 years
Finance lease payables	19	5	5	9	0
Financial liabilities	216	0	0	0	0
Operating liabilities	21,743	0	0	0	0
Other liabilities	15,125	0	0	0	0
Total liabilities	37,103	37,089	5	9	0

2.8.4 Market risk

The company is primarily exposed to market risk through its investments in the equity of listed companies, due to fluctuations in stock prices and the liquidity of these investments. The total value of listed investments amounts to EUR 1,109,408 thousand, and is classified as Level 1 fair value, as detailed in Note 2.7.2.6.

QUOTED SHARES

Company	in EUR '000	in %	in EUR '000	in %
	Value	Structure	Value	Structure
	31 Dec 2024		31 Dec 2023	
Krka, d. d.	410,032	36.96	324,486	36.95
Zavarovalnica Triglav, d. d.	258,659	23.32	221,617	25.23
Petrol, d. d.	166,925	15.05	123,472	14.06
Pozavarovalnica Sava, d. d.	121,755	10.97	86,229	9.82
Cinkarna Celje, d. d.*	54,695	4.93	40,478	4.61
Luka Koper, d. d.	62,314	5.62	50,319	5.73
Other listed investments	35,028	3.16	31,625	3.60
Total	1,109,408	100	878,226	100

LIQUIDITY OF THE MOST IMPORTANT INVESTMENTS OF SSH IN QUOTED SHARES

in EUR '000

Turnover ratio*	in 2024	in 2023
Cinkarna Celje, d. d.	14.50%	9.45%
Krka, d. d.	3.71%	3.13%
Luka Koper, d. d.	2.12%	3.06%
Petrol, d. d.	2.23%	1.88%
Pozavarovalnica Sava, d. d.	4.76%	3.69%
Zavarovalnica Triglav, d. d.	2.92%	3.21%
Prime market	4.29%	3.45%
Standard market	0.78%	1.14%

* A ratio between the annual turnover and an average market capitalisation based on values as at 31 December, before 6 and before 12 months

Source: Monthly and Annual Statistics of Ljubljana Stock Exchange (LJSE), 2024 and 2023.

SENSITIVITY ANALYSIS OF EQUITY INVESTMENTS AGAINST CHANGES IN MARKET PRICES AS AT 31 DECEMBER 2024

in EUR '000

Value	Change in market prices	Change in market prices	Change in market prices	Change in market prices
31 Dec 2024	15%	20%	-15%	-20%
1,109,408	166,411	221,882	-166,411	-221,882

SENSITIVITY ANALYSIS OF EQUITY INVESTMENTS AGAINST CHANGES IN MARKET PRICES AS AT 31 DECEMBER 2023

in EUR '000

Value	Change in market prices	Change in market prices	Change in market prices	Change in market prices
31 Dec 2023	15%	20%	-15%	-20%
878,226	131,734	175,645	-131,734	-175,645

* Fluctuations in market prices affect the equity.

2.8.5 Risks in Loan Portfolio

Risk of change in the probability of the restructuring scenario

The restructuring strategy is defined based on the DPS model (Default Probability Scorecard), which classifies various elements of business risk on a seven-level scale from least to most risky. If a particular element of business risk poses a higher risk, the probability of a successful restructuring strategy will be lower. Based on the risk classes assigned, an average risk profile is determined for the restructuring scenario, which is then linearly distributed on the probability scale for the restructuring strategy.

Although the DPS model measures the business risk of individual companies, any change in the model has a direct impact on the fair value of loans and consequently also on credit risk exposure. The tables below present the loan exposure based on the probability classes of the realization of the restructuring scenario (DPS probability). All cases with the collateral realisation strategy have a probability of 0% for the restructuring scenario, and DPS is not defined for group-valued exposures.

PROBABILITY CLASSES BASED ON THE RESTRUCTURING STRATEGY PROBABILITY

in EUR '000

	Fair value 2024	Share in total fair value 2024	Fair value 2023	Share in total fair value 2023
Restructuring strategy	33,199	21%	84,302	41%
P (Restructuring Scenario Probability) 100%	365	0%	9,418	5%
P (Restructuring Scenario Probability) 90– 99%	-	-	-	-
P (Restructuring Scenario Probability) 80– 89%	-	-	-	-
P (Restructuring Scenario Probability) 70– 79%	-	-	-	-
P (Restructuring Scenario Probability) 60– 69%	13,921	9%	8,429	4%
P (Restructuring Scenario Probability) 50– 59%	18,913	12%	66,455	33%
Collateral realisation strategy	122,335	78%	118,014	58%
Collectively valued exposure	901	1%	1,153	1%
Total	156,435	100%	203,468	100%

Sensitivity Analysis of Changes in the Restructuring Scenario Probability Realisation

A change in the probability of realizing the restructuring scenario (the DPS probability) directly affects the credit risk exposure. Therefore, the following sensitivity analysis is presented for a 10-percentage point (hereinafter referred to as: “pp”) and 5 pp change in the DPS probability.

Impact of Parallel Changes in the DPS Probability on Restructuring Scenario Realization

The tables below show the fair value of loans based on the parallel change in the DPS probability for restructuring scenario realization, assuming all other assumptions remain unchanged. The group-valued exposure does not reflect the risk of changes in DPS probability for restructuring scenario realization since DPS probability is not one of the input data for calculating revaluations for group-valued exposure. Similarly, debtors categorized in the collateral realisation strategy do not reflect the risk of changes in the DPS probability, as these cases do not include values from the restructuring scenario (SSH typically recovers debts through legal proceedings in such cases).

A parallel decrease in the DPS probability would have a material impact on the fair value of loans. As at 31 December 2024, the largest proportion—approximately 12%—of the fair value under the restructuring strategy is attributable to the DPS class in the 50% to 59% range. A significant proportion of such debtors would be reclassified under the collateral realisation strategy, as those with a DPS below 50% are automatically classified as collateral realisation cases. Conversely, an increase in the DPS probability has no impact on the portfolio of debtors already assigned to the collateral realisation strategy. The impact of a parallel change in the DPS probability on the realisation of the restructuring scenario is therefore non-linear.

SENSITIVITY ANALYSIS OF THE DPS PROBABILITY IN THE RESTRUCTURING SCENARIO REALIZATION AS AT 31 DECEMBER 2024

	Fair value	Impact of a Parallel Change in DPS Probability by 10 Percentage Points on the Fair Value of Loans		Impact of a Parallel Change in DPS Probability by 5 Percentage Points on the Fair Value of Loans	
		Increase	Decrease	Increase	Decrease
Restructuring strategy	33,199	87	-18,946	43	-10,614
Collateral realisation strategy	122,335	0	18,618	0	10,304
Collectively valued exposure	901	-	-	-	-
Total	156,435	87	-328	43	-310

SENSITIVITY ANALYSIS OF THE DPS PROBABILITY IN THE RESTRUCTURING SCENARIO REALIZATION AS AT 31 DECEMBER 2023

	Fair value	Impact of a Parallel Change in DPS Probability by 10 Percentage Points on the Fair Value of Loans		Impact of a Parallel Change in DPS Probability by 5 Percentage Points on the Fair Value of Loans	
		Increase	Decrease	Increase	Decrease
Restructuring strategy	84,302	983	-66,497	491	-60,395
Collateral realisation strategy	118,014	0	61,704	0	55,622
Collectively valued exposure	1,153	-	-	-	-
Total	203,468	983	-4,794	491	-4,772

A change in the fair value of loans resulting from a change in the DPS probability for the realisation of the restructuring scenario would also affect the income statement. Changes in the fair value of loans would result in variations in profit or loss, as indicated in the table above.

Risk of the failure of the restructuring strategy

Due to the risk of simultaneous failure of the restructuring strategy for all borrowers for whom SSH is pursuing such a strategy within the same year, all of them would be reclassified under the collateral realisation strategy, resulting in the loss of cash inflows from regular business operations. Consequently, SSH could only expect inflows from the realisation of collateral, which may be lower than the cumulative inflows from regular repayments.

The tables below present the difference in fair value assuming the entire portfolio of individually assessed borrowers were reclassified under the collateral realisation strategy, reflecting a full failure of the restructuring strategy. The risk of restructuring strategy failure does not have a direct impact on the fair value of collectively assessed exposures.

If all borrowers under the restructuring strategy were to default, the fair value of individually assessed loans would decrease by EUR 99 thousand (2023: EUR 4,488 thousand).

in EUR '000

2024	Fair value of loans	Fair value of loans assuming full failure of the restructuring strategy	Difference
Restructuring strategy	33,199	0	-33,199
Collateral realisation strategy	122,335	155,435	33,100
Collectively valued exposure	901	901	0
Total	156,435	156,336	-99

in EUR '000

2023	Fair value of loans	Fair value of loans assuming full failure of the restructuring strategy	Difference
Restructuring strategy	84,302	0	-84,302
Collateral realisation strategy	118,014	197,827	79,813
Collectively valued exposure	1,153	1,153	0
Total	203,468	198,979	-4,488

Risk of changes in the discount rate

Given the ongoing portfolio sales of receivables and loans, the information was assessed as price-sensitive. As a result, the WACC for the 2024 financial year has not been disclosed.

A change in the discount rate has a direct impact on the fair value of loans. Assuming all other inputs remain unchanged, it also affects the level of loan impairments and, consequently, has a direct impact on the Income Statement.

The sensitivity analysis for changes in the discount rate was prepared based on shifts of 0.5 and 1.0 percentage points (referred to as: "pp").

SENSITIVITY ANALYSIS OF CHANGES IN THE DISCOUNT RATE AS AT 31 DECEMBER 2024

in EUR '000

	Fair value of loans	Impact of a 0.5 Percentage Point Decrease in WACC on the Fair Value of Loans	Impact of a 1 Percentage Point Decrease in WACC on the Fair Value of Loans	Impact of a 0.5 Percentage Point Increase in WACC on the Fair Value of Loans	Impact of a 1 Percentage Point Increase in WACC on the Fair Value of Loans
Restructuring strategy	33,199	134	269	-210	-427
Collateral realisation strategy	122,335	1216	2,455	-1,194	-2,365
Collectively valued exposure	901	0	0	0	0
Total	156,435	1,350	2,724	-1,404	-2,793

The fair value of SSH loans represents expected cash flows, discounted at a discount rate of 7.96% as at 31 December 2023. A change in the discount rate has a direct impact on the fair value of loans. Assuming all other inputs remain unchanged, it also affects the level of loan impairments and, consequently, has a direct impact on the Income Statement.

The sensitivity analysis for changes in the discount rate was prepared based on shifts of 0.5 and 1.0 percentage points (referred to as: "pp"). The upper limit of Weighted Average Cost of Capital (WACC) is capped at 8.00%.

in EUR '000

2023	Fair value of loans	Impact of a 0.5 Percentage Point Increase in WACC on the Fair Value of Loans	Impact of a 1 Percentage Point Increase in WACC on the Fair Value of Loans	Impact of the increase in WACC by 8%
Restructuring strategy	84,302	675	1,363	-54
Collateral realisation strategy	118,014	1,052	2,118	-84
Collectively valued exposure	1,153	0	0	0
Total	203,468	1,727	3,482	-137

MATURITY OF ANTICIPATED CASH FLOWS

in EUR '000

	31 Dec 2024	31 Dec 2023
Short-term loans	25,868	32,215
Long-term loans	165,801	214,128
Total	191,669	246,344

2.8.6 Managing capital adequacy

There were no changes in the approach to capital management in 2024 or 2023. The main purpose of capital management is to ensure capital adequacy and the financial stability of the Company, with the primary objective of generating a high return on equity. In accordance with the dividend policy of the sole shareholder, accumulated profit is not distributed, except as disclosed in Note 2.11.

SSH manages its capital structure using the financial leverage ratio, defined as net debt to equity. Net debt includes liabilities to denationalisation beneficiaries and other operating liabilities, reduced by cash and cash equivalents.

in EUR '000

	31 December 2024	31 December 2023
Current liabilities	36,386	37,569
Non-current financial liabilities	39	41
Cash and cash equivalents	134,821	47,905
Net indebtedness	-98,396	-10,295
Equity	1,579,366	1,359,616
Financial leverage ratio in %	-6.23	-0.76

2.9 TRANSACTIONS WITH RELATED PARTIES

In addition to the Republic of Slovenia, which is considered the 100% owner, the following entities are regarded as related parties in accordance with IAS 24:

- subsidiaries and associates;
- key management personnel, members of Supervisory Board and Audit Committee;
- state-related entities.

In 2023, SSH did not enter into any transactions that could have had an adverse impact on the operations of related parties.

2.9.1 Subsidiaries and associates

As at 31 December 2024, SSH held at least a 20% equity interest in several companies listed in Notes 2.7.2.1 and 2.7.2.2. The majority of the above-mentioned shares and shareholdings were obtained pursuant to the Ownership Transformation of Companies Act and other laws passed with the aim of settling denationalisation compensation to beneficiaries and compensation to victims of war- and post-war violence, and pursuant to ZSDH-1. There were no significant business transactions taking place between SSH and the above mentioned companies.

As at 31 December 2023, SSH reported loans granted to its subsidiary Sava in the amount of EUR 22,427 thousand, and trade receivables totalling EUR 7,743 thousand. By 31 December 2024, these loans and receivables had been settled, partly through repayment and partly through an increase in the carrying amount of the investment. In 2024, SSH recognised interest income of EUR 1,866 thousand from Sava (2023: EUR 2,650 thousand).

in EUR '000

	Receivables		Liabilities		Income		Expenses		Loans granted		Loans received	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Subsidiaries	0	30,338	0	0	2,028	2,838	0	53	1,001	20	0	0
Associates:	43	0	25	12	20,336	15,967	35	282	0	0	0	0
Total	43	30,338	25	12	22,364	18,806	35	335	1,001	20	0	0

2.9.2 Management bodies, members of Supervisory Board and Audit Committee

EARNINGS OF SSH MANAGEMENT BOARD MEMBERS IN 2024

in EUR

	Žiga Debeljak	Janez Tomšič
	1 Jan. – 31 Dec	1 Jan.– 31 Dec
Fixed earning (gross)	156,202	140,583
Variable income (gross)	88,594	79,721
Fringe benefits	1,881	7,360
Annual leave allowance	2,000	2,000
Reimbursement of costs (meals, transportation cost, use of own assets)	2,094	1,624
Reimbursement of business travel costs	423	227
Voluntary suppl. pension insurance	2,904	2,904

EARNINGS OF SSH MANAGEMENT BOARD MEMBERS IN 2023

in EUR

	Žiga Debeljak	Janez Tomšič
	1 Jan.– 31 Dec	1 Jan.– 31 Dec
Fixed earning (gross)	151,584	136,399
Variable income (gross)	26,246	77,001
Fringe benefits	1,511	8,039
Annual leave allowance	2,000	2,000
Reimbursement of costs (meals, transportation cost, use of own assets)	2,111	1,688
Reimbursement of business travel costs	850	88
Voluntary suppl. pension insurance	2,904	2,904

In 2024 and in 2023, no loans were granted either to the key management, members of the Supervisory Board or to members of its committees or employees.

In 2024, alongside the Management Board members, two other individuals were , employed under individual contracts (Executive Directors for the management of claims).

ZSDH-1 stipulates that provisions of the Act Governing the Remuneration of Managers of Companies with Majority Ownership held by the Republic of Slovenia or Self-Governing Local Communities ("ZPPOGD", by way of which SSH is considered a large company) do not apply to salaries paid to the members of Management Board.

EARNINGS OF MEMBERS OF THE SUPERVISORY BOARD IN 2024

in EUR

	Compensation for the performance of the function (gross)	Attend-ance fee - gross	Fringe benefit	Travel ex-penses (gross)	Total
Karmen Dietner	956	275	0	0	1,231
Ivan Simič	14,400	2,585	1,320	0	18,305
Franjo Bobinac	15,840	2,860	1,320	0	20,020
Miro Medvešek	14,400	2,860	1,320	0	18,580
Suzana Bolčič Agostini	17,863	2,860	1,320	1,069	23,112
Total	63,460	11,440	5,278	1,069	81,247

EARNINGS OF MEMBERS OF THE SUPERVISORY BOARD IN 2023

in EUR

	Compensation for the performance of the function (gross)	Attend-ance fee - gross	Fringe benefit	Travel ex-penses (gross)	Total
Karmen Dietner	18,720	3,300	1,099	0	23,119
Ivan Simič	14,400	3,300	1,099	0	18,799
Franjo Bobinac	15,430	2,750	1,099	149	19,427
Miro Medvešek	13,858	2,530	1,099	0	17,487
Suzana Bolčič Agostini	14,400	3,300	1,099	1,854	20,653
Total	76,808	15,180	5,494	2,003	99,484

EARNINGS OF MEMBERS OF THE SUPERVISORY BOARD'S AUDIT COMMITTEE IN 2024

in EUR

	Compensation for the performance of the function (gross)	Attend-ance fee - gross	Fringe benefit	Travel ex-penses (gross)	Total
Ivan Simič	3,600	836	0	0	4,436
Suzana Bolčič Agostini	3,600	836	0	249	4,685
Darinka Virant	7,200	616	0	41	7,857
Total	14,400	2,288	0	290	16,978

EARNINGS OF MEMBERS OF THE SUPERVISORY BOARD'S AUDIT COMMITTEE IN 2023

in EUR

	Compensation for the performance of the function (gross)	Attend-ance fee - gross	Fringe benefit	Travel ex-penses (gross)	Total
Karmen Dietner	1,026	440	0	0	1,466
Ivan Simič	3,600	880	0	0	4,480
Suzana Bolčič Agostini	2,574	440	0	530	3,544
Darinka Virant	7,200	880	0	120	8,200
Total	14,400	2,640	0	650	17,690

EARNINGS OF MEMBERS OF THE SUPERVISORY BOARD'S NOMINATION COMMITTEE IN 2024

in EUR

	Compensation for the performance of the function (gross)	Attend-ance fee - gross	Fringe benefit	Travel ex-penses (gross)	Total
Karmen Dietner	300	0	0	0	300
Ivan Simič	3,600	1,452	0	0	5,052
Franjo Bobinac	3,600	1,452	0	0	5,052
Miro Medvešek	3,600	1,452	0	0	5,052
Suzana Bolčič Agostini	3,600	1,452	0	124	5,176
Total	14,700	5,808	0	124	20,632

EARNINGS OF MEMBERS OF THE SUPERVISORY BOARD'S NOMINATION COMMITTEE IN 2023

in EUR

	Compensation for the performance of the function (gross)	Attend-ance fee - gross	Fringe benefit	Travel ex-penses (gross)	Total
Karmen Dietner	3,600	440	0	0	4,040
Ivan Simič	3,600	440	0	0	4,040
Franjo Bobinac	3,600	440	0	0	4,040
Miro Medvešek	3,465	440	0	0	3,905
Suzana Bolčič Agostini	3,600	440	0	530	4,570
Total	17,865	2,200	0	530	20,594

EARNINGS OF MEMBERS OF THE SUPERVISORY BOARD'S RISK COMMITTEE IN 2024

in EUR

	Compensation for the performance of the function (gross)	Attendance fee - gross	Fringe benefit	Travel expenses (gross)	Total
Miro Medvešek	3,600	440	0	0	4,040
Darinka Virant	4,800	440	0	17	5,257
Bobinac Franc	3,600	440	0	0	4,040
Total	12,000	1,320	0	17	13,337

EARNINGS OF MEMBERS OF THE SUPERVISORY BOARD'S RISK COMMITTEE IN 2023

in EUR

	Compensation for the performance of the function (gross)	Attendance fee - gross	Fringe benefit	Travel expenses (gross)	Total
Karmen Dietner	1,026	0	0	0	1,026
Miro Medvešek	2,574	220	0	0	2,794
Darinka Virant	4,800	220	0	15	5,035
Bobinac Franc	2,574	220	0	0	2,794
Total	10,974	660	0	15	11,650

EARNINGS OF MEMBERS OF THE NOMINATION COMMITTEE IN 2024

in EUR

	Compensation for the performance of the function (gross)	Attendance fee - gross	Fringe benefit	Travel expenses (gross)	Total
Vlasta Lenardič	28,800	0	0	0	28,800
Urška Podpečan	28,800	0	0	0	28,800
Samo Roš	28,800	0	0	119	28,919
Total	86,400	0	0	119	86,519

EARNINGS OF MEMBERS OF THE NOMINATION COMMITTEE IN 2023

in EUR

	Compensation for the performance of the function (gross)	Attendance fee - gross	Fringe benefit	Travel expenses (gross)	Total
Vlasta Lenardič	25,200	0	0	0	25,200
Urška Podpečan	25,200	0	0	0	25,200
Samo Roš	25,200	0	0	390	25,590
Total	75,600	0	0	390	75,990

OTHER COSTS ASSOCIATED WITH THE SUPERVISORY BOARD AND ITS COMMITTEES

in EUR

	2024	2023
Costs for supplementary training	478	0
Other (insurance premiums)	1,227	1,173
Total	1,705	1,173

2.9.3 Transactions with the Government of the Republic of Slovenia, state authorities and enterprises controlled by the Government or in which its significant influence is exercised

Companies that are related to the state include all companies in which the Republic of Slovenia exercises a significant influence.

in EUR '000

	Receivables		Income		Expenses	
	2024	2023	2024	2023	2024	2023
Ministry of Finance	521	72	4,596	4,452	0	0
D. S. U.	0	1,207	0	1,976	0	42
Farmland and Forest Fund of RS	156	158	1,340	1,382	0	0
Total	677	1,437	5,936	7,810	0	42

SSH also transacts with other companies, authorities, bodies and agencies in which the Republic of Slovenia holds either a majority or minority interest. All transactions with the above-mentioned entities are conducted on an arm's length basis, consistent with transactions with other entities. As the amounts involved are not material, this information is not disclosed.

2.10 CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Contingent assets are more difficult to measure, as they represent claims asserted by the Company through legal proceedings, the outcome of which remains uncertain. These arise from the merger with BAMC in 2022.

In addition to future liabilities for which provisions have been recognised—given that the criteria for recognition have been met—SSH also formed contingent liabilities arising from denationalisation in the amount of EUR 28.3 million (31 December 2023: EUR 33.3 million) and contingent liabilities amounting to EUR 108.4 million (31 December 2023: EUR 109.4 million) arising from the merger with BAMC, as presented below. It is known that administrative units and ministries have additional compensation claims under the Denationalisation Act (ZDen) which have not yet been formally communicated to SSH. The value of these liabilities has therefore been estimated. Total contingent liabilities amount to EUR 136.7 million (2023: EUR 142.7 million).

	in EUR '000	
	31 Dec 2024	31 Dec 2023
Contingent liabilities for legal disputes which have not been settled	108,314	108,459
Contingent liabilities arising from bank guarantees issued	125	140
Contingent liabilities for guarantees granted	0	828
Total	108,439	109,427

(a) Contingent liabilities relating to unresolved legal disputes

Contingent liabilities relating to unresolved legal disputes represent the total value of all litigation claims, including estimated legal costs and associated default interest.

Two lawsuits—one initiated in 2015 and the other in 2020—account for 92% of the total value of all claims against SSH. One lawsuit concerns alleged unfair negotiations, while the other seeks compensation for an allegedly unjustified application to initiate bankruptcy proceedings against the debtor.

b) Contingent liabilities arising from bank guarantees issued

	in EUR '000	
	31 Dec 2024	31 Dec 2023
Arising from the merger of Factor banka	94	94
Arising from the merger of Probanka	31	46
Total	125	140
Less amount included in balance sheet in provisions for bank guarantees issued	0	0
Contingent liabilities	125	140

The table presents contingent liabilities representing the amounts of approved but unredeemed and still valid bank guarantees as at 31 December 2024. The full amount was assumed as a result of the merger of Factor banka and Probanka.

c) Contingent liabilities for collateral and guarantees granted

	in EUR '000	
	31 Dec 2024	31 Dec 2023
Collateral in the form of pledged deposits	0	0
Collateral from issued promissory notes	0	828
Total	0	828
Stated on the balance sheet among other provisions	0	0
Contingent liabilities	0	828

2.11 EVENTS AFTER THE BALANCE SHEET DATE

No events occurred after the reporting date that would affect the financial position, profit or loss, or other comprehensive income of SSH for the year ended 31 December 2024. Other significant events are presented below.

- The Company received an inflow of EUR 2.6 million from the realisation of a separate bankruptcy estate in the case of Martex, d. o. o. – in bankruptcy.
- In March 2025, an addendum to the Financial Restructuring Agreement was signed with companies belonging to the Goričane Group.

Ljubljana, 30 May 2025



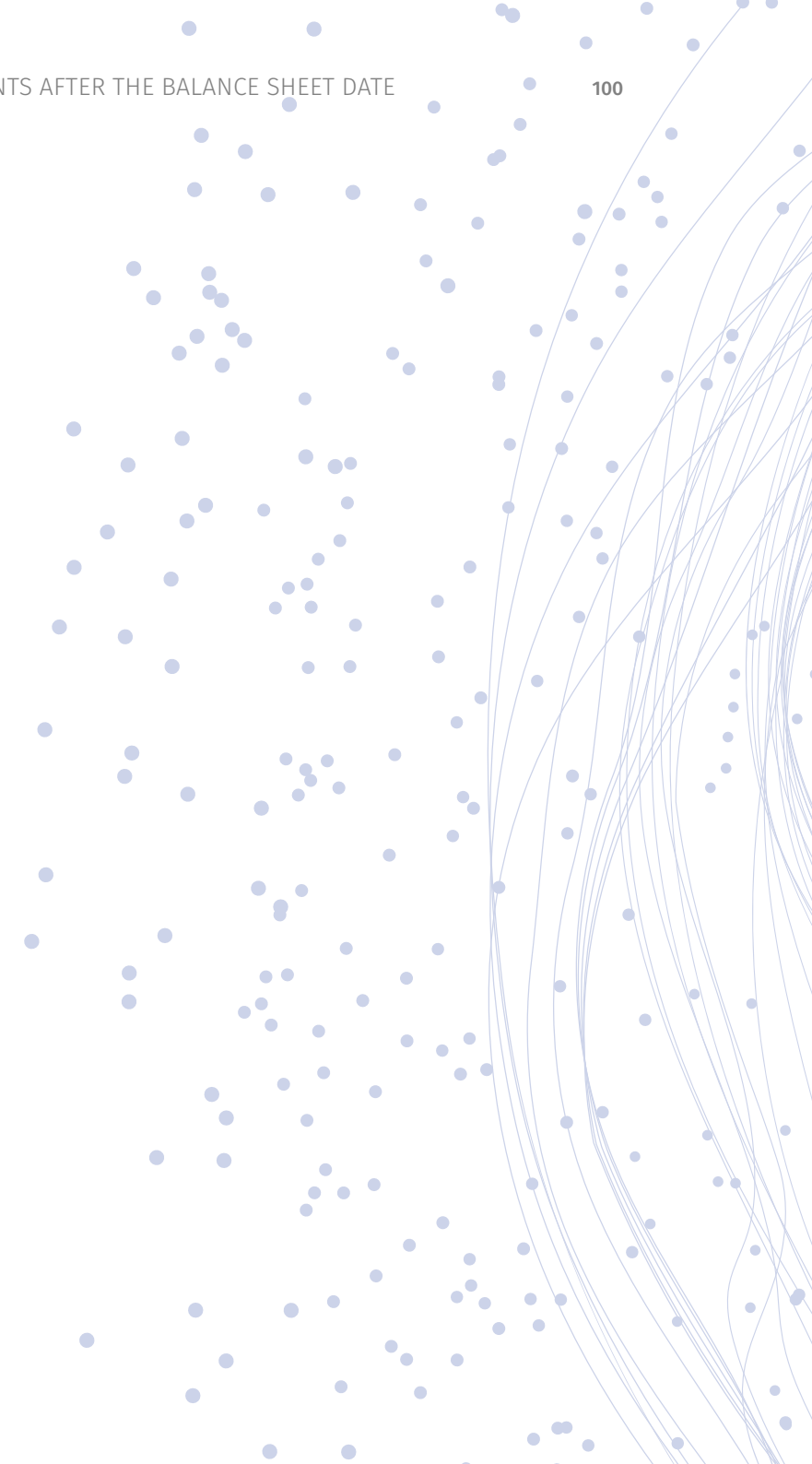
Janez Tomšič,

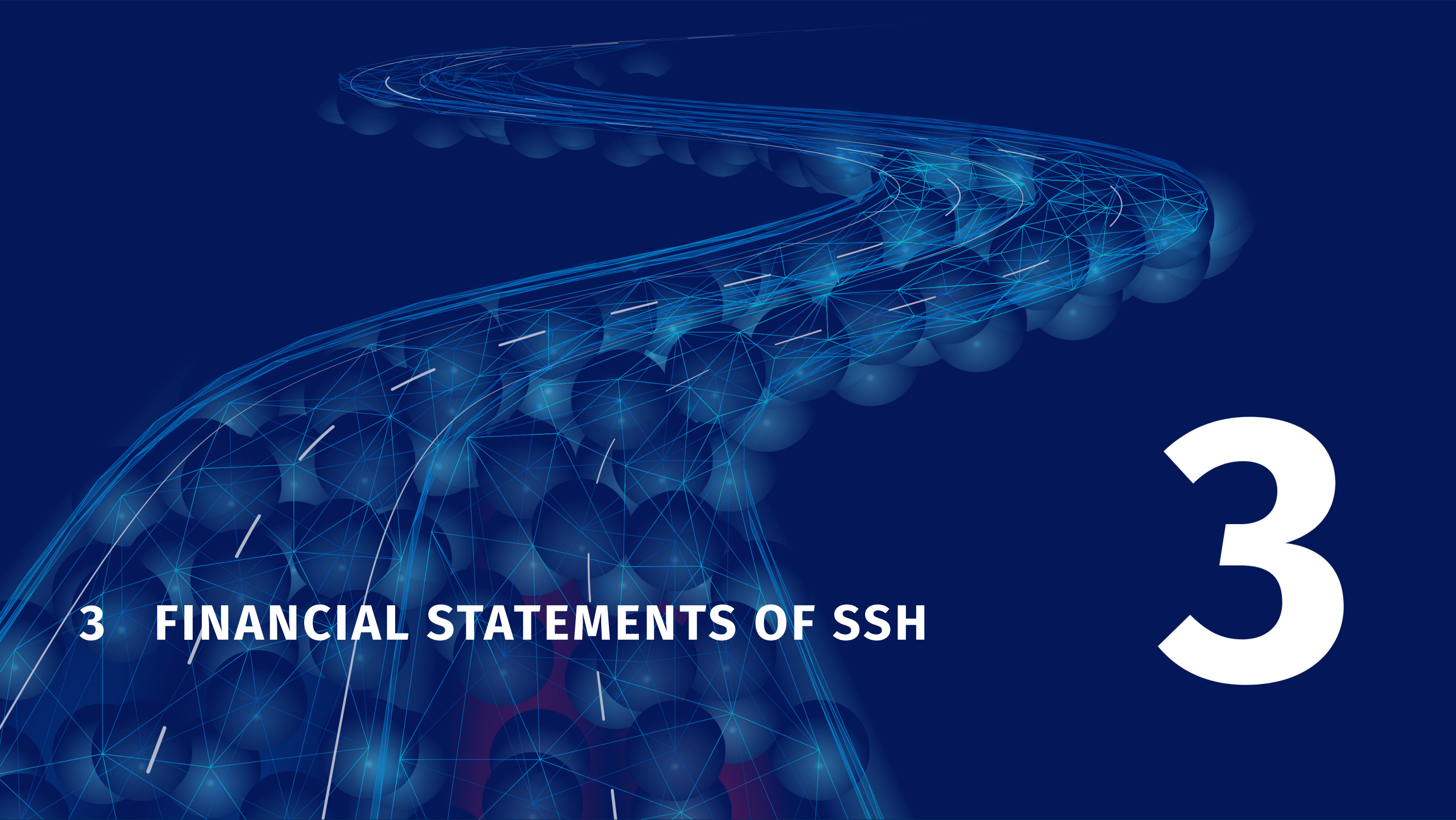
Member of SSH Management Board



Žiga Debeljak, MSc

President of SSH Management Board





3 FINANCIAL STATEMENTS OF SSH

3

3.1 STATEMENT OF MANAGEMENT RESPONSIBILITY

The Management Board is responsible for the preparation of the Accounting Report so that it provides a true and accurate account of the financial position of SSH Group as at 31 December 2024 as well as of its financial performance and cash flows for 2024, in accordance with the provisions of ZSDH-1 and ZGD-1.

The Management Board confirms that appropriate accounting policies and prudent accounting estimates were consistently applied in the preparation of the consolidated financial statements of SSH Group. The Management Board further confirms that the consolidated financial statements and interpretations were prepared under an assumption of the going concern and are compliant with applicable legislation and the International Financial Reporting Standards as adopted by the European Union (IFRS), with the exception of the inclusion of subsidiaries in the consolidated financial statements. As a matter of fact, Article 36(a) of ZSDH-1 stipulates that SSH shall not include in its consolidated annual report those subsidiaries in which it acquired the position of controlling company through the acquisition of shares or equity interests based on the transfer of assets, rights and obligations from BAMC to SSH, in accordance with the legislation governing such measures.

The Management Board is responsible for adequate and orderly accounting and the adoption of appropriate measures for safeguarding property and other assets as well as for the prevention and detection of fraud as well as other irregularities and illegalities.

At any time, tax authorities may review the operations of SSH within five years from the tax calculation date which may consequently result in additional tax liabilities, interest and penalties being imposed pursuant to the Corporate Income Tax Act, or arising from any other taxes and levies. The Management is not aware of any circumstances that may give rise to any potential material liability arising thereunder.

The President and the Member of the Management Board of Slovenian Sovereign Holding hereby declare that we are familiar with the content of all integral parts of the Consolidated Annual Report and we confirm it hereby with our signatures.

Ljubljana, 30 May 2025



Janez Tomšič,

Member of SSH Management Board



Žiga Debeljak, MSc

President of SSH Management Board

3.2 INDEPENDENT AUDITOR'S REPORT



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info@bdo.si
www.bdo.si

Cesta v Mestni log 1
SI-1000 Ljubljana
Slovenija

INDEPENDENT AUDITOR'S REPORT
To the shareholder of SSH
(Translation from the original in Slovene language)

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Opinion

We have audited the consolidated financial statements of the SSH Group (hereinafter –the Group–) which comprise the consolidated statement of financial position as at 31 December 2024, the consolidated income 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, comprising material accounting policy information and other explanatory information.

In our opinion the accompanying consolidated financial statements have been prepared, in all material respects, in accordance with the accounting requirements of the Slovenian Sovereign Holding Act (ZSDH-1).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) Our responsibilities under those rules are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board of Accountants' Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the consolidated financial statements in Slovenia, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

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

Emphasis of Matter - Basis of Accounting

We draw attention to note 3.4.2 Basis for preparation of consolidated financial statements, which describes the basis of accounting. The Act Amending the Slovenian Sovereign Holding Act (ZSDH-1A, Official Journal of the Republic of Slovenia No. 140/22 of 4 November 2022) exempts the Company from consolidating entities over which it has control and that were acquired in terms of the assets and liabilities transfer from BAMC to SSH in accordance with the Act Regulating Measures of the Republic of Slovenia to Strengthen the Stability of Banks. The ZSDH -1A requires the Company to comply with International Financial Reporting Standards (IFRS) and non-inclusion of all subsidiaries in the consolidated financial statements constitutes a departure from IFRS. Our opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information. Other information comprises the information included in the Consolidated Annual Report of the Group other than the consolidated financial statements and the auditor's report thereon. Other information was obtained before the date of the auditor's report, with the exception of the Supervisory Board report, which will be available later.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read other information and, in doing so, assess whether the other information is materially inconsistent with the consolidated financial statements, legal requirements or our knowledge obtained in the audit, other than those relating to the Sustainability Report, on which a separate limited assurance report was issued, or otherwise appears to be materially misstated. If, on the basis of the work done, we conclude that there is a material misstatement of other information, we must report such circumstances.

Based on the procedures performed, we report that:

- the other information is in all material respect consistent with audited consolidated financial statements;

BDO Revizija d.o.o., slovenska družba z omejeno odgovornostjo, je članica BDO International Limited, britanske družbe "limited by guarantee" in je del mednarodne BDO mreže med seboj neodvisnih družb članic.
Okrožno sodišče v Ljubljani, vl št. 1/26892/00, osnovni kapital: 9.736,66 EUR, matična št.: 5913691, ID št. za DDV: S94637920.



- the other information, except the Sustainability Report, to which we issued s separate limited assurance report dated 30. May 2025, is prepared in compliance with applicable laws or regulations;
- based on the knowledge and understanding of the Group obtained in the audit, we have not identified any material misstatement of other information.

Responsibilities of the Management and the Supervisory Board for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with ZSDH-1, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

The Supervisory Board is 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 ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the 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 internal controls of the Group.
- 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 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 and 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 activities 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 audit opinion.



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

Ljubljana, 30 May 2025

BDO Revizija d.o.o.
Cesta v Mestni log 1, Ljubljana

(Signature on the original Independent Auditor's Report in Slovene language)

Mateja Vrankar, certified auditor
Managing partner

3.3 CONSOLIDATED FINANCIAL STATEMENTS OF SSH GROUP

3.3.1 Consolidated Statement of Financial Position of SSH Group

in EUR '000

	Note	31 Dec 2024	31 Dec 2023
ASSETS			
NON-CURRENT ASSETS		1,590,314	1,260,272
Intangible assets		1,586	1,825
Property, plant and equipment	3.7.1	251,197	253,778
The right to use leased assets		1,685	0
Investment property		4,379	4,164
Investments in subsidiaries	3.7.2.1	79,012	81,332
Investments in associates and jointly controlled entities	3.7.2.2	442,486	295,892
Financial assets measured at fair value through other comprehensive income (FVTO-CI)	3.7.2.3	806,597	622,724
Financial assets measured at amortised cost - Loans	3.7.2.7	3,000	0
Derivatives		346	531
Trade receivables		26	26
CURRENT ASSETS		352,002	486,767
Assets/disposal groups held for sale		630	0
Inventories	3.7.3	4,268	95,445
Financial assets measured at fair value through profit or loss FVTPL)	3.7.2.5	157,437	203,468
Deposits measure at amortised cost	3.7.2.7	22,000	106,000
Assets from contracts with customers		649	1,240

Trade receivables	3.7.4	5,241	9,650
Income tax receivables		1,974	0
Other current assets		945	3,892
Cash and cash equivalents	3.7.5	158,858	67,072
TOTAL ASSETS		1,942,316	1,747,039
EQUITY AND LIABILITIES			
EQUITY	3.7.6	1,680,255	1,461,854
Equity attributable to the owners of the controlling company		1,604,317	1,394,115
Called-up equity		301,766	301,766
Capital reserve		112,287	112,287
Other revenue reserves		313,510	313,510
Fair value reserve		461,064	303,840
Retained net profit or loss		296,532	319,520
Net profit for the period		122,670	43,192
Minority interest		75,938	67,739
NON-CURRENT LIABILITIES		188,434	174,384
Provisions and non-current deferred revenues	3.7.7	40,449	58,228
Financial liabilities	3.7.8	49,718	41,118
Finance lease payables		1,095	1,771
Deferred tax liabilities	3.7.17	97,172	73,267
CURRENT LIABILITIES		70,115	110,801
Financial liabilities	3.7.8	6,459	33,743
Finance lease payables		758	671
Liabilities from contracts with customers		5,735	6,649

in EUR '000

	Note	31 Dec 2024	31 Dec 2023
Operating liabilities	3.7.9	34,993	48,863
Other liabilities	3.7.10	22,170	20,875
LIABILITIES		258,549	285,185
LIABILITIES AND EQUITY - TOTAL		1,942,316	1,747,039

* Notes to the financial statements form an integral part of financial statements and should be read in conjunction with them.

3.3.2 Consolidated Income Statement of SSH Group

in EUR '000

	Note	2024	2023
Income from contracts with customers	3.7.11	135,667	144,946
Other operating income	3.7.11	8,950	18,713
Operating income		144,617	163,659
Cost of goods sold	3.7.12	26,497	40,695
Costs of materials and services	3.7.12	44,833	44,348
Labour costs	3.7.13	47,684	47,502
Depreciation and amortisation	3.7.14	13,819	13,101
Non-current provisions		3,780	5,014
Impairments and write-offs	3.7.15	4,587	1,895
Other operating expenses		3,695	6,655
Operating profit/(loss)		-278	4,449
Financial income	3.7.16	92,025	81,636
Finance expense	3.7.16	22,397	50,930
Proportion of profit/loss from investments measured at equity method	3.7.16	65,870	9,949

Profit or loss before taxes		135,220	45,104
Income tax	3.7.17	-3,773	-3,322
Deferred taxes	3.7.17	307	612
Net profit/(loss) for the period		131,755	42,394
Profit/(loss) attributable to minority interest		9,085	-799
Earnings attributable to the owners of the controlling company		122,670	43,193

* Notes to the financial statements form an integral part of financial statements and should be read in conjunction with them.

3.3.3 Consolidated Statement of Other Comprehensive Income of SSH Group

in EUR '000

	2024	2023
Net profit/(loss) for the period	131,755	42,393
Change in fair value reserve (financial investments)	160,659	92,768
Share of other comprehensive income of associates	-4,034	1,342
Recalculation of post-employment benefits	-58	-185
Total other comprehensive income not to be recognized in Income Statement in the future	156,567	93,925
Share of other comprehensive income of associates	1,931	8,041
Total other comprehensive income to be recognized in Income Statement in the future	1,931	8,041
Other comprehensive income after tax - total	158,498	101,966
Total comprehensive income after tax	290,253	144,359
<i>attributable to the owners of the controlling company</i>	281,168	145,158
<i>attributable to minority interest</i>	9,085	-799

* Notes to the financial statements form an integral part of financial statements and should be read in conjunction with them.

3.3.4 Consolidated Statement of Cash Flows of SSH Group

in EUR '000

	2024	2023
Cash flows from operating activities		
<i>Cash receipts from operating activities</i>	206,896	261,551
Receipts from operating activities	206,751	258,942
Receipts from Republic of Slovenia (sales on consignment)	145	2,609
<i>Cash payments relating to operating activities</i>	-142,074	-181,848
Payments to suppliers for goods and services	-78,988	-112,402
Payments to and on behalf of employees	-45,255	-46,109
Payments of taxes and duties of all kinds	-8,628	-10,624
Payments mandated by law	-2,887	-3,944
Payments on behalf the Republic of Slovenia (sales on consignment)	-529	-2,375
Other cash payments relating to operating activities	-5,787	-6,394
Net cash flow from operating activities	64,822	79,703
Cash flow from investing activities		
<i>Cash receipts from investing activities</i>	272,629	125,063
Interest received - deposits	4,863	1,325
Dividends received	88,428	53,559
Proceeds from the sale of property, plant and equipment	0	1,040
Proceeds from the sale of investment property	34	727
Proceeds from the sale of current financial investments	179,304	68,412
<i>Cash payments relating to investing activities</i>	-105,683	-145,935
Payments to acquire intangible assets	-839	-357
Payments to acquire property, plant and equipment	0	-9,530

Payments to acquire investment property	-17,343	0
izdatki za pridobitev dolgoročnih finančnih naložb	-67,501	-61,048
izdatki za pridobitev kratkoročnih finančnih naložb	-20,000	-75,000
Net cash flow from investing activities	166,946	-20,872
Cash flows from financing activities		
<i>Cash receipts from investing activities</i>	69,613	0
Cash proceeds from paid-in capital	35,904	0
Cash proceeds from increase in current financial liabilities	33,709	0
<i>Cash payments from investing activities</i>	-209,595	-42,713
Interest payments relating to financing activities	-24,416	-2,632
Cash payments for dividends paid	-78,906	0
Repayment of current financial liabilities	-106,273	-40,081
Net cash flows from financing activities	-139,982	-42,713
Cash at end of period	158,858	67,072
<i>Net cash inflow/(outflow) during the period</i>	91,786	16,118
<i>Cash at beginning of period</i>	67,072	50,954

* Notes to the financial statements form an integral part of financial statements and should be read in conjunction with them.

3.3.5 Consolidated Statement of Changes in Equity of SSH Group

	Called-up equity	Capital reserve	Other revenue reserves	Fair value reserve	Retained profit/loss	Net profit/loss	Total	Minority interest	Total
Opening balance as at 31 Dec 2023	301,766	112,287	313,510	303,840	319,520	43,192	1,394,115	67,739	1,461,854
Effect of the business combination	0	0	0	-1,274	1,013	0	-261	0	-261
Opening balance as at 1 Jan 2024	301,766	112,287	313,510	302,566	320,533	43,192	1,393,854	67,739	1,461,593
Total comprehensive income for the period	0	0	0	158,498	0	122,670	281,168	9,085	290,253
Net profit for the reporting period	0	0	0	0	0	122,670	122,670	9,085	131,755
Other comprehensive income	0	0	0	158,498	0	0	158,498	0	158,498
Transactions with owners	0	0	0	0	-24,001	-43,192	-67,193	-886	-68,079
Dividends paid	0	0	0	0	-78,905	0	-78,905	0	-78,905
Transfers to retained profit/loss and other revenue reserve	0	0	0	0	43,192	-43,192	0	0	0
Effect of acquisition of additional ownership interest	0	0	0	0	11,712	0	11,712	-886	10,826
Opening balance as at 31 Dec 2024	301,766	112,287	313,510	461,064	296,532	122,670	1,607,829	75,938	1,683,767
Opening balance as at 1 Jan 2023	301,766	112,287	66,003	201,846	469,059	62,909	1,213,870	68,538	1,282,408
Total comprehensive income for the period	0	0	0	101,966	0	43,192	145,158	-799	144,359
Net profit for the reporting period	0	0	0	0	0	43,192	43,192	-799	42,393
Other comprehensive income	0	0	0	101,966		0	101,966	0	101,966
Transactions with owners	0	0	247,507	28	-149,538	-62,909	35,088	0	35,088
Share capital increase	0	0	0	0	0	0	0	0	0
Transfer to other revenue reserves	0	0	189,877	0	-189,877	0	0	0	0
Transfer of assets as a return of capital (2.72.4)	0	0	-5,251	0	0	0	-5,251	0	-5,251
Transfer of actuarial losses to retained earnings	0	0	-5	5	0	0	0	0	0
Transfers to retained profit/loss and other revenue reserve	0	0	62,909	0	0	-62,909	0	0	0
Effect of transition to IFRS 17 on associate companies	0	0	0	0	40,339	0	40,339	0	40,339
Transfers due to reclassification of financial investments	0	0	-23	23	0	0	0	0	0
Opening balance as at 31 Dec 2023	301,766	112,287	313,510	303,840	319,520	43,192	1,394,115	67,739	1,461,854

* Notes to the financial statements form an integral part of financial statements and should be read in conjunction with them.

3.4 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

3.4.1 Reporting Company

The reporting company, Slovenian Sovereign Holding (hereinafter also referred to as: the "Company"), is a joint-stock company registered with the Ljubljana District Court by Decision SRG. No. 199304616 dated 25 March 1993. It is entered in the Court Register under the Entry No. 1/21883/00, with Registration No. 5727847000 and Tax No. 46130373. In accordance with the provisions of Articles 55 and 56 of ZGD-1 (the Slovenian Companies' Act), the Company is classified as a large company required to undergo a regular annual audit.

In line with the Standard Classification of Activities, SSH's activity is categorised as: K 64.990 - *Other financial service activities, except insurance and pension funding*. The SSH's activity is presented in detail in the Business Report, Chapter 1.5.

The Company's share capital as at 31 December 2024 amounted to EUR 301,765,982.30. The Company's share capital is divided into 180,788 non- par value shares not listed on the regulated stock exchange market. The sole shareholder of SSH is the Republic of Slovenia.

Slovenian Sovereign Holding is a controlling company of Slovenian Sovereign Holding Group, with its registered office in the Republic of Slovenia, at Mala ulica 5, Ljubljana. As disclosed in Note 2.6 Business Combinations, in 2024, SSH completed the merger with Istrabenz and transferred part of its operations to D. S. U. as part of a carve-out.

LIST OF ASSOCIATED AND JOINTLY CONTROLLED ENTITIES OF SSH AS AT 31 DECEMBER 2024

Company	Registered office		Interests in %	Core business/notes
ADRIAFIN, d. o. o.	Vojkovo nabrežje 38	6000 Koper	50	Business and other management consultancy activities
<i>Vinakoper, d. o. o.</i>			78.81*	
D. S. U., d. o. o.	Dunajska cesta 160	1000 Ljubljana, SLO	49.6	Holding company (in real estate sector)
Unior, d. d.	Kovaška cesta 10	3214 Zreče, SLO	39.43	Metal forging, pressing, stamping and rolling; powder metallurgy
Casino Bled, d. d.	Cesta svobode 15	4260 Bled, SLO	33.75	Casinos
Zavarovalnica Triglav, d. d.	Miklošičeva cesta 19	1000 Ljubljana, SLO	28.09	Non-life insurance
Hit, d. d.	Delpinova ulica 7A	5000 Nova Gorica, SLO	28.54	Casinos
Cinkarna Celje, d. d.	Kidričeva ulica 26	3000 Celje, SLO	24.44	Manufacture of dyes and pigments

*Vinakoper: 78.81% owned by Adriaфин d. o. o.

Adriaфин d. o. o. is classified as a jointly controlled entity.

LIST OF ASSOCIATED COMPANIES OF SSH AS AT 31 DECEMBER 2023

Company	Registered office		Interests in %	Core business/notes
Unior, d. d.	Kovaška cesta 10	3214 Zreče, SLO	39.43	Metal forging, pressing, stamping and rolling; powder metallurgy
Casino Bled, d. d.	Cesta svobode 15	4260 Bled, SLO	33.75	Casinos
Salomon, d. o. o.	Vevška cesta 52	1260 Ljubljana Polje, SLO	30.59	Temporary employment agency activities
Zavarovalnica Triglav, d. d.	Miklošičeva cesta 19	1000 Ljubljana, SLO	28.09	Non-life insurance
Hit, d. d.	Delpinova ulica 7A	5000 Nova Gorica, SLO	28.54	Casinos
Cinkarna Celje, d. d.	Kidričeva ulica 26	3000 Celje, SLO	24.44	Manufacture of dyes and pigments
Hit, d. d.	Delpinova ulica 7A	5000 Nova Gorica, SLO	28.54	Casinos
Cinkarna Celje, d. d.	Kidričeva ulica 26	3000 Celje, SLO	24.44	Manufacture of dyes and pigments

The following companies, which were measured at equity method, were included in the Consolidated Financial Statements for 2024: Zavarovalnica Triglav, Unior, Hit, Casino Bled, Cinkarna Celje, D. S. U. and Adriafin.

LIST OF DIRECT AND INDIRECT SUBSIDIARIES OF SSH AS AT 31 DECEMBER 2024

Company	Registered office		inter-ests	Core business/notes
Subsidiaries			in %	
PS za avto, d. o. o.	Tržaška cesta 133	1000 Ljubljana, SLO	90	Business administration
Elektrooptika, d. d.	Mala ulica 5	1000 Ljubljana, SLO	70.48	Business and other management consul-tancy activities
Avtotehna Zagreb , d. o. o.	Nova cesta 109	10000 Zagreb, CRO	100	Sale of motor vehicles
Farme Ihan– KPM, , d. o. o.	Korenova cesta 9	1241 Kamnik, SLO	100	Pig farming
Go- KO, d. o. o.			100	
Farme Ihan - MPR, d. o. o.			100	
VOA, d. o. o.			100	
Meso Kamnik, d. d.			91.2	
Hyundai auto Beograd, d. o. o.	Bulevar Mihajla Pupina 10A/12	11070 Belgrade, SRB	100	Sale of motor vehicles
Istrabenz turizem, d. d.	Obala 33	6320 Portorož, SLO	100	Hotels and tourism
Sklad turističnih naložb, d. o. o.	Davčna ulica 1	1000 Ljubljana, SLO	100	Holding company (in real estate sector)
Thermana, d. d.	Zdraviliška cesta 6	3270 Laško, SLO	100	Hotels and tourism
MK Založba, d. d.	Slovenska cesta 29	1000 Ljubljana, SLO	83.47	Publishing
Grafika Soča, d. o. o.			83.47*	
CZ-Z, d. o. o.			83.47*	
Mozaik knjiga, d. o. o.			83.47*	
Mladinska knjiga društvo sa ograničenim odgovornošću za iz-davačko delatnost i trgovinu Beograd	83.47*		83.47*	

DS Projekt, d. o. o.	Ulica bratov Rozmanov 1	1000 Ljubljana, SLO	74	Buying and selling of own real estate
Sava, d. d.	Dunajska cesta 152	1000 Ljubljana, SLO	64.13	Holding company (in real estate sector)
Sava Turizem, d. d.			95.5	
Sava Zdravstvo, d. o. o., Ljubljana, SLO (owned by Sava , d. d. Turizem)			95.5*	
BLS SINERGIJE, d. o. o.			70.00	
Poslovni sistem Domina, d. o. o, Beograd	Bulevar Mihajla Pupina 10A/12	11070 Beograd, SRB	55.52	Real estate
MEJA Šentjur, d. d.	Cesta Leona Dobrotniška 3	3230 Šentjur, SLO	100	Growing of pome fruits and stone fruits
Hmezad Hram, d. o. o.			100	

LIST OF DIRECT AND INDIRECT SUBSIDIARIES OF SSH AS AT 31 DECEMBER 2023

Company	Registered office		inter-ests	Core business/notes
Subsidiaries			in %	
PS za avto, d. o. o.	Tržaška cesta 133	1000 Ljubljana, SLO	90.00	Business administration
Elektrooptika, d. d.	Mala ulica 5	1000 Ljubljana, SLO	70.48	Business and other management consul-tancy activities
Argolina, d. o. o.	Davčna ulica 1	1000 Ljubljana, SLO	100.00	Management of construction projects
Avtotehna Zagreb, d. o. o.	Nova cesta 109	10000 Zagreb, CRO	100.00	Sale of motor vehicles
BR89, d. o. o.	Breznikova cesta 89	1230 Domžale, SLO	100.00	Pig farming
Ihan, d. o. o., Beograd			100.00	
DUP, d. o. o., Sarajevo	Ul.Vrazova broj 3	71000 Saraje-vo, BiH	100.00	Real estate
DUTB Crna Gora, d. o. o.	Ul.Svobode 74/II	81000 Podgori-ca, MNE	100.00	Real estate
Factor projekt, , d. o. o. Hrvatska	Šetalište Svetog Ber-nardina bb Krk	51500 Krk, CRO	100.00	Real estate
Farme Ihan– KPM, , d. o. o.	Korenova cesta 9	1241 Kamnik, SLO	100.00	Pig farming

Company	Registered office		interests	Core business/notes
Subsidiaries			in %	
Go- KO, d. o. o.			100.00	
Farme Ihan - MPR, d. o. o.			100.00	
VOA, d. o. o.			100.00	
Meso Kamnik, d. d.			91.08	
Fundus, d. o. o. Beograd	Bulevar Mihajla Pupina 10A/12	11070 Belgrade, SRB	100.00	Real estate
Hyundai auto Beograd, d. o. o.	Bulevar Mihajla Pupina 10A/12	11070 Belgrade, SRB	100.00	Sale of motor vehicles
Illuria Holdings Limited	ARCH. MAKARIOU III, 195	3030 Cyprus	100.00	In liquidation
Istrabenz turizem, d. d.	Obala 33	6320 Portorož, SLO	100.00	Hotels and tourism
Istrabenz, d. o. o.	Obala 33	6320 Portorož, SLO	100.00	Business and other management consultancy activities
MLM, d. d.	Oreško nabrežje 9	2000 Maribor, SLO	100.00	Foundry, machine tools
MLM Alutec, d. o. o. Bugojno			99.97	
PROLeasing Rijeka, d. o. o. - in liquidation	Prolaz Marije Krucifikse Kozulić 2	51000 Rijeka, CRO	100.00	Leasing
Sklad turističnih naložb, d. o. o.	Davčna ulica 1	1000 Ljubljana, SLO	100.00	Holding company (in real estate sector)
Thermana, d. d.	Zdraviliška cesta 6	3270 Laško, SLO	100.00	Hotels and tourism
MK Založba, d. d.	Slovenska cesta 29	1000 Ljubljana, SLO	83.47	Publishing
MK trgovina, d. o. o.			83.47*	
Grafika Soča, d. o. o.			83.47*	
CZ-Z, d. o. o.			83.47*	
Mozaik knjiga, d. o. o.			83.47*	

Mladinska knjiga društvo sa ograničenim odgovornošću za izdavačko delatnost i trgovinu Beograd		83.47*		
Mladinska knjiga, d. o. o., Sarajevo		83.47*		
DS Projekt, d. o. o.	Ulica bratov Rozmanov 1	1000 Ljubljana, SLO	74.00	Buying and selling of own real estate
Sava, d. d.	Dunajska cesta 152	1000 Ljubljana, SLO	61.91	Holding company (in real estate sector)
Sava Turizem, d. d.			59.11	
Sava Zdravstvo, d. o. o., Ljubljana, SLO (owned by Sava , d. d. Turizem)			59.11	
BLS SINERGIJE, d. o. o., Portorož			35.00**	
Poslovni sistem Domina, d. o. o., Beograd	Bulevar Mihajla Pupina 10A/12	11070 Belgrade, SRB	55.52	Real estate

*Share recalculated based on SSH's indirect ownership in a company subordinate to an SSH subsidiary.

** BLS SINERGIJE, d. o. o.: 10 percent owned by Sava, d. d., 60 percent owned by Sava Turizem, d. d.

3.4.2 Basis for Preparation of Consolidated Financial Statements

3.4.2.1 Statement of Compliance

The consolidated financial statements of SSH Group were prepared in accordance with the requirements of ZSDH-1. The Group applies International Financial Reporting Standards (IFRS) as adopted by the European Union, including the interpretations issued by the IFRS Interpretations Committee and adopted by the EU, except with respect to the inclusion of subsidiaries in the consolidated financial statements. As a matter of fact, Article 36(a) of the ZSDH-1 stipulates that subsidiaries in which the position of the controlling company was acquired through the transfer of shares or equity interests resulting from the transfer of assets, rights, and obligations from BAMC to SSH — pursuant to the act regulating measures to strengthen the stability of banks — are not to be included in the consolidated

annual report. The preparation of the financial statements also takes into account the provisions of Slovenian legislation (ZGD-1) and the SSH's internal policies and regulations.

3.4.2.2 Basis for Consolidation and Business Combinations

As at 31 December 2024, the SSH Group consisted of the parent company SSH and its subsidiaries Sava, d. d., and Sava Turizem, d. d. Subsidiaries acquired by SSH through the merger with BAMC are not consolidated in accordance with the provisions of ZSDH-1. Subsidiaries, which are immaterial for a true and fair presentation of the consolidated financial statements, are not included in the consolidation. In the consolidated financial statements, associates are measured using the equity method.

For all companies included in the consolidation, the full consolidation method is applied from the date when the Group obtained control over the subsidiary company. Subsidiaries are excluded from the Group when the controlling influence of the parent company or other companies in the Group is lost. The financial statements of the companies in the Group are prepared for the same reporting period as the financial statements of the parent company and using the same accounting policies. During the preparation of the consolidated financial statements, all transactions, balances, and unrealized gains and losses resulting from internal transactions within the Group, as well as dividends between related companies, are eliminated.

A change in the ownership interest of a subsidiary company, where there has been no loss of control is accounted for in equity. In the event of a loss of control in a subsidiary company, the Group must:

- derecognize the assets (including goodwill) and liabilities of the subsidiary company;
- derecognize the carrying amount of all minority interests;

- derecognize the entire amount of cumulative foreign exchange differences previously recognized in equity;
- recognize the fair value of any consideration received;
- recognize the fair value of any remaining investment;
- recognize any surplus or deficit in the income statement;
- reclassify the share of the parent company previously recognized in other comprehensive income to either the income statement or retained earnings as appropriate.

Mergers and Goodwill / Gain on Negotiated Purchase

Business combinations are accounted for using the acquisition method. The cost related to the acquisition is determined as the total consideration at fair value on the acquisition date, increased by the amount of any minority interests in the acquired company. For each business combination, the acquiring company measures the minority interest in the acquired company either at fair value or as a proportionate share of the identifiable net assets of the acquired company.

Upon acquisition, the Group assesses whether the allocation of acquired assets and assumed liabilities is in accordance with contractual provisions, the economic situation, and relevant circumstances as of the acquisition date.

In business combinations achieved in stages, the fair value of the previous acquirer's interest in the equity of the acquired company is remeasured to fair value at the acquisition date. The amount of the contingent consideration which is expected to be transferred to the acquiring company is recognized at fair value on the acquisition date. Subsequent changes in the fair value of contingent consideration which is classified as an asset or liability are recognized either in the income statement or as a change in other com-

prehensive income, in accordance with IFRS 9. If contingent consideration is recognized in equity, it shall not be remeasured until it is settled.

Goodwill is recognized upon initial measurement as the excess of the total consideration paid and the recognized amount of non-controlling interests over the fair value of identifiable net assets acquired and liabilities assumed. If the consideration is lower than the fair value of identifiable net assets of the acquired subsidiary, the difference is recognized in the income statement (gain on negotiated purchase or negative good will).

After initial recognition, goodwill is measured at cost, reduced by any accumulated impairment losses. Due to the impairment test, the goodwill acquired in business combinations is allocated to each cash-generating unit within the Group, expected to benefit from the business combination, regardless of whether other assets and liabilities of the acquired subsidiary are assigned to these units.

When goodwill is part of a cash-generating unit and part of the unit's operation is disposed of, the recognition of goodwill relating to the cash-generating unit is recognized at the carrying amount of the disposed operation. Goodwill disposed of in these circumstances is measured based on the relative value of the disposed business and the proportion of the cash-generating unit retained by the Group.

Comparative data in the consolidated financial statements of the acquiring company is not restated for business combinations.

Business combinations of companies under common control:

When calculating business combinations of companies under common control, the Group accounts for transactions between entities forming an economic entity using the book value method, according to which, the carrying amounts of assets and liabilities of the acquired company are recog-

nized in the individual or consolidated financial statements of the acquiring company on the date of the business combination (the transaction date).

The effects of the business combination (on the transaction date), which are calculated as the difference between:

- the carrying amount of the investment in the acquired company at the acquiring company, and
- the transferred assets, assumed liabilities, and transferred accumulated other comprehensive income of the acquired company,

are recorded directly in equity (retained profit/loss) without affecting the income statement.

Comparative data in the consolidated financial statements of the acquiring company is not restated for business combinations of companies under common control.

Subsidiaries

Subsidiaries are companies controlled by the Group. Control exists when the Group is exposed to variable returns or has rights to variable returns from its investment in the company and has the ability to influence those returns through its control over the company.

The financial statements of subsidiary companies are included in the Group's financial statements from the date control commences until the date control is lost. The Group recognizes business combinations gradually, in individual stages, and any additional purchases of stakes do not affect previously recognized goodwill.

Elimination of transactions during consolidation:

Intercompany balances and transactions within the Group, including revenues, expenses, and dividends, are eliminated in their entirety. Unrealized gains and losses arising from transactions within the Group and recognized in assets are eliminated. Unrealized losses are eliminated in the same manner as gains, provided that there is no evidence of impairment.

3.4.2.3 Basis of measurement

These Financial Statements were prepared under the going concern assumption.

The historical cost basis was used as the basis for measurement in these financial statements, except for the following items the measurement of which is presented in detail in the remainder of the notes.

- investments in subsidiaries - acquisition cost or lower recoverable value;
- investments in associates - equity method;
- other financial investments - fair value through other comprehensive income;
- loans - fair value through profit or loss;
- inventory of property or property held for resale - the lower of cost or net realizable value;
- operating receivables and liabilities - at amortised cost;
- provisions for retirement benefits and jubilee premiums - at present value of assessed deferred payments on the basis of an actuarial calculation;
- other provisions - at present value of the assessed deferred payments;
- deferred tax assets and liabilities - non-discounted, measured using the applicable tax rate.

3.4.2.4 Use of estimates and judgements

The preparation of consolidated financial statements requires the management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts for assets, liabilities, income and expenses. The estimates and underlying assumptions are based on experience and other factors which are considered reasonable in the circumstances and are the basis for determining the carrying amount of assets and liabilities. Estimates and assumptions are reviewed on an on-going basis. Revisions to accounting estimates, judgements and assumptions are recognised in the period in which the estimates are revised and in any future periods affected.

Significant management judgements primarily relate to determining when all significant risks and ownership rights are transferred to the buyer in asset sales, which result in the derecognition of the assets, and to the classification of categories for which fair value levels are separately disclosed.

Estimates and assumptions are involved in the following judgements:

- income from contracts with customers: evaluating the transfer of control to the customer;
- adjustments to the value of receivables;
- estimates of the net realisable value of inventories (real estate and equipment);
- assessing the value of provisions and contingent liabilities, and assessing the allocation of provisions into short-term and long-term;
- estimating the fair value of assets;
- assessing the likelihood of utilizing deferred tax assets;
- estimating the useful economic life of depreciating assets;
- assessing the fair value of the net assets acquired in a business combination.

Estimates and related assumptions and uncertainties are disclosed in the notes to individual line items in the consolidated financial statements.

Regardless of the fact that the management carefully examines all factors which might affect such assumptions and estimates, it is possible that the actual outcomes of business events may be different from the estimates. Estimates are subject to subjective judgement and a degree of uncertainty.

3.4.2.5 Application of new and revised IFRS Standards and IFRIC Interpretations

Initial application of new standards or amendments to existing standards applicable in current reporting period

The following amendments to existing Standards issued by the International Accounting Standards Board (hereinafter referred to as: the “IASB”) and adopted by the EU apply to the current reporting period:

Disclosure of accounting policies (amendments to IAS 1 and IFRS 2 Statement of Practice): In February 2021, the IASB issued amendments to IAS 1 that alter the disclosure requirements relating to accounting policies from “significant accounting policies” to “material accounting policy information”. The amendments provide guidance on how to apply the concept of materiality to accounting policy disclosures. The amendments to IAS 1 are effective for annual reporting periods beginning on or after 1 January 2023, with earlier implementation permitted. As IFRS Practice Statement documents are not mandatory, the effective date for IFRS Practice Statement 2 is not specified.

Definition of accounting estimates (amendments to IAS 8). The amendments introduce a new definition for an accounting estimate and include other interpretations to help entities distinguish between an accounting policy and an accounting estimate. The amendment clarifies that the ef-

fect of a change in inputs or measurement techniques is a change in an accounting estimate unless it results in a correction of a prior period error.

IFRS 17 – Insurance Contracts (new Standard) and Amendments to IFRS 17 – Insurance Contracts. IFRS 17 replaces IFRS 4 Insurance Contracts. It applies to all types of insurance contracts (i.e., life, non-life, direct insurance, and reinsurance), regardless of the type of entity issuing them, and extends to certain guarantees and financial instruments with discretionary participation features, subject to specific exceptions. The overarching objective of IFRS 17 is to provide a comprehensive accounting model for insurance contracts that enhances the usefulness and consistency of financial reporting for insurers and encompasses all relevant accounting aspects. IFRS 17 is based on a general model, supplemented by a specific adjustment for contracts with direct participation features (variable fee approach); and a simplified approach (premium allocation approach - PAA) primarily for short-term contracts.

Deferred tax assets and deferred tax liabilities on individual transactions (amendments to IAS 12 - Income Taxes). In May 2021, the IASB issued amendments to IAS 12. The amended Standard clarifies whether the initial recognition exemption applies to certain transactions that are recognised as both an asset and a liability (e.g., such as a lease under IFRS 16). The amendment introduces additional criterion for the initial application of exceptions under IAS 12.15, where the initial recognition exception does not apply to an asset or liability that gives rise to the same taxable and deductible temporary differences at the time of the recognition.

International Tax Reform - Pillar 2 Model Rules (Amendments to IAS 12).

The amendments to IAS 12 were introduced in response to the OECD Pillar Two BEPS rules and include:

- a mandatory temporary exception regarding the recognition and disclosure of deferred taxes related to the Pillar Two model rules, and disclosure requirements regarding exposure to Pillar Two income tax.
- The adoption of these amendments to existing standards and interpretations did not lead to any material impact on the Group’s financial statements.

Standards and Amendments to Existing Standards Issued by the IASB and Endorsed by the EU but Not Yet Effective

As of the day of approval of these financial statements, the IASB had issued the following amendments to existing standards which have been adopted by the EU but are not yet effective.

For the reporting period starting on 1 January 2024, the following standards and amendments shall enter into force:

Amendments to IAS 1 — Presentation of Financial Statements.

Classification of liabilities as current or non-current. The amendment requires that the entity’s right to defer settlement of a liability for at least 12 months after the reporting date must have substance and must exist at the end of the reporting period. The classification of liabilities is unaffected by the likelihood that an entity will exercise its right to defer the liability for at least 12 months after the reporting date. The standard was subsequently further amended.

Non-current liabilities with covenants. If the right to defer settlement is subject to the company complying with specified conditions, such conditions affect whether that right exists at the end of the reporting period where an entity is required to comply with the condition on or before the end of the reporting period, and not where an entity is required to comply with the condition after the reporting period. The amendment also includes

an explanation of the term “settlement” for the purpose of classifying liabilities as current or non-current.

Amendments to IFRS 16 - Leases: lease liability in a sale and leaseback transaction. The amendment requires a vendor-lessee to designate “lease payments” or “modified lease payments” so that the vendor-lessee would not recognise a gain or loss relating to a right-of-use right retained by the vendor-lessee.

The adoption of these new standards and amendments of existing standards and interpretations will not have any material impact on the Group’s financial statements.

New Standards and Amendments to Existing Standards Issued by the IASB but Not Yet Adopted by the EU

Currently, IFRS standards as adopted by the EU do not differ significantly from standards adopted by IASB with the exception of the following new Standards and amendments to the existing Standards which will become effective for the reporting periods beginning on 1 January 2024 or 1 January 2025 and which have not yet been adopted by the EU:

Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures (amendments). On 25 May 2023, the IASB issued “Supplier Finance Arrangements”, which amended IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures (amendments). These amendments were prompted by a request received by the International Financial Reporting Interpretations Committee (hereinafter referred to as: the “IFRIC” or the “Committee”) regarding the presentation requirements for liabilities and related cash flows that arise from supply chain financing arrangements and associated disclosures. In December 2020, the Committee published an agenda decision on Supply Chain Financing Arrangements — Reverse Factoring, which explains the requirements in IFRS Accounting Standards

that apply to such arrangements. During the process, stakeholder feedback on the draft agenda decision suggested that the information an entity is required to provide about this form of financing falls short of meeting user information needs to understand the effects of financing arrangements with suppliers on an entity’s financial statements and for enabling comparisons between entities. In response to this feedback, the IASB undertook a narrow scope standard revision exercise that resulted in the current amendments. The amendments require entities to provide certain specific disclosures (qualitative and quantitative) related to supplier finance arrangements. The amendments also provide guidance on characteristics of supplier finance arrangements.

Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability.

The Group expects that the introduction of these new standards, and the amendments to the existing standards will not have any material impact on the Group’s financial statement in the transition period.

3.4.2.6 Amendments to accounting policies

There were no changes to accounting policies in 2024.

3.4.2.7 Currency reporting

a) Functional and presentation currency

All financial information in the financial statements of SSH is presented in Euros (EUR), which is the functional and presentation currency of SSH. All accounting information, with the exception of the earnings of the members of the Management Board, Supervisory Board and the Supervisory Board Committees, presented in the Euro, has been rounded to the nearest thou-

sand. The rounding may result in some insignificant differences in totals and tables.

b) Transactions and balances

Transactions expressed in foreign currencies are converted into the Euro at the European Central Bank’s reference exchange rate at the transaction date. The gains or losses incurred in these transactions and in the reconversion of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income.

3.5 MATERIAL ACCOUNTING POLICY INFORMATION OF SSH GROUP

Operating income

Income from contracts with customers is recognized based on the contract concluded with a customer. Income from contracts with customers is recognised when the Group transfers control of goods and services to the customer in the amount which reflects the consideration the Group expects to be entitled to in exchange for transferring those goods and services. Each promised product or service is treated as a separate performance obligation if it is distinct. Distinct means that the customer can benefit from the product or service on its own. A performance obligation is a promise to provide products or services to the customer. The Group has identified services and goods as independent performance obligations.

Revenue is recognized at the moment when the Group fulfils the performance obligation, which is when control over the product or service is transferred to the customer. Discounts granted at the time of contract signing are allocated to all performance obligations and are recognized over the contract duration. Any subsequently approved discounts are recognized as a reduction of income in the period they are approved for.

The Group has established a loyalty program (points). For the unused portion of the points, a contractual obligation is recognised (deferred income).

Income is recognized when the service is provided. If the income from a tourist package relate to two accounting periods, they are allocated based on the number of days in each accounting period.

Significant types of income are as follows:

- compensation for managing capital assets owned by the Republic of Slovenia – recognized when the service is provided;
- rental income from real estate – recognized evenly over the duration of the lease;
- income from the sale of real estate inventory – recognized upon the sale of the inventory;
- revenue from tourism activities – recognized when the service is provided.

Other operating income mainly relates to income associated with denationalisation and is recognised when SSH Group is eligible to receive a fee.

Financial income and expense

Financial income relates to the following: income from a share in profits, interest income, income from the sale of debt financial instruments measured at fair value through other comprehensive income (FVTOCI) or through profit or loss (FVTPL) and to changes in fair value of financial assets through profit and loss (FVTPL). Income from shares in profits is recognised as income from financing activities when AGMs of these companies pass a resolution on the profit distribution and its distribution. Interest income is recognised as it accrues unless there is a doubt about its collection.

Any potential profits or losses upon the disposal of subsidiaries are recognised as financial income or expenses. SSH's share in the profit or loss of associates is recognised in the Consolidated Income Statement as financial income or expenses. Similarly, upon the disposal of an investment in an associated company, SSH's corresponding share of the company's reserves created through other comprehensive income and subsequently transferred to profit or loss is also recognised in the Consolidated Income Statement as financial income or expenses.

Financial income also includes the recognition of gain on negotiated purchase in a business combination, which occurs when the fair value of the consideration transferred is lower than the fair value of the acquired net assets.

Financial expenses comprise borrowing costs, changes in the fair value of financial assets at fair value through profit or loss (FVTPL), and losses arising on the impairment of financial assets. Borrowing costs are recognised using the effective interest rate method.

Investments in subsidiaries

A subsidiary is a company in which the controlling company has a controlling interest or exercises a controlling influence by other means, effectively controlling the company.

Investments in subsidiaries which are not consolidated in accordance with ZSDH-1, and investments in subsidiaries which are not consolidated due to their immateriality are valued at their original cost, reduced by any potential impairments. In accordance with IAS 36, at each reporting date, the company assesses whether there is an indication that investments in subsidiaries may be impaired. If such indications exist, an impairment test is performed, and the recoverable amount of these investments is determined. The recoverable amount is the fair value less costs to sell or value in use, whichever is lower. When the determined recoverable amount is lower than the carrying amount, an impairment is recognized. The impairment loss is disclosed in the Income Statement.

Investments in associates and joint ventures

Associates are companies in which a group holds from 20% to 50% of voting rights, or it has a significant influence over their operation but does not control them. Joint ventures are entities in which the group holds 50% of the voting rights. Joint control is the contractually agreed sharing of control, which exists only when decisions about the relevant activities — those that significantly affect the returns of the investee — require a consent of the parties sharing control. The parties to a joint venture have rights to the net assets of the entity.

Investments in associates and joint ventures are measured using the equity method in the consolidated financial statements.

Intangible assets

Intangible assets include investments in computer software and other intangible assets. When computer software forms an integral part of the related computer hardware, it is considered a tangible fixed asset.

Intangible assets are thus recognised at cost less accumulated amortisation and impairment losses.

The amortisation of intangible assets is calculated using the straight-line method taking into account the useful life of the assets. Estimated useful life ranges from 3 to 10 years.

Tangible fixed assets

Recognition and Measurement

Property, plant and equipment are recognised at cost less any accumulated depreciation and any accumulated impairment loss

Depreciation and amortisation

The depreciation is calculated and recognised in the Income Statement at the straight-line method by taking into account the useful life of property, plant, and equipment. Land is not depreciated. The Group reviews the suitability of the depreciation method and useful lives on the reporting date.

AMORTISATION RATE IN %

	2024	2023
Construction facilities, parts of buildings	from 1.4 to 10.0	from 1.4 to 10.0
Production equipment	from 10.0 to 20.0	from 10.0 to 20.0
Computer equipment	from 16.6 to 25.0	from 16.6 to 25.0
Other equipment	from 5.0 to 50.0	from 5.0 to 50.0
Operating leases	The rate is tied to each valid contract.	The rate is tied to each valid contract.

Leases

A lessee recognises an item of property, plant and equipment at the commencement of the lease term. It represents the right-of use and a lease liability. An item of property, plant and equipment acquired under a lease is an integral part of the lessee’s property, plant and equipment. At the commencement of the lease term, the lessee measures the lease liability at the present value of the lease payments outstanding at that date. In calculating the present value of the lease the discount rate associated with the lease is the interest rate, otherwise the assumed borrowing rate payable by the lessee. At the time of concluding a contract, the Company assesses whether the contract is a lease. The contract is, or contains, a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed if the customer has the right to obtain substantially all of the economic benefits from use of the asset and the right to direct the use of the asset. In doing so, an organisation accounts for each lease component in the contract as lease separately from the non-lease components of the contract, unless it decides for practical reasons, to account for all components as a single lease component. Leased property, plant and equipment is recorded separately from other property, plant and equipment of the same type.

Exceptions apply only to short-term leases and leases of low-value assets, for which the lessee is not required to recognise a right-of-use asset. A short-term lease is a lease that, at the commencement date, has a lease term of 12 months or less. A low-value lease is a lease with a value of up to EUR 5, 000, taking into account the value of the new asset being leased.

Investment property

Investment property is stated using at cost model.

If a judgement is required to determine whether an asset is investment property or owner-occupied property, the asset is classified as investment property if more than 20% of its total value is used for rental purposes.

Depreciation is calculated using the straight-line method for the useful life of each investment property. Land is not depreciated.

The useful lives of investment property are the same as those for similar property, plant, and equipment.

Financial assets (excluding investments in subsidiaries, associates and joint ventures)

Financial assets include cash and cash equivalents, receivables, loans and deposits, as well as financial investments (excluding investments in subsidiaries, associates and joint ventures).

When a financial asset is first recognised, it is classified in accordance with the business model used for managing financial assets and in line with the characteristics of the contractual cash flows generated by the assets. Financial assets are classified into one of the groups below:

- financial assets measured at amortised cost;
- financial assets measured at fair value through other comprehensive income (FVTOCI)
- financial assets measured at fair value through profit or loss (FVTPL).

Cash and cash equivalents are initially recognized in the amount stated in relevant records. In the Cash Flow Statement, cash and cash equivalents comprise cash in hand, cash at bank, deposits and certificates of deposit held with banks (with a maturity of no more than 90 days from the transaction execution date) and other investments in money market instruments. If an overdraft facility has been contractually agreed, the amount of the uti-

lised overdraft is recognised as a current financial liability in the Statement of Financial Position.

Financial assets measured at amortised cost are financial assets held by SSH Group within its business model whose objective is to hold assets in order to collect contractual cash flows, and the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. This group includes trade receivables and deposits with a maturity of more than 90 days. Initially, they are recognised at fair value increased by direct transaction costs and subsequently they are measured at amortised cost using the method of effective interest rate and are written down in the event of impairment losses. Trade receivables arising from financial, legal and other relations are guaranteed rights to the payment of a debt due from an entity, the supply of goods or the provision of services. Trade receivables include receivables arising from financial investments and related to finance income, receivables from tourism activities, receivables for the management of equity investments owned by the Republic of Slovenia, receivables from the sale of loans, equity investments or real estate inventories, receivables for advances given for the purchase of real estate, receivables from security deposits paid for participation in auctions, receivables for invoiced lease payments, other receivables from the state, and various other minor receivables.

A financial asset measured at amortised cost is derecognised when the contractual rights to the cash flows from the asset expire, or when the asset is transferred and the conditions for derecognition are met.

The Group acquired an additional segment of loans **measured at fair value through profit or loss (FVTPL)** with the merger of BAMC in 2022. These are loans which BAMC took over from four systemic banks in 2013 and 2014 and from the merger with Factor banka and Probanka in 2016. Loans are valued at least once a year based on the valuation policy adopted, which is presented in the section “Loan Valuation Methodology measured at fair value

through profit or loss”. The effects of valuation are recognized in the Income Statement as revaluation gains/losses. The fair value of loans is calculated using the Binomial Option Pricing Model (BOPM), except for loans with gross exposure lower than EUR 0.3 million.

Loans can also be recovered through the acquisition of ownership of the collateralised assets. Loans can be converted into equity investments, properties, or equipment. The asset subject to conversion is measured at the amount of the converted loan based on the final plan for the distribution of the debtor’s bankruptcy estate. Any difference between the conversion value and the carrying amount of the converted loan is recognized in the Income Statement as gains/losses from loans and/or gains/losses from properties.

Financial assets measured at fair value through other comprehensive income (FVTOCI) represent investments in equity instruments, such as shares and interests. Upon initial recognition of investments as equity instruments not held for trading, SSH Group makes an irrevocable election to measure these investments at fair value through other comprehensive income (FVTOCI). This election is made for each investment separately. The fair value of listed investments is measured using the closing quote on the reporting date. The fair value of non-listed investments is measured by using the estimate model. Gains and losses arising from the changed fair value are recognized in the Statement of Comprehensive Income and are presented in equity as fair value reserves in the net amount, after the associated deferred tax assets or liabilities are calculated. Amounts presented in other comprehensive income must not be subsequently transferred to the profit or loss, however, they may be transferred to retained earnings or loss.

Derivative financial instruments

Derivative financial instruments are initially recognized at fair value. Transaction costs related to the derivative are recognised in profit or loss when

incurred. After initial recognition, derivative financial instruments are measured at fair value and the resulting changes are treated in two ways:

- When a derivative financial instrument is designated as a cash flow hedge for exposures of the variability in cash flows attributable to a specific risk associated with recognised asset or liability or highly probable forecast transaction that could affect profit or loss, the effective portion of the changes in fair value of the derivative is recognized in other comprehensive income for the period. The ineffective portion of changes in the fair value of the derivative financial instrument is recognised directly in profit or loss. The Group discontinues hedge accounting when the hedging instrument is no longer considered effective, it is sold, expired, or exercised.
- The effects of other derivative financial instruments not designated as cash flow hedges are recognized in the Income Statement.

Impairment of financial assets

The Group does not hold any debt financial instruments measured through the Statement of Comprehensive Income. Impairment requirements for financial assets are applied to financial assets measured at amortized cost, primarily trade receivables.

Trade receivables are initially recognized at amounts derived from relevant documents, assuming they will be paid. Based on historical data and forward-looking information, SSH evaluates whether there are expected credit losses relating to the potential default of receivables within the next 12 months. The impairment amount is the difference between the carrying amount and the present value of the estimated future cash flows. The impairment is recognized in profit or loss as a revaluation expense. For the purpose of carrying out impairment tests, each trade receivable is evaluated individually, taking account of the identity and circumstances of the debtor.

Impairment of non-financial assets

At each reporting date, the carrying amount of assets is reviewed with the aim of determining whether there are any indications of impairment of assets. Assets with indefinite useful economic lives which are not amortised or depreciated are tested for impairment on an annual basis. Assets subject to amortisation or depreciation are checked for impairment whenever the events or circumstances present indicators of impairment. The amount of the impairment loss recognized is the excess of the carrying amount of an asset over its recoverable value. The recoverable value is the estimated value which is expected to be recovered during the future use of an asset; it also includes its value on disposal. The recoverable value is the higher of the fair value of the asset less selling costs and its value in use.

For the purpose of assessing an impairment, assets are divided into smaller units which can be identified as generating cash flows independently of other units (cash-generating units).

Inventories

Inventories largely consist of properties, acquired through insolvency proceedings with the purpose of recovering the non-performing loans or optimizing the profitability of existing properties.

Inventory is presented at lower of cost or net realizable value. The net realizable value is calculated as the fair value reduced by the costs of selling the inventory.

The amount of the write-down is recognized as an inventory loss in the period when it occurs. Any subsequent increase in the net realizable value of the inventory is recognized as a reversal of write-down in inventory. The amount of the write-down reversal is limited to the original amount, so that the new carrying amount is equal to the acquisition cost or the adjusted net realizable value, taking the lower of the two values.

When the inventory is sold, its carrying value is recognized as an expense in the same period as the revenue from the sale of inventory.

Financial and operating liabilities

Financial liabilities include loans and operating liabilities.

Operating liabilities are amounts due to suppliers for assets acquired or services rendered, and liabilities due to employees, government, the owners.

Financial liabilities are recognised when incurred at fair value, including any associated transaction costs. In subsequent periods, financial liabilities are measured at amortised cost using the effective interest rate method. Interest received is calculated in accordance with contracts and are recorded as financial interest expense. The portion of non-current liabilities which are overdue or which are due within twelve months after the reporting date is recognised as current liabilities.

Provisions

Provisions are recognised, if, as a result of past events, SSH Group has a present legal obligation that can be reliably estimated and it is highly probable that it will have to be settled in the future, and at the same time if it is possible to reliably estimate this liability. Amounts recognised as provisions are the best possible estimate of the expenditure that will have to be incurred necessary as at the Statement of Financial Position date in order to meet the present obligations. Provisions may not be created in order to offset future operating losses.

Significant provisions include:

- provisions for claims from the beneficiaries of denationalization;
- provisions for unsettled legal disputes;

- provisions for retirement benefits and jubilee awards;
- provisions for warranties to remedy defects in apartments sold;
- provisions for bank guarantees issued;
- provisions for guarantees and sureties issued.

When estimating which claims arising from denationalisation proceedings are to be included among provisions and which are to be included among contingent liabilities, decisions of administrative bodies and courts and the current case law for similar cases were taken into account, together with SSH's own assessment. Contingent liabilities include some claims referring to various legal issues. It is difficult to make a reliable assessment in respect of these cases, however, it can be expected that the Company will not will liable to pay a compensation. In cases when, by examining all facts, it is considered that there is a small likelihood that companies within its Group be deemed as a party liable to pay compensation, such claims are classified as contingent liabilities.

Provisions for lawsuits are established at the commencement of the legal proceedings. The amount of provisions for lawsuits is determined based on the assessment of the probability of the outcome of each individual legal claim.

Provisions for retirement benefits and jubilee awards are established in accordance with statutory regulations, collective agreements, and internal policies and regulations documents. The Company has no other pension-related liabilities. The calculation includes the costs of retirement benefit upon retirement and the cost of all expected jubilee awards until retirement. The projected unit credit method was used by the authorised actuary in the calculation. Actuarial gains or losses from jubilee awards for the current financial year are recognized in the Income Statement, while actuarial gains or losses from retirement benefits are recognized in equity.

The Company reviews the probability of a cash outflow and estimates the most likely amount needed to settle the liability at least once a year.

Government grants

Government grants are recognised in the financial statements as deferred income when the grants are received and when there is reasonable assurance that the conditions attached to them will be complied with. Government grants received are recognised consistently as income over the periods in which the related expenses that the grants are intended to compensate are incurred. State subsidies related to specific assets are consistently recognized in the Income Statement as other operating income over the useful life of the respective asset.

Deferred tax

Deferred tax is recognised in full using the liability method on temporary differences between the tax base of assets and liabilities and their carrying amounts in the financial statements. Deferred tax is calculated using the enacted tax rate expected to apply in the period in which the deferred tax asset is realised or the deferred tax liability is settled.

A deferred tax asset is recognised when it is probable that taxable income is to be generated in the future to allow for the utilization of deferred tax asset. Tax assets and tax liabilities are recognised net (mutually offset) in the Statement of Financial Position since deferred taxes (both assets and liabilities) relate to the same tax authority. Deferred tax assets arising from tax losses were not recognized.

Deferred tax liabilities primarily arise from temporary taxable differences due to the fair value revaluation of financial assets, while deferred tax assets arise from provisions, tax losses, and investments.

Equity

The total equity consists of called-up capital, capital surplus, revenue reserves, fair value reserves, retained earnings and the undistributed net profit for the current year as well as capital attributable to minority interest.

The fair value reserves relate to changes in fair value of financial investments measured at equity method and actuarial gains/losses or losses arising from provisions for retirement benefits.

The controlling company's profit remaining after covering losses and creating statutory reserves is allocated to other reserves in accordance with ZSOS, ZSDH-1, the SSH Articles of Association, and ZGD-1, except as stated in Note 3.11.

Fair value measurement

In accordance with SSH Group's accounting policies, there is a requirement to determine the fair value of financial instruments in a number of cases. For this purpose, financial instruments are categorised into two groups:

- financial instruments which are measured at fair value in the Statement of Financial Position, which include investments in associates and joint ventures, loans, and equity instruments other than investments in subsidiaries which are measured at cost in accordance with IFRS 28, and
- financial instruments for which a fair value disclosure is required even though they are not measured at fair value in the Statement of Financial Position, and which include trade receivables, financial and operating liabilities.

In addition, in the case of a business combination (other than a business combination under common control), the Group recognises the net assets acquired at their fair value as of the acquisition date.

The fair value is the amount that would be received to sell an asset or paid to transfer a liability in an arm's length transaction between market participants at the measurement date.

Fair value measurement of financial instruments

When measuring the fair value of financial instruments, the following three-level fair value hierarchy is used:

- the first level includes quoted prices (unadjusted) in active markets for identical assets or liabilities; this level includes listed shares and bonds;
- the second level includes the values which are not equal to quoted prices but can be also acquired directly or indirectly from the market (for example, values which have been derived from quoted prices in an active market); for example UCITS units of mutual funds;
- the third level includes input data for an asset or liability not based on market data; this level represents non-marketable shares, bonds and receivables. Valuations are based on the yield-based method and partially on the asset-based method. The methods used by SSH are the discounted cash flow method, the comparable company analysis, the comparable purchases-and-sales method and the adjusted book values method.

Quoted prices are used as a basis for determining fair value of financial instruments; if financial instrument is not listed on the regulated market, inputs from the second and third levels are used by SSH to evaluate the fair value of a financial instrument.

Methodology for the valuation of loans measured at fair value through profit or loss (FVTPL)

The valuation of loans with a gross exposure exceeding EUR 300,000 is performed at individual debtor level, while smaller exposures are subject to

collective valuation at the level of the debtor group. Valuations are based on Level 3 of the fair value hierarchy and incorporate unobservable inputs, representing assumptions that reflect the best information available under the prevailing circumstances. This includes SSH's own proprietary data (formerly that of BAMC), such as information on market participant assumptions that are available and reasonably reliable.

Individual loan valuations at debtor level

Loan valuations are based on the Binomial Model for Valuation of Real Options (BMVRO). Two scenarios, or rather strategies (restructuring scenario and recovery of collateral scenario) are considered for each individual debtor, along with the forecast of future expected cash flows.

The key unobservable input in the loan assessment process is the estimation of the probability of successfully implementing each of the two strategies. In cases where the Company assesses that the collateral realisation strategy is more likely than not to be executed, only the future cash flows from that strategy are taken into account, using a 100% probability. In cases where it is assessed by the Company that there is a higher probability of implementing the restructuring strategy, the DPS model (Default Probability Scorecard) is used to determine the probability of implementing the restructuring scenario. The probabilities of implementing the restructuring scenario calculated using the DPS tool can be overruled by the claims manager with appropriate justification (based on an explanation of various risk factors and presentation of realistic options). The loan valuation methodology described is in line with the requirements of IFRS and International Valuation Standards (IVS) as it ensures the following:

- applicability and theoretical consistency;
- repeatability of the valuation process;
- comparability of the valuation process irrespective of who the valuer is;

- identification of key specific risks relating to the feasibility of the scenario, not covered in the discount rate.

The DPS model defines 13 different elements of business risk on a 7-point scale, which reflects different levels of risk. The risk elements are defined based on specific knowledge of the debtor. If a high level of risk is identified for an individual element of business risk, the probability of implementing the restructuring strategy is reduced. Once all the levels of risk for individual elements are determined, the average risk profile (avgP) of the restructuring strategy is calculated.

In restructuring cases, the probability of implementing the collateral realisation strategy is determined as "1 minus the probability of implementing the restructuring strategy."

Once the probabilities of each individual strategy have been determined, and the future cash flows under each strategy have been estimated, the loan value is calculated accordingly. If a restructuring strategy is adopted, the BMVRO model is used. The model is discrete and based on a probability distribution, and assumes that SSH (formerly BAMC) may also opt for a revised scenario — that the strategy may be changed from restructuring to collateral realisation if the restructuring fails. The main input data for the BMVRO model are as follows:

- the probability of implementing the restructuring strategy (which is determined by using the DPS model);
- the probability of implementing the collateral realisation strategy (which is determined by using the DPS model);
- the period of transition from the restructuring strategy to the collateral realisation strategy. According to the principle of conservatism, SSH (formerly BAMC) assumes that such a strategy change is possible with immediate effect. The model considers the probability of restructuring failure, thus eliminating the possibility of deferring this failure to later periods. Additionally, SSH (formerly BAMC) estimates that due to

the early stage and uncertain nature of restructuring, it is reasonable to assume that the restructuring fails, it does so within a very short period;

- the future cash flows for each strategy (restructuring and collateral realisation). Under the restructuring strategy, future cash flows are derived from the debtor's ability to service the debt and from cash flow forecasts. Under the collateral realisation strategy, future cash flows are based on the valuation of the collaterals;
- the risk-free rate of return is not treated as a separate input within the BMVRO model as it is already factored into the calculation of the discount rate and included in the present value for both strategies.

In general, the SSH (former BAMC) calculated the probability-weighted average of the present values of forecasted cash flows in both scenarios. This subsequently reduces the present value of the loan from a higher value under restructuring scenario to a lower value under collateral realisation scenario, taking into account the probability of restructuring success and the value of collaterals considered in the recovery scenario. This reflects the assumption of the BMVRO that the collateral realisation strategy is a real option to the restructuring strategy.

Valuation and Control Process

Individual loan valuations at the debtor level are carried out once a year, specifically on 31 December.

The individual manager of each case is responsible for preparing a cash flow forecast and determining the probabilities of both scenarios, which are further confirmed by business analysts. In the collateral realisation scenario, the value of the collateral is based on asset valuations provided by real estate valuation experts and/or business analysts from the Controlling, Risks and Valuations Department. The valuation report is prepared in accordance with international valuation standards.

The process includes, among other things, a review of key assumptions, such as:

- under the restructuring scenario:
 - defining the reasons for specifying individual factors which determine the probability of restructuring success via DPS,
 - the sustainability of forecasted cash flows,
 - any adjustments to inflows and their justifications,
 - the recognition of appropriate sources of cash flows (from operations, divestments, refinancing, etc.).
- In the collateral realisation scenario:
 - the use of appropriate valuation estimates as the basis for determining collateral value, with adequate justification provided for any value adjustments;
 - assumptions regarding the conversion of loans into assets (real estate) and assumptions related to the timing of sale;
 - recognition of relevant costs associated with individual assets.

Collective Valuation of Debtor Group Exposures

Valuation is performed collectively for smaller credit exposures (where the total exposure does not exceed EUR 300,000 at the level of the debtor group). The valuation is based on the estimated probability of default and the value of a potential recovery scenario in the event of default. This value represents the collateral pledged by each borrower to secure the loan. SSH additionally recognises a 100% impairment adjustment for loans with overdue payments exceeding five years, irrespective of the condition or value of the related collateral. Debtors subject to this collective valuation are presented under the category Collectively Valued Exposure.

Valuation and Control Process

Collective loan valuations at the level of the debtor group are carried out once a year, as at 31 December.

The process includes, among other things, a review of key assumptions, such as:

- the appropriate classification of debtors into groups based on the number of days past due, and
- the correct application of valuation bases for recognising collateral.

The valuations performed are reviewed and approved by the Management Board.

Real Estate Valuation Methodology

The internal real estate valuation methodology applies to real estate inventories and to properties received as collateral. Valuations are based on Level 3 of the fair value hierarchy and incorporate unobservable inputs, representing assumptions that reflect the best information available under the prevailing circumstances. These include SSH's internal data, taking into account available and supportable information and assumptions about market participants.

The key unobservable inputs in the valuation process are adjusted market rental value, adjusted market sale price of the property, investment costs, and illiquidity discount (related to the estimated time to sell the asset).

Notwithstanding the methodology, the Company applies transaction values or prices as fair value where the outcome of a sale transaction is highly probable — for example, where a contract has been signed or a deposit received.

The market comparison method is the most commonly used approach for property valuation, as it provides the most realistic reflection of market value. It is applied when reliable data on market transactions (e.g. Trgoskop, internal databases) or listings (e.g. Nepremičnine.net) are available.

When using this method, the adjusted market value of the subject property is determined by adjusting the market prices of several comparable properties in the sample for factors such as condition, size, age, and location. Based on the data, the average of the adjusted prices is then calculated and used as the indicative value of the property being assessed.

Valuations are always performed on the property together with its functional land, and such combined assets are compared with similarly composed properties. Functional land refers to the parcel of land required for the property to serve its intended use. Where a building includes more land than is functionally necessary, and that excess land cannot be sold as a separate unit, the adjustment reflects this constraint, as it affects the overall property value. Before initiating the valuation process, all data is verified, including whether the transactions were carried out between unrelated parties, whether the price includes or excludes taxes, and whether the property area is consistent with the records held by the Surveying and Mapping Authority of the Republic of Slovenia (GURS).

The income-based valuation method may be applied using one of two approaches. If a stable annual income is expected to continue throughout the remaining useful life of the property, the capitalisation method based on stabilised annual income is used. If, however, the income is expected only for a limited number of years, the discounted cash flow (DCF method) is applied. Before commencing the valuation, market rent adjusted for the subject property is determined. This involves adjusting either gross or net rents, depending on the data available, and considering comparable cost structures. Once effective income is calculated — as the product of market rent and the lettable (or saleable) area — adjustments are made for

vacancy rates. In addition, the following are taken into account: indirect investment costs (e.g. feasibility studies, valuations, technical documentation), investor's profit margin, financing costs, the estimated time required to complete the project, and the assumed time to sell the property.

The simplified valuation method is applied to properties with an estimated value of less than EUR 0.1 million.

As with the market comparison method, relevant transaction data from the past 12 months is sought. If sufficient data is not available, the reference period is extended and time-adjusted using the price growth index for the relevant property type.

Based on the selected sample of transactions, the valuer calculates the median price, median age, and median size. The subject property is then adjusted to the median age and size and the resulting value is adopted as the market value. To determine fair value under specific conditions, a discount for the estimated time to sale is applied, along with additional adjustments to reflect any significant physical, functional, or economic obsolescence.

Valuation and Control Process

The Company performs property revaluations once a year, specifically, as at 31 December. Properties are generally subject to a full valuation every three years, while annual revaluations are carried out for those properties for which relevant market price data is available. Comprehensive valuations are performed by authorised valuers, either employed by the Company, or appointed externally.

During the interim period of up to three years, property values are adjusted once per year by:

- taking into account market conditions: revaluation is performed using a statistical index for specific types of properties and regions in Slove-

nia, published semi-annually by the Surveying and Mapping Authority of the Republic of Slovenia (GURS), for properties located in Slovenia.

Fair value of assets in business combinations:

Tangible fixed assets

The fair value of tangible fixed assets acquired in business combinations is their market value. The market value of the property represents the estimated amount for which it could be exchanged on the valuation date, after proper marketing, in an arm's length transaction between a willing buyer and a willing seller, both acting knowledgeably, prudently, and without compulsion. The market value of machinery, equipment, and tools is based on the offered market prices of similar items.

Investment property

Fair value is based on market value, which represents the estimated amount for which the property could be exchanged on the valuation date, after proper marketing, in an arm's length transaction between a willing buyer and a willing seller, both of whom are knowledgeable, informed, and acting prudently, voluntarily, and independently.

If current prices on an active market are not available, the value of investment property is assessed using the aggregate value of expected rental income from the property. The calculation of property value includes a return reflecting specific risks, based on discounted net cash flows on an annual basis.

Where appropriate, the valuation should also take into account the type of tenants currently occupying the investment property or holding the lease obligations, or those who would most likely become tenants in the case of a lease, as well as their overall creditworthiness, the allocation of re-

sponsibilities for maintenance and insurance between the Group and the tenant, and the remaining useful life of the investment property. For rental agreements that expect subsequent rental increases due to the return to the original state upon review or renewal, it is deemed that all notifications and if necessary, reverse notifications were provided in a valid form and in a timely manner.

Inventories

The fair value of inventory in business combinations is determined based on its expected selling price in the regular course of business, reduced by the estimated completion and selling costs and an appropriate markup for the amount of work invested in completing the sale of inventory.

Investments in Equity and Debt Securities:

The fair value of financial assets traded on the stock exchange is equal to the published unit price of those shares on the balance sheet date. The fair value of shares and interests not traded on the stock exchange is assessed using one of the valuation methods prescribed by IFRS 13.

Trade and other payables

The fair value of trade and other receivables, except for construction contracts with a maturity longer than one year, is calculated as the present value of future cash flows, discounted at the market interest rate on the reporting date. In the case of current trade receivables, no discounting is applied.



3.6 BUSINESS COMBINATIONS

In 2024, two business combinations took place — both transactions under common control — namely, the merger of Istrabenz and the carve-out of part of operations to another company, as further described below. As transactions under common control are not addressed by IFRS, the executive management adopted an accounting policy, in accordance with the provisions of the Slovenian Companies Act (ZGD-1), to recognise the transfer of assets as at 1 January 2024 at carrying amounts based on the book values as at the transaction date, 31 December 2023. All income and expenses from 1 January 2024 onwards are recognised by the acquiring company. Comparative period figures were not restated.

3.6.1 Merger of Istrabenz

The company Istrabenz had been wholly owned by the Bank Assets Management Company (BAMC) since 2021, and in 2022 became wholly owned by SSH following the merger of BAMC with SSH. Through the merger of Istrabenz (the transferring company), all of its assets, operations, and contractual relationships were transferred to SSH as the acquiring company. Following the merger, the transferring company ceased to exist.

The primary purpose of the merger was to optimise the Group’s cost structure, obtain direct ownership of the investments held by the transferring company, settle outstanding loans, and enable SSH to generate returns directly from the investment property previously owned by the transferring company.

The effective date of recognition of the merger in the financial statements is 1 January 2024. From that date onwards, all activities of the transferring company are deemed to have been carried out entirely on behalf of the acquiring company. The merger was accounted for at the carrying amounts as at 31 December 2023.

In line with the Company’s accounting policy, the transaction was treated as a transaction under common control. Accordingly, the assets and liabilities were transferred into SSH’s financial statements at their carrying amounts on the merger date.

The table below presents the recognized amounts of assets acquired and liabilities assumed from Istrabenz as at 1 January 2024, as disclosed in the separate financial statements of SSH:

in EUR '000	
ASSETS	5,379
Investment property	324
Financial assets measured at fair value through other comprehensive income (FVTOCI)	53
Interests in joint ventures	4,909
Cash and cash equivalents	93
LIABILITIES	5,640
Current financial liabilities	5,633
Current operating liabilities	7
NET ASSETS ACQUIRED	-261

The net assets transferred to SSH under the merger process are negative based on their carrying amounts. However, the fair value of the transferred assets amounts to EUR 6,365 thousand, resulting in the fair value of the acquired net assets totalling EUR 724 thousand.

Following the merger, the financial liabilities of the transferring company to the acquiring company, totalling EUR 5,633 thousand, were offset against loans of the same amount granted by the acquiring company.

As at the merger date, Istrabenz reported accumulated tax losses carried forward from previous years in the amount of EUR 334,694 thousand, which were fully transferred to SSH as the acquiring company.

3.6.2 Carve-out of Real Estate Management Operations

Among the assets transferred to SSH in 2022 through the merger of BAMC was the entire real estate management business. On 1 January 2024, this business was carved out and transferred to D.S.U.

As part of the carve-out process, SSH transferred the entire business activity — including employees, processes, assets, and liabilities functionally related to the real estate management operations — to D.S.U. At the time of the carve-out, the acquiring company, D.S.U., was wholly owned by the Republic of Slovenia. As part of the carve-out, the shares of the acquiring company

were allocated to the transferring company, SDH, d. d., which – alongside the Republic of Slovenia – became a 49.6% shareholder of D.S.U., the company to which the assets were transferred in the course of the carve-out.

The effective date of recognition of the carve-out in SSH's financial statements is 1 January 2024. From that date onwards, all activities of the transferring company are deemed to have been carried out entirely on behalf of the acquiring company. The carve-out was accounted for at carrying amounts as at 31 December 2023.

In line with the Company's accounting policy, the carve-out was treated as a transaction under common control. Accordingly, the assets and liabilities were derecognised from SSH's financial statements on the carve-out date at their carrying amounts.

The table below presents the amounts of assets and liabilities derecognised from SSH's separate financial statements on 1 January 2024 (at their carrying amounts as at 31 December 2023).

in EUR '000

ASSETS	107,054
Intangible assets	10
Property, plant and equipment	89
Investments in subsidiaries	562
Current operating receivables	11
Financial assets measured at fair value through other comprehensive income (FVTOCI)	7,087
Inventories of real estate and equipment	91,667
Trade receivables	3,128
Other current assets	38
Cash and cash equivalents	4,462
EQUITY AND LIABILITIES	5,355
Fair value reserve	2
Provisions and non-current deferred revenues	923
Financial liabilities	15
Operating liabilities	1,116
Contractual liabilities from contracts with customers	397
Deferred tax liabilities – transfer of receivables	-31
Income Tax Liabilities	491
Other liabilities	2,442
NET ASSETS TRANSFERRED	101,699

As at 1 January 2024, SSH recognised an investment in D.S.U. in the amount of the net assets carved out (transferred assets). No gains or losses were recognised in connection with this transaction.



3.7 NOTES TO INDIVIDUAL ITEMS IN CONSOLIDATED FINANCIAL STATEMENTS

3.7.1 Tangible fixed assets

MOVEMENTS IN PROPERTY, PLANT AND EQUIPMENT IN 2024

in EUR '000

	Land	Buildings	Investments in Progress	Equipment and spare parts	Small tools	Total
Cost						
Cost as at 31 Dec 2023	55,340	191,412	5,385	16,215	0	268,352
Effect of the carve-out (Note 3.6)	0	0	0	-158	0	-158
Balance as at 1 Jan 2024	55,340	191,412	5,385	16,057	0	268,194
Additions – new purchases	59	13,881	748	7,152	0	21,840
Disposals	-417	0	-4,577	-98	0	-5,092
Impairment	-986	-2,911	0	-410	0	-4,307
Cost as at 31 Dec 2024	53,996	202,382	1,556	22,701	0	280,635
Impairment						
Accumulated depreciation and impairments as at 31 Dec 2023	0	11,733	0	5,200	0	16,933
Effect of the carve-out (Note 3.6)	0	0	0	69	0	69
Balance as at 1 Jan 2024	0	11,733	0	5,269	0	17,002
Depreciation for current year	0	9,136	0	3,671	0	12,807
Impairment	0	-50	0	-179	0	-229
Disposals	0	0	0	-142	0	-142
Accumulated depreciation and impairments as at 31 Dec 2024	0	20,819	0	8,619	0	29,438
Book value as at 31 Dec 2023	55,340	179,679	5,385	11,015	0	251,419
Book value as at 31 Dec 2024	53,996	181,563	1,556	14,082	0	251,197

MOVEMENTS IN PROPERTY, PLANT AND EQUIPMENT IN 2023

in EUR '000

	Land	Buildings	Investments in Progress	Equipment and spare parts	Total
Cost					
Cost as at 1 Jan 2023	55,906	189,329	1,302	14,343	260,880
Additions – new purchases	59	3,270	4,083	3,128	10,540
Disposals	-625	-1,131	0	-1,169	-2,925
Impairment	0	-56	0	-87	-143
Cost as at 31 Dec 2023	55,340	191,412	5,385	16,215	268,352
Impairment					
Accumulated depreciation and impairments as at 1 Jan 2023	0	2,033	0	498	2,531
Depreciation for current year	0	8,505	0	3,566	12,071
Impairment	-74	-7	0	-448	-529
Disposals	0	0	0	-19	-19
Transfers	0	1,276	0	1,603	2,879
Value adjustment as of 31 Dec 2023	-74	11,807	0	5,200	16,933
Book value as at 31 Dec 2022	55,906	187,296	1,302	13,845	258,349
Book value as at 31 Dec 2023	55,414	179,605	5,385	11,015	251,419

As at 31 December 2024, the Group's properties with a carrying amount of EUR 139 million (31 Dec 2023: EUR 132 million) are pledged as collateral for liabilities totalling EUR 43 million (31 Dec 2023: EUR 46 million). It was assessed that there are no grounds requiring the impairment of any tangible fixed assets.

3.7.2 Financial assets (excluding trade receivables and cash and cash equivalents), investments in subsidiaries and associates

in EUR '000

	31 Dec 2023	Merger (3.6.1)	Transfer of assets to DSU and acquisition of the investment (Note 3.6.1)	Acquisitions	Transfers	Disposals/Repayments	Revaluations	31 Dec 2024
Investments in subsidiaries (not included in consolidation)	81,332	0	-562	0	0	0	-1,758	79,012
Investments in associates and joint ventures	295,892	4,910	101,699	0	0	-3,600	43,585	442,486
Financial assets measured at fair value through other comprehensive income (FVTOCI)	622,724	53	0	0	0	-1	183,821	806,597
Financial assets measured at fair value through profit or loss (FVTPL)	203,468	-5,633	-7,087	2,056	0	-59,987	24,620	157,437
Deposits measured at amortised cost	106,000	0	0	74,000	0	-155,000	0	25,000
Total	1,309,416	-670	94,050	76,056	0	-218,588	250,268	1,510,532

in EUR '000

	1 Jan 2023	Acquisitions	Transfers	Disposals	Revaluations	31 Dec 2023
Investments in subsidiaries (not included in consolidation)	85,867	0	0	-258	-4,277	81,332
Investments in associates	280,414	0	0	-36	15,514	295,892
Financial assets measured at fair value through other comprehensive income (FVTOCI)	519,319	0	0	-1	103,406	622,724
Financial assets measured at fair value through profit or loss (FVTPL)	225,177	4,392	-2,631	-52,103	28,633	203,468
Deposits measured at amortised cost	38,374	81,953	0	-14,327	0	106,000
Total	1,149,151	86,345	-2,631	-66,725	143,276	1,309,416

3.7.2.1 Financial investments in subsidiaries

in EUR '000

	31 Dec 2024	31 Dec 2023
Investments in subsidiaries	79,012	81,332

The table below shows financial investments in subsidiaries which are not consolidated, as explained in more detail in Chapter 3.4.2.2. These figures were not subject to audit.

in EUR '000

Company	Interests in %	31 Dec 2024		31 Dec 2023	
		Equity	Net profit or loss	Equity	Net profit or loss
* Argolina, d. o. o.	100.00	-	-	-3,986	-488
Autotehna Croatia, d. o. o. – in liquidation*	100.00	-	-	-	-
Avtotehna Zagreb, d. o. o.	100.00	-	-	n.a.	n.a.
BR89, d. o. o. ***	100.00	-	-	n.a.	n.a.
DS Projekt, d. o. o. Ljubljana	74.00	1,876	-57	1,930	-49
* DUP, d. o. o., Sarajevo	100.00	-	-	561	-3,285
* DUTB Crna Gora, d. o. o.	100.00	-	-	-247	8
Elektrooptika, d. d.	70.48	-84	22	-106	-2
* Factor projekt, d. o. o. Hrvaška	100.00	-	-	n.a.	n.a.
Farne Ihan - KPM, d. o. o.	100.00	3,810	-563	6,272	903
*Fundus, d. o. o., Beograd - in liquidation	100.00	-	-	n.a.	n.a.
Hyundai auto Beograd, d. o. o.	100.00	n.a.	n.a.	n.a.	n.a.
Illuria Holdings Ltd– in liquidation	100.00	-	-	n.a.	n.a.

in EUR '000					
Company	Interests in %	31 Dec 2024		31 Dec 2023	
		Equity	Net profit or loss	Equity	Net profit or loss
** Istrabenz, d. o. o.	100.00	-	-	n.a.	n.a.
MLM, d. d.	100.00	-	-	916	-4,386
MK Založba, d. d.	83.47	38,995	1,279	32,724	282
Poslovni sistem Domina, d. o. o, Beograd	55.52	n.a.	n.a.	n.a.	n.a.
PY&CA, d. o. o. – in liquidation***	100.00	-	-	-	-
* PROLeasing Rijeka, d. o. o. - in liquidation*	100.00	-	-	n.a.	n.a.
PS ZA AVTO, d. o. o.	90.00	6,317	166	5,674	165
STNA, d. o. o.	100.00	6	-0.3	6	0
Thermana, d. d.	100.00	29,860	3,474	26,141	929
MEJA Šentjur, d. d.	100.00	6,059	122	-	-

*The companies were transferred through the carve-out of real estate activities to D.S.U.

** The company was merged into SSH.

*** The company was sold in 2024.

The ownership percentage is equal to the percentage of voting power in all subsidiaries. All investments in subsidiaries are classified as non-current.

in EUR '000					
As at	PS ZA AVTO, d. o. o.		Elektrooptika, d. d.		
	31 Dec 2024	31 Dec 2023	31 Dec 2024	31 Dec 2023	
Current assets	3,756	3,125	11		1
Non-current assets	3,832	3,851	0		0
Current liabilities	79	109	95		107
Non-current liabilities	1,193	1,193	0		0
Equity	6,317	5,674	-84		-106
Year	2024	2023	2024		2023
Sales revenue	424	369	0		0
Net profit or loss	166	165	22		-3
Other comprehensive income	0	0	0		0
Total comprehensive income	166	165	22		-3
SSH ownership interest (in %)	90.00	90.00	70.48		70.48

3.7.2.2 Investments in associates and joint ventures

in EUR '000		
	31 Dec 2024	31 Dec 2023
Investments in associates and joint ventures	442,486	295,892

The ownership percentage is equal to the percentage of voting power in all associates and joint ventures.

DATA FROM THE STATEMENTS OF FINANCIAL POSITION AND INCOME STATEMENTS OF ASSOCIATES AND JOINT VENTURES FOR 2024 AND 2023

in EUR '000

	Casino Bled, d. d.		HIT Group		Unior Group	
As at	31 Dec 2024	31 Dec 2023	31 Dec 2024	31 Dec 2023	31 Dec 2024	31 Dec 2023
Current assets	5	116	47,680	45,749	180,735	151,323
Non-current assets	180	210	100,873	98,234	155,356	239,486
Current liabilities	130	221	41,840	38,247	200,714	78,810
Non-current liabilities	0	0	35,101	36,423	10,878	125,526
Equity	55	105	71,612	69,313	124,499	186,473
Year	2024	2023	2024	2023	2024	2023
Sales revenue	617	1,144	172,427	171,135	249,697	294,237
Net profit or loss	-406	-216	7,883	10,664	-54,071	4,937
Other comprehensive income	0	0	-224	-626	-8,162	-1,804
Total comprehensive income	-406	-216	7,659	10,038	-62,233	3,132
SSH ownership interest (in %)	33.75	33.75	20.00	20.00	39.43	39.43

in EUR '000

	Zavarovalnica Triglav Group		Cinkarna Celje		DSU	AdriaFin
As at	31 Dec 2024	31 Dec 2023	31 Dec 2024	31 Dec 2023	31 Dec 2024	31 Dec 2024
Current assets	49,638	138,888	154,390	144,697	119,470	1,943
Non-current assets	3,224,190	3,960,140	116,963	114,387	132,761	8,275
Current liabilities	86,988	102,832	41,393	25,929	17,844	13
Non-current liabilities	3,186,841	3,105,096	18,924	19,271	45,459	0
Equity	989,042	891,100	211,036	213,884	188,928	10,205
Year	2024	2023	2024	2023	2024	2024
Sales revenue	1,297,952	1,382,793	200,285	176,464	21,612	7
Net profit or loss	131,418	16,265	23,087	5,489	4,493	56
Other comprehensive income	6,313	34,672	408	-458	685	284
Total comprehensive income	137,728	50,937	22,679	5,031	3,808	284
SSH ownership interest (in %)	28.09	28.09	24.44	24.44	49.60	50.00

* Audited data are presented for the Zavarovalnica Triglav, Hit, and Unior groups, as well as for the company Cinkarna Celje. The data for AdriaFin and Casino Bled are unaudited.

**The joint venture investment relates to AdriaFin.

The impact of each associate on the Group's financial position and financial performance is detailed in Note 3.7.16.

3.7.2.3 Financial assets measured at fair value through other comprehensive income (FVTOCI)

Financial assets measured at fair value through other comprehensive income include:

in EUR '000

	31 Dec 2024	31 Dec 2023
Other equity investments	806,597	622,724

Other investments include holdings in Krka, d. d. - EUR 410.03 million (31 December 2023: EUR 324.48 million); Petrol, d. d.- EUR 166.92 million (31 December 2023: EUR 123.47 million); Sava RE - EUR 121.75 million (31 December 2023: EUR 85.23 million); Loterija Slovenije, d. d. – EUR 9.17 million (31 December 2023: EUR 7.81 million); and Terme Olimia, d. d. – EUR 4.00 million (31 December 2023: EUR 3.86 million).

3.7.2.4 Valuation of capital assets

VARIABLES USED IN THE VALUATION OF FINANCIAL INVESTMENTS

Variables used	31 Dec 2024	31 Dec 2023
Discount rate (WACC)	8.34% -12.15%	8.70% - 13.23%
Long-term growth rate (g)	2% - 2.13%	2% - 2.02%
Discount for the lack of control	0% - 29.03%	0% - 27.34%
Discount for the lack of lack of marketability	5% - 20%	3.29% - 24.00%

* The variables employed relate to equity investments in subsidiary, associates and joint ventures, as well as other equity investments.

Valuing some important investments for which market prices were not available as at 31 December 2024

Non-marketable investments were either subject to impairment testing (in the case of subsidiaries) or were valued by certified business valuation experts for financial reporting purposes at fair value, as defined under IFRS 13, which corresponds to market value in accordance with the International Valuation Standards (IVS). Valuation reports were made in accordance with the Hierarchy of Valuation Rules (Official Gazette RS, No. 106/10). The use of different valuation methodologies or different valuation assumptions may result in different fair values SSH is aware of this fact, but at the same time considers the values as appropriate.

Where an equity investment held by SSH is measured at fair value and the most recent valuation is not prepared as at the reporting date but is no more than one year old, an assessment is carried out to determine whether there have been any significant changes in the company’s performance and/or asset value since that valuation. If there is no indication of a ma-

terial change in performance or asset value compared to the latest valuation, such valuation may be used for financial reporting purposes. As actual performance naturally fluctuates around the projected future performance used in valuation models, the key assumption is that no significant or unforeseen business events have occurred since the last valuation (provided it is not older than one year), and that medium- to long-term performance is expected to remain broadly in line with the projections underlying that valuation.

The fair value of SSH’s 11.74 percent shareholding in **Adria, d. d.**, was appraised utilising the discounted cash flow method (DCF method) on a going concern assumption, with the comparable listed company method applied as a secondary valuation technique for validation. Based on an analysis of the company’s performance, a review of the management’s plan for 2024–2027 period, and a review of capacity, risks, and market and development potential, the valuer prepared an independent financial projection from the perspective of a controlling shareholder. Appropriate discounts for lack of marketability and control were applied.

The fair value of SSH’s 8.08 percent shareholding in **Terme Olimia, d. d.**, was appraised utilising the discounted cash flow method (DCF method) on the going concern assumption, with the comparable companies method applied as a secondary valuation technique for validation. Based on an analysis of the company’s performance and the management’s business plan for the period through to 2029, the valuer prepared an independent financial projection from the perspective of a controlling shareholder, applying appropriate discounts for lack of control and lack of marketability.

The fair value of SSH’s 15% shareholding in **Loterija Slovenije, d. d.**, was appraised utilising the discounted cash flow method (DCF method) on the going concern assumption, together with an analysis of the largest European companies in the sector. Based on an analysis of the the company’s performance, the management’s business plan for the period 2025–2027,

and the company’s long-term strategy, the valuer prepared an independent financial projection from the perspective of a controlling shareholder and applied appropriate discounts for lack of control and lack of marketability.

The fair value of SSH’s 20 percent shareholding in **HIT, d. d.** (for the ordinary shares, which represent 33.33% of the voting rights), the capitalisation of normalised cash flows method was applied on the going concern assumption. Based on an analysis of the company’s performance and a review of the management’s business plan for the 2025–2029 period, the valuer prepared an independent financial projection for the HIT Group from the perspective of a controlling shareholder. In addition, the valuer also carried out a valuation of the preferred shares of HIT, which are owned by SSH, but which do not carry voting rights and represent an 8.54 percent stake in the company. Due to the specific characteristics of this class of shares, the dividend discount model was used for the valuation.

In the 2024 financial year, SSH’s real estate operations were carved out and merged with the company **D. S. U., d. o. o.** through a carve-out by absorption. For the purpose of determining the exchange ratio in the carve-out by absorption, the fair value of the real estate operations was assessed by an independent valuer in accordance with the International Valuation Standards (IVS). This value corresponds in substance to the market value for sale from the perspective of a controlling shareholder and, in this case, also reflects the fair value for financial reporting purposes. The real estate operations of SSH functioned as a holding company, owning property assets, where the holding’s value typically corresponds to the value of the underlying assets net of recurring costs. Accordingly, the asset accumulation method was applied to value the real estate operations. The carved-out share represents a 49.6% equity interest in the merged entity, D.S.U.

In the case of the holding company **Adriafin**, whose principal investment is its interest in VinaKoper d.o.o., SSH holds a 50% equity stake in Adriafin, which in turn holds a 78.81% interest in VinaKoper. The valuation of

VinaKoper was performed using an income-based approach, specifically the discounted cash flow (DCF method), with the comparable company method applied as a secondary valuation technique for validation. The valuation of Adriafin itself was carried out using an asset-based approach, namely the net asset value method on the going concern assumption. In this case, where a 50% interest in Adriafin was being valued, appropriate discounts for lack of marketability and lack of control were applied.

The fair value of SSH's 100.00% shareholding in **Farne Ihan – KPM, d. o. o.**, was appraised utilising the discounted cash flow method (DCF method) on the going concern assumption, together with an analysis of consolidated financial statements and business projections. The comparable listed company method was also applied as a secondary valuation technique for validation. The valuation was performed based on an adjusted management plan for the 2025 financial year, an analysis of the company's operations, a sector review including the performance of comparable companies, and additional data and explanations provided by the management.

The fair value of SSH's 83.47% equity interest in **Mladinska knjiga založba, d. d.** and the Mladinska knjiga Group was appraised utilising the discounted cash flow method was applied, based on consolidated financial statements and forward-looking business projections, under the going concern assumption. The comparable listed company method was applied as a secondary valuation technique for validation. The valuation was prepared on the basis of an adjusted management plan for the 2025 and 2026 financial years, supported by detailed analyses of the company's operations, the performance of other entities within the Group, and a sectoral review of comparable companies.

Valuing some important investments for which market prices were not available as at 31 December 2023

Non-marketable investments were either subject to impairment testing (in the case of subsidiaries) or were valued by certified business valuation experts for financial reporting purposes at fair value, as defined under IFRS 13, which corresponds to market value in accordance with the International Valuation Standards (IVS). Valuation reports were made in accordance with the Hierarchy of Valuation Rules (Official Gazette RS, No. 106/10). The use of different valuation methodologies or different valuation assumptions may result in different fair values SSH is aware of this fact, but at the same time considers the values as appropriate.

The fair value of SSH's 15% shareholding in **Loterija Slovenije, d. d.**, was appraised utilising the discounted cash flow method (DCF method) on a going concern assumption, and the dividend discount model was applied as a secondary valuation technique for validation. Based on an analysis of the company's historical performance, its management's plan for 2023-2025, and the long-term strategy up to 2027, the valuer prepared an independent financial projection relating to the company's business activities from the viewpoint of a majority shareholder, incorporating discounts due to the absence of a controlling interest.

The fair value of SSH's 11.74% shareholding in **Adria, d. d.**, was appraised utilising the discounted cash flow method (DCF-method) on a going concern assumption. The comparable transactions method was applied as a secondary valuation technique for cross-check purposes, also taking into account a discount for lack of control. Based on an analysis of the company's historical performance, and taking into account an analysis of the company's capacities, risks and market and development opportunities, the valuer prepared an independent financial projection for the company's performance from the perspective of the majority owner.

The fair value of SSH's 4.42% shareholding in **KOTO, d. o. o.**, was appraised utilising the comparable companies method. The valuer applied the average EV/EBITDA multiple to the EBITDA of KOTO for the year 2023 based on the analysis.

The fair value of SSH's 100.00% shareholding in **Farne Ihan – KPM, d. o. o.** was appraised utilising the discounted cash flow (DCF method) method on the going concern assumption. The valuation was prepared based on the management's plan for the 2024 financial year, the forecast for the 2025-2026 period, an analysis of the company's historical performance, an analysis of the industry and operations of other companies in the same sector, and taking into account other explanations received by and data provided by the executive management.

The fair value of SSH's 100.00 percent shareholding in **Thermana, d. d.**, was appraised utilising the discounted cash flow method (DCFmethod) on a going concern assumption, with the comparable companies method as a secondary valuation technique for validation. The valuation was prepared based on the executive management's business plan, an analysis of historical performance, an industry and peer company analysis, and taking into account other information and explanations provided by the executive management.

3.7.2.5 Financial assets , measured at fair value through profit or loss (FVTPL) - loans

This group includes loans which were acquired through the merger of BAMC with SSH in 2022 as well as the outstanding portion of the purchased receivable/loan to Sava, which SSH acquired as part of Sava's financial restructuring in 2016. All loans acquired are classified as current.

in EUR '000

	31 Dec 2024	31 Dec 2023
Loans valued in accordance with the restructuring strategy	33,199	84,302
Loans valued in accordance with the collateral realisation strategy	122,335	118,014
Other loans	901	1,153
Total	156,435	203,469
Investment in the Money Market Fund – Sava Turizem	1,002	0
Total	157,437	203,469

CLASSIFICATION OF LOANS IS BASED ON THE SELECTED STRATEGY

in EUR '000

	31 Dec 2024		31 Dec 2023	
	Fair value	Number of debtors	Fair value	Number of debtors
Loans valued in accordance with the restructuring strategy	33,199	11	84,302	10
Loans valued in accordance with the collateral realisation strategy	122,335	307	118,014	351
Other loans	901	153	1,153	160
Total	156,435	471	203,469	521

The loan to Sava Turizem amounts to EUR 1,002 thousand and is treated as an investment in a money market fund. This loan is not included in the additional disclosures below.

FAIR VALUE OF LOANS BY MATURITY

in EUR '000

	31 Dec 2024	31 Dec 2023
Restructuring strategy	33,199	84,302
Non-overdue loans	17,389	26,242
Overdue loans	15,810	58,060
Overdue by up to 90 days	8,742	0
Overdue between 90 days and one year	6,968	0
Overdue between one and three years	0	0
Overdue by more than three years	101	58,060
Collateral realisation strategy	122,335	118,014
Non-overdue loans	51,261	12,514
Overdue loans	71,075	105,499
Overdue by up to 90 days	0	0
Overdue between 90 days and one year	14,165	633
Overdue between one and three years	0	14,187
Overdue by more than three years	56,910	90,679
Collectively valued exposure	901	1,153
Non-overdue loans	358	607
Overdue loans	542	546
Overdue by up to 90 days	268	263
Overdue between 90 days and one year	196	104
Overdue between one and three years	11	16
Overdue by more than three years	67	162
Total	156,435	203,469

FAIR VALUE OF LOANS BY INDUSTRY SECTOR OF DEBTOR

in EUR '000

	31 Dec 2024	31 Dec 2023
Companies	152,696	198,288
Construction industry	18,056	39,834
Manufacturing	37,214	41,087
Wholesale and Retail Trade	815	1,883
Tourism	8,601	8,694
Professional Services	3,086	6,882
Financial Services	8,845	15,240
Real Estate Activities	5,713	5,227
Other Activities	65,978	73,653
Companies with Foreign Registered Offices	4,389	5,787
Natural persons	3,635	5,078
Republic of Slovenia	101	101
Banks	3	0
Total	156,435	203,468

FAIR VALUE OF LOANS BY THE LOCATION OF THE REGISTERED OFFICE AND THE TYPE OF DEBTORS

in EUR '000

	31 Dec 2024	31 Dec 2023
Companies	152,696	198,288
Slovenia	148,307	190,412
EU Member States	1,948	2,102
Other European countries	2,441	5,774
Natural persons	3,635	5,078
Republic of Slovenia	101	101
Banks	3	0
Total	156,435	203,468

The value of collateral in the loan portfolio

Loans can be secured with one or more types of collateral or may be entirely unsecured. The majority of loans were transferred to BAMC together with their collateral, or BAMC acquired the collateral without having an influence on the selection of loans or collateral transferred. SSH’s active role in obtaining new or additional collateral is evident during the financial restructuring when the debtors’ contractual obligations are redefined.

The fair value of individually valued loans is calculated as the discounted value of future cash flows from the restructuring scenario and the collateral realisation scenario (weighted by the probability of each scenario occurring). The collateral realisation scenario includes only the expected cash flows from the realisation of collateral.

The expected collateral value used as input for the assessment of the collateral realisation scenario is an estimate based on a formal internal appraisal and additional knowledge of the circumstances surrounding the realisation of the collateral.

The tables below present the value as expected from the recovery of collateral. The value from the recovery of the collateral represents the expected cash flows of each debtor (separately for each scenario) discounted at the weighted average cost of capital.

THE VALUE OF RESTRUCTURING AND COLLATERAL REALISATION SCENARIOS AS AT 31 DECEMBER 2024

Unweighted by scenario, unlimited in terms of total exposure	Fair value	Value of the restructuring scenario	Value of the collateral realisation scenario	Share of collateral realisation scenario value in fair value
Restructuring strategy	33,199	33,332	39,891	120%
Collateral realisation strategy	122,335	0	124,153	101%
Collectively valued exposure	901	0	1,769	196%
Total	156,435	33,332	165,813	106%

THE VALUE OF RESTRUCTURING AND COLLATERAL REALISATION SCENARIOS AS AT 31 DECEMBER 2023

Unweighted by scenario,unlimited in terms of total exposure	Fair value	Value of the restructuring scenario	Value of the collateral realisation scenario	Share of collateral realisation scenario value in fair value
Restructuring strategy	84,302	88,437	86,418	102%
Collateral realisation strategy	118,014	29,539	120,562	102%
Collectively valued exposure	1,153	-	11,571	1004%
Total	203,468	117,975	218,551	107%

Movements in loans and receivables

The changes in the tables below mostly relate to the portfolio of debtors in the collateral realisation strategy.

MOVEMENTS IN LOANS AND RECEIVABLES IN 2024

	in EUR '000
	31 Dec 2024
Balance as at 31 Dec 2023	203,468
Effect of the carve-out (Note 3.6)	-7,087
Effect of the merger (Note 3.6)	-5,633
Increases in loan portfolio	1,054
Purchases of receivables	0
New loans granted	1,000
Realization of guarantees	0
Other increases	54
Decreases	-59,335
Cash repayments	-59,214
Transfers to real estate and equipment	-4
Transfers to operating receivables	0
Loans sold	0
Debt equity conversion	-118
Increases/decreases due to revaluation	-5,012
Increases/decreases due to realized profits/losses	29,632
Other changes and repayments (netting of assumed loans and receivables)	-652
Closing balance as at 31 Dec 2024	156,435

MOVEMENTS IN LOANS AND RECEIVABLES IN 2023

	in EUR '000
	31 Dec 2023
Opening balance as at 1 Jan 2023	225,177
Increases in loan portfolio	4,392
Purchases of receivables	0
New loans granted	4,388
Realization of guarantees	0
Other increases	4
Decreases	-54,735
Cash repayments	-49,115
Transfers to real estate and equipment	-2,631
Transfers to operating receivables	0
Loans sold	-2,989
Debt equity conversion	0
Increases/decreases due to revaluation	22,136
Increases/decreases due to realized profits/losses	5,892
Other changes	606
Closing balance as at 31 Dec 2023	203,468

3.7.2.6 Fair value levels of financial instruments

CLASSIFICATION OF FINANCIAL INSTRUMENTS ACCORDING TO FAIR VALUE HIERARCHY LEVELS AS AT 31 DECEMBER 2024

	in EUR '000		
	1 level	2 level	3 level
Investments in associates and joint ventures	0	0	442,486
Other non-current financial assets	788,501	0	18,096
<i>Investments in listed shares</i>	<i>788,501</i>	<i>0</i>	<i>0</i>
<i>Non-listed shares and stakes</i>	<i>0</i>	<i>0</i>	<i>18,096</i>
Other current financial assets	158,858	0	187,678
<i>Bad loan receivables</i>	<i>0</i>	<i>0</i>	<i>157,437</i>
<i>Purchased receivables</i>	<i>0</i>	<i>0</i>	<i>0</i>
<i>Cash and cash equivalents and deposits to commercial banks</i>	<i>158,858</i>	<i>0</i>	<i>25,000</i>
<i>Current operating receivables</i>	<i>0</i>	<i>0</i>	<i>5,241</i>
Finance lease payables	0	0	1,853
Financial liabilities	0	0	56,177
Current operating liabilities	0	0	62,898

The fair value is equal to the carrying amount in all cases, except for associates and joint ventures, whose carrying amount under the equity method totals EUR 442,486 thousand (31 December 2023: EUR 295,852 thousand), while their fair value amounts to EUR 458,766 thousand (31 December 2023: EUR 300,683 thousand).

CLASSIFICATION OF FINANCIAL INSTRUMENTS ACCORDING TO FAIR VALUE HIERARCHY LEVELS AS AT 31 DECEMBER 2023

	in EUR '000		
	1 level	2 level	3 level
Investments in associates	0	0	300,683
Other non-current financial assets	604,829	0	17,895
<i>Investments in listed shares</i>	<i>604,829</i>	<i>0</i>	<i>0</i>
<i>Non-listed shares and stakes</i>	<i>0</i>	<i>0</i>	<i>17,895</i>
Other current financial assets	67,072	0	319,118
<i>Bad loan receivables</i>	<i>0</i>	<i>0</i>	<i>203,468</i>
<i>Purchased receivables</i>	<i>0</i>	<i>0</i>	<i>0</i>
<i>Cash and cash equivalents and deposits to commercial banks</i>	<i>67,072</i>	<i>0</i>	<i>106,000</i>
<i>Current operating receivables</i>	<i>0</i>	<i>0</i>	<i>9,650</i>
Finance lease payables	0	0	2,443
Financial liabilities	0	0	74,861
Current operating liabilities	0	0	76,537

3.7.2.7 Other financial investments measured at amortised cost

	in EUR '000	
	31 Dec 2024	31 Dec 2023
Current deposits	22,000	106,000
Non-current loans granted	3,000	0
Total	25,000	106,000

Current deposits represent deposits placed with commercial banks with maturities exceeding 90 days.

3.7.3 Inventories

	in EUR '000	
	31 Dec 2024	31 Dec 2023
Real estate	1,605	91,969
Advance payments and deposits for real estate inventory	557	603
Equipment	1,284	1,704
Material and merchandise	822	1,169
Total	4,268	95,445

The majority of real estate and equipment inventory was acquired through loan transfers or purchases at auctions. As at 31 December 2024, no real estate inventory was pledged as collateral.

MOVEMENTS IN REAL ESTATE INVENTORY AND EQUIPMENT IN 2024

	in EUR '000		
	Real estate	Equipment	Total
Balance as at 31 Dec 2023	91,969	1,704	93,673
Effect of the carve-out (Note 3.6)	-91,247	-420	-91,667
Balance as at 1 Jan 2024	722	1,284	2,006
Transfer to investment property	-1,313	0	-1,313
Acquisitions	1,395	0	1,395
Transfer from investment property	302		302
Revaluations	495	0	495
Transfers from loans	4	0	4
Closing balance as at 31 Dec 2024	1,605	1,284	2,889

MOVEMENTS IN REAL ESTATE INVENTORY AND EQUIPMENT IN 2023

	in EUR '000		
	Real estate	Equipment	Total
Balance as at 1 Jan 2023	103,008	1,925	104,933
Transfers from loans	2,631	0	2,631
Acquisitions	2,131	0	2,131
Disposals	-18,357	-193	-18,550
Revaluations	2,556	-28	2,528
Closing balance as at 31 Dec 2023	91,969	1,704	93,673

3.7.4 Current operating receivables

	in EUR '000	
	31 Dec 2024	31 Dec 2023
Receivables due from customers	3,722	6,875
Impairment of receivables due from customers	-448	-989
Interest receivable	512	409
Impairment of interest receivable	-16	0
Receivables due from the Republic of Slovenia in accordance with ZSPOZ, ZIOOZP, ZVVJTO	284	0
Receivables due from state institutions	332	1,588
Other receivables	14,162	15,042
Adjustments of other receivables	-13,307	-13,275
Total	5,241	9,650

MOVEMENTS IN BAD DEBT PROVISION

in EUR '000

	31 Dec 2024	31 Dec 2023
Adjustment balance as at 1 Jan	14,264	15,177
Increase due to merger with BAMC	0	0
Collected receivables for which adjustment was made	59	0
Written-off receivables for the year	-85	-515
Adjustments made for the year	417	674
Reversal of provision (write-off) due to completed bankruptcy proceeding	0	-1,072
Reversal of provision due to the carve-out of real estate operations	-889	0
Bad debt provision as at 31 Dec	13,766	14,264

3.7.5 Cash and cash equivalents

in EUR '000

	31 Dec 2024	31 Dec 2023
Cash at bank	18,172	23,798
Deposits	140,450	42,936
Cash in hand	236	338
Total	158,858	67,072

3.7.6 Equity

CARRYING AMOUNT PER SHARE OF THE GROUP

in EUR '000

	31 Dec 2024	31 Dec 2023
Value of equity	1,607,829,000	1,394,115,000
Number of shares	180,788	180,788
Book value per share	8,893	7,711

3.7.7 Provisions and non-current accrued costs and deferred revenues

in EUR '000

	31 Dec 2024	31 Dec 2023
Provisions for denationalisation	23,296	40,511
Provisions for guarantees on apartments sold	0	199
Provisions for warranties given	82	88
Provisions for jubilee premiums	102	118
Provisions for severance payments	3,415	3,799
Provisions for legal disputes	8,009	8,429
Non-current deferred revenues	5,545	5,084
Total	40,449	58,228

The applicable legislation, past experience and above all the case law are taken into account when assessing whether conditions have been met in order to create non-current provisions for denationalisation claims lodged under ZDen. Provisions were assessed by examining each denationalisation claim. The current practice shows that the amount of such claims usually significantly exceeds the amount of approved compensation which is taken into account when forming the estimation. Provisions are reviewed at least once a year. The denationalisation claims are in different phases; the closer the claim is to its conclusion, the more reliable the estimates tend to be.

- The following phases can be distinguished: potential final decisions with the compensation amount having already been determined - SSH agrees with the claim, however, legal remedies lodged by claimants are considered possible;

- claims where decisions have been given but legal remedies have been lodged and the procedure has been renewed;
- claims where a decision has not been given and the proceedings are still ongoing.

Provisions for warranty obligations related to defects in sold residential units were recognised in 2023 in accordance with the provisions of the Protection of Buyers of Apartments and and Single Occupancy Buildings Act, which stipulates that the seller is liable for so-called hidden defects in the property that could not have been identified upon handover, if such defects become apparent within two years of the handover date. The provision amount has been estimated based on experiences, specifically for the number of apartments for which the company's liability as a seller has not yet expired. In 2024, these were transferred to another company as part of the carve-out of the real estate business (see Note 3.6).

Provisions for legal disputes were recognised by the Group based on estimates and assumptions derived from an assessment of the individual court cases, relevant case law, and other relevant factors. Despite the best knowledge of events and ongoing activities, the actual results may differ from estimates. The Company adjusts the estimates and assumptions on an ongoing basis and recognizes their effects during the period of change.

The Company's executive management, in cooperation with the legal department, assessed individual cases and considers that there is a likelihood of loss in certain lawsuits. For cases where the probability of an unfavourable outcome exceeds 50%, a provision for legal disputes has been recognised in the full amount of the currently known obligation. Provisions for lawsuits and other claims were formed based on consultation with the lawyers who have provided estimates of the outcomes of lawsuits and other claims filed.

Provisions were formed for jubilee premiums (long-service awards) and retirement benefits paid to employees. Retirement benefits and jubilee awards were considered in accordance with the provisions of collective and individual contracts. A 3.5% annual wage growth is foreseen in the Company, as well as for the amounts of severance pay and jubilee awards. Employee turnover is taken into account, and the discount rate applied is 3.0% annually.

MOVEMENTS IN PROVISIONS OF THE GROUP

in EUR '000

	Balance as at 31 Dec 2023	Carve-out (3.6)	Opening balance as at 1 Jan 2024	Newly formed provisions	Use	Transfer from current provi- sions	Transfer to current provi- sions	Reversal	Balance as at 31 Dec 2024
Provisions for denationalisation	40,511	0	40,511	3,056	-17,491	12,575	-15,355	0	23,296
Provisions for guarantees on apartments sold	199	-199	0	0	0	0	0	0	0
Provisions for warranties given	88	0	88	0	-6	0	0	0	82
Provisions for collateral given	0	0	0	0	0	0	0	0	0
Provisions for jubilee premiums	118	-27	91	22	-11	0	0	0	102
Provisions for severance payments	3,799	-102	3,697	115	-397	0	0	0	3,415
Provisions for legal disputes	8,429	-595	7,834	1,203	-209	0	0	-819	8,009
Non-current deferred revenues	5,084	0	5,084	791	0	0	0	-330	5,545
Total	58,228	-923	57,305	5,187	-18,114	12,575	-15,355	-1,149	40,449

in EUR '000

	Balance as at 1 Jan 2023	Newly formed provisions	Use	Transfer from cur- rent provisions	Transfer to current provisions	Reversal	Balance as at 31 Dec 2023
Provisions for denationalisation	42,024	4,781	-3,809	8,468	-10,953	0	40,511
Provisions for guarantees on apartments sold	157	79	-37	0	0	0	199
Provisions for warranties given	445	0	-323	0	0	-34	88
Provisions for collateral given	2,257	0	0	0	0	-2,257	0
Provisions for jubilee premiums	102	26	-10	0	0	0	118
Provisions for severance payments	3,694	683	-249	0	0	-329	3,799
Provisions for legal disputes	7,558	2,067	-49	0	0	-1,147	8,429
Non-current deferred revenues	6,147	125	-8	0	0	-1,180	5,084
Total	62,384	7,761	-4,485	8,468	-10,953	-4,947	58,228

3.7.8 Financial liabilities

in EUR '000

	31 Dec 2024	31 Dec 2023
Loans granted by banks	56,040	45,657
Other	137	29,204
Total	56,177	74,861
Long-term portion	49,718	41,118
Short-term portion	6,459	33,743
Total	56,177	74,861

The loans were primarily obtained for the purchase and renovation of tangible fixed assets and to finance ongoing operations. The loans are secured by mortgages over the Group's real estate (see Note 3. 7. 1) and by pledged shares in Sava Turizem.

3.7.9 Current operating liabilities

in EUR '000

	31 Dec 2024	31 Dec 2023
Trade payables	11,645	13,344
Liabilities due to denationalisation beneficiaries	15,473	17,125
Liabilities due to employees	2,054	3,501
Liabilities due to state institutions	2,182	3,414
Other operating liabilities	3,636	11,479
Total	34,993	48,863

All liabilities relating to compensation to denationalisation beneficiaries on the basis of SOS2E bonds (not fully paid yet) and on the basis of final decisions are reported under current operating liabilities. The amount of the matured and outstanding debt has no significant value for SSH. The reason for the non-payment lies with beneficiaries who fail to submit the necessary payment data.

3.7.10 Other liabilities

in EUR '000

	31 Dec 2024	31 Dec 2023
Current provisions for denationalisation	15,355	10,953
Accrued expense	2,657	1,962
Current deferred revenue	52	2,205
Other liabilities	0	1,947
Labour costs charged	4,050	3,708
Accrued lease costs for resorts under management	56	100
Total	22,170	20,875

3.7.11 Operating income

INCOME FROM CONTRACTS WITH CUSTOMERS

in EUR '000

	31 Dec 2024	31 Dec 2023
Income from management of capital assets	4,634	4,501
Income from sale of real estate	0	13,988
Income from tourism activities	129,190	122,607
Rental income	1,843	3,850
Total income from contracts with customers	135,667	144,946

Income from management of capital assets includes fees for managing capital assets owned by the Republic of Slovenia, reimbursement of direct costs incurred in the sale of state-owned assets in accordance with contractual provisions, and fees for the implementation of three laws (i.e., ZSPOZ, ZIOOZP and ZVJTO). Income from tourism activities refers to the revenues of the subsidiary Sava Turizem, d. d., primarily related to holidays, events, conferences, thermal parks, camping, and other associated services.

Assets and liabilities from contracts with customers

Uncharged income for goods and services delivered to customers in 2024 is included under contract assets, amounting to EUR 649 thousand (2023: EUR 1,240 thousand).

in EUR '000

	31 Dec 2024	31 Dec 2023
Liabilities from contracts with customers	1,080	1,570
Refund liabilities	534	447
Advances received from customers	2,178	2,608
Loyalty program	1,781	1,516
Other	162	508
Total	5,735	6,649

Liabilities from contracts with customers pertain to usage fees, gift vouchers, and the redemption of gift vouchers from other providers. Refund liabilities are short-term deposits received. The loyalty programme relates to discounts granted under the points scheme.

OTHER OPERATING INCOME

	in EUR '000	
	2024	2023
Income from reversal and utilisation of non-current provisions	0	2,796
Income from disbursement and reversal of other non-current provisions	3,129	3,698
Income connected with denationalisation	1,444	3,362
Revalued operating income	620	4,513
Other operating income	3,725	2,552
Government grants received	32	1,792
Other operating income	8,950	18,713

Material income allocated for denationalisation includes:

- proceeds from the sale and management of agricultural land and forests, paid by the Farmland and Forest Fund of the Republic of Slovenia;
- proceeds from the restructuring of companies' ownership – paid in cash or by means of shares or equity holdings transferred to SSH partly from D. S. U. and partly from the budget of the Republic of Slovenia.

Other operating income includes, among other items:

- reversal of provisions for legal disputes;
- reversal of provisions for jubilee awards relating to prior years;
- reversal of provisions for unused annual leave.

3.7.12 Costs of goods, materials and services

	in EUR '000	
	2024	2023
Cost of goods sold	26,497	40,695
Cost of material	182	204
Cost of services	44,651	44,144
Total	71,330	85,043

DISCLOSURE OF TRANSACTIONS WITH AUDITORS

	in EUR		
	2024	2023	
	BDO	Deloitte	BDO
Audit of the annual report	97,800	78,000	157,800
Other audit services	0	10,000	20,000
Other non-audit services	5,760	15,765	0
Other assurance services	22,100	0	0
Total	125,660	103,765	173,800

* The amounts presented in the table above represent contractual amounts.

3.7.13 Labour costs

Labour costs include wages and salaries paid to employees, wage compensation attributable to employees for the time of their absence from work, in accordance with the law, collective agreement or an employment agreement, and bonuses and rewards paid to employees, as well as taxes

charged on the aforementioned items. They also include reimbursement for travel expenses paid to employees and costs of meals, holiday allowances, any severance payments paid upon the termination of the employment relationship and costs of provisions for jubilee premiums and retirement benefits, as well as provisions for labour-law related lawsuits.

	in EUR '000	
	2024	2023
Salaries and wages	34,772	35,294
Retirement insurance costs	3,040	3,570
Social security contributions	2,541	2,619
Other labour cost	7,331	6,019
Total	47,684	47,502

Other labour costs include holiday allowances, reimbursements, and other employee benefits, as well as provisions for jubilee premiums and severance payments.

3.7.14 Depreciation and amortisation

	in EUR '000	
	2024	2023
Amortisation of intangible assets	303	342
Depreciation of buildings	8,505	8,505
Depreciation of equipment and spare parts	4,965	4,239
Depreciation and amortisation of investment property	46	15
Total	13,819	13,101

3.7.15 Write-offs and impairments

	in EUR '000	
	2024	2023
Write-offs and impairments related to property, plant and equipment	4,075	209
Write-offs and impairments of real estate inventories	53	928
Write-offs and impairments of current assets, excluding financial investments	459	758
Total	4,587	1,895

3.7.16 Net profit or loss

	in EUR '000	
	2024	2023
Financial income	92,025	81,636
Proportion of profit/loss from investments measured at equity method	65,870	9,949
Financial expenses	-22,397	-50,930
Net profit or loss	135,498	40,655

FINANCIAL INCOME

	in EUR '000	
	2024	2023
Dividends and income similar to dividends - enterprises	40,495	32,375
Dividends - insurance companies	5,327	4,871
Capital gains and equity interests in the Group	712	609
Income from the realization of loans	32,518	7,460
Income from valuation of financial investments at fair value	8,206	33,903
Interest income and other finance income	4,767	2,418
Total	92,025	81,636
Proportion of profit/loss from investments measured at equity method	65,870	9,949

FINANCIAL EXPENSES

	in EUR '000	
	2024	2023
Financial expenses for interest on deposits with banks	5,177	2,651
Impairments of capital asset	1,875	4,277
Impairments of other financial investments	0	28,126
Impairments of loans	13,218	11,766
Loss on realization of receivables/loans	1,948	515
Interest from leases	0	12
Other/negative exchange rate differences	179	3,583
Total	22,397	50,930

IMPACT BY ASSOCIATES ON FINANCIAL POSITION OF SSH GROUP IN 2024

in EUR '000

	ZT Group	Unior Group	HIT Group	Casino Bled d. d.	Cinkarna Celje	Salomon	Adriafin	D. S. U.	Total
Value of investment as at 31 Dec 2023	221,765	11,303	18,797	36	40,478	3,512	0	0	295,891
Allocation of share of profit or loss	36,770	-7,838	2,248	-16	5,642	0	448	2,132	39,386
Dividends received	-11,177	0	-821	0	-8,096	0	0	0	-20,094
Corresponding participation in changes of fair value reserve	1,803	-3,465	-64	0	-99	0	-4	-244	-2,073
Reversal of previous impairment	9,674	0	0	0	16,973	0	0	0	26,647
Impairments to fair value	0	0	0	0	0	0	-164	0	-164
Acquisitions in the current year	0	0	0	0	0	0	4,909	101,699	106,608
Disposals in the current year	0	0	0	0	0	-3,512	0	0	-3,512
Purchase of treasury shares	0	0	0	0	-203	0	0	0	-203
Value of the investment under the equity method as at 31 Dec 2024	258,835	0	20,160	20	54,695	0	5,189	103,587	442,486
Fair value	258,835	7,554	23,808	61	54,695	0	5,189	108,800	458,942

IMPACT BY ASSOCIATES ON FINANCIAL POSITION OF SSH GROUP IN 2023

in EUR '000

	ZT Group	Unior Group	HIT Group	Casino Bled d. d.	Cinkarna Celje	Salomon	Terra M. Croatia	Total
Value of investment as at 31 Dec 2022	204,127	11,303	15,949	61	45,414	3,512	48	280,414
Allocation of share of profit or loss	4,511	1,021	3,027	48	1,342	0	0	9,949
Dividends received	-15,967	0	0	0	0	0	0	-15,967
Corresponding participation in changes of fair value reserve	9,761	-349	-179	0	-151	0	0	9,082
Impairments to fair value	-21,254	-672	0	-73	-6,127	0	0	-28,126
Disposals in the current year	0	0	0	0	0	0	-48	-48
Effect of transition to IFRS 17	40,439	0	0	0	0	0	0	40,439
Value of the investment under the equity method as at 31 Dec 2023	221,765	11,303	18,797	36	40,478	3,512	0	295,892
Fair value	221,765	11,303	23,713	61	40,478	3,512	0	300,683

IMPACT BY ASSOCIATES ON THE FINANCIAL RESULT OF SSH GROUP

	in EUR '000	
	2024	2023
Share of profit/loss of associates	39,387	9,949
Reversal of previous Impairment	26,647	0
Impairment to fair value	-164	-28,126
Net profit or loss	65,870	-18,177

3.7.17 Taxes

	in EUR '000	
	2024	2023
Income taxes	3,773	3,322
Deferred tax expense	-307	-612
Total tax expense	3,466	2,710

CALCULATION OF THE EFFECTIVE TAX RATE

	in EUR '000	
	2024	2023
Profit before tax	135,220	45,104
Tax at applicable rate (22% for 2024; 19% for 2023)	29,748	8,570
Effect of non-taxable income/expense -equity method	-10,070	6,487
Effect of non-taxable income- other	-13,979	-9,821
Effects non-deductible income	1,258	261
Tax relief	-340	-361
Effect of consolidation adjustments	-165	1,149
Other adjustments in taxable profit	-53	-144
Loss coverage	-2,626	-2,820
Increases/ Reversal of deferred tax assets due to changes in taxable profits	-307	-611
Income tax	3,466	2,710
Effective tax rate	2.63%	6.01%

DEFERRED TAX ASSETS AND TAX LIABILITIES

	in EUR '000	
	31 Dec 2024	31 Dec 2023
Deferred tax assets	2,571	1,656
Deferred tax liabilities arising from fair value valuation	93,240	68,431
Deferred tax liabilities arising from business combination	6,503	6,501
Deferred tax liabilities	99,743	74,932
Net deferred tax assets/tax liabilities	-97,172	-73,276

Deferred tax assets primarily arise from unused tax losses. Estimated future tax liabilities for corporate income tax were used to determine the expected amount of the utilisation of deferred tax assets.

Deferred tax liabilities from the business combination relate to the revaluation of Sava Group's assets to fair value as at the acquisition date in 2022.

MOVEMENTS IN DEFERRED TAX IN 2024

	in EUR '000
Balance as at 1 Jan 2024	1,656
Use in 2024	-38
Recognised in the year	953
Balance as at 31 Dec 2024	2,571

The majority of deferred tax assets arise from unused tax losses.

MOVEMENTS IN DEFERRED TAX ASSETS IN 2024

	in EUR '000
Balance of deferred tax liabilities as at 1 Jan 2024	74,932
Change arising from the revaluation of investments	24,809
Other changes	2
Balance as at 31 Dec 2024	99,743

UNRECOGNISED DEFERRED TAX ASSETS

	in EUR '000	
	31 Dec 2024	31 Dec 2023
Unutilised tax losses	215,193	295,105
Impairment of receivables	387	508
Total unrecognised deferred tax assets	215,580	295,613

3.7.18 Note to the Cash Flow Statement

The cash flow statement shows changes in the cash balances in a given financial year using the direct method. The data were obtained from the books of account of SSH and from other accounting records such as original documents on receipts and expenditure and account balance slips provided by commercial banks. The data for the preceding year were prepared using the same methodology.

The amounts paid for SOS2E bond interest and principal were disclosed in the first part of the Cash Flow Statement (cash flows from operating activities), since SSH's core business includes the settling of denationalisation liabilities. Proceeds, with the exception of proceeds from financial investments sold in order to cover these outflows were recognised as operating proceeds. Similarly, the first part of the Statement of Cash Flows includes cash flows arising from the payment of liability due by the Republic of Slovenia which are executed on its behalf by SSH (ZSPOZ and ZIOOZP).

3.8 FINANCIAL RISK MANAGEMENT OF SSH GROUP

The financial risks are continuously monitored and assessed by SSH Group with the aim to provide for a long-term liquidity and to avoid excessive exposure to individual risks. SSH Group is exposed to and monitors the following risks: credit risk, interest rate risk, and particularly market and liquidity risk. All financial instruments are denominated in Euros; therefore, currency risk is negligible for the Group.

3.8.1 Credit risk

TOTAL MAXIMUM EXPOSURE TO CREDIT RISK

	in EUR '000	
	31 Dec 2024	31 Dec 2023
Operating receivables	5,267	9,650
Deposits measured at amortised cost	22,000	106,000
Cash and cash equivalents	158,858	67,072
Financial assets measured at fair value through profit or loss (FVTPL) - loans	157,437	203,468
- Financial assets measured at amortised cost - loans	3,000	0
Total	346,562	386,190

The Group is exposed to credit risk primarily in the case of trade receivables. The exposure to this type of risk increases with the tightening of economic conditions. The Group reduces its exposure by continuously monitoring the creditworthiness of customers and suppliers, conducting business based on prepayments, controlling bad payers, pursuing timely recovery, investing in enforcement proceedings, and using security instruments and compensations.

Deposits measured at amortised cost represent placements with commercial banks in Slovenia, where the Group has assessed the credit risk to be low. The same applies to cash and cash equivalents.

Financial assets measured at fair value through profit or loss (FVTPL) as at 31 December 2024 and 2023 consist of loans originating from the merger with BAMC in 2022. Credit risk is considered to be low in these cases, as the significant risk lies in the change in fair value, as described in note 3.7.2.5. These are typically non-performing loans measured at fair value.

THE STATUS OF IMPAIRMENT OF TRADE RECEIVABLES' VALUE

	in EUR '000	
	31 Dec 2024	31 Dec 2023
Trade receivables - balance	19,007	23,914
Impairment of receivables	-13,766	-14,264
Net receivables	5,241	9,650

3.8.2 Interest rate risk

Interest rate risk is the risk that the value of interest-sensitive assets will change due to a change in market interest rates, as well as the risk that financially sensitive assets and financially sensitive liabilities will mature on different dates and in different amounts. In most cases, a fixed interest rate was agreed when investing funds.

The companies of the SSH Group have their financial liabilities with interest rates linked to movements in the EURIBOR rate. In 2024, EURIBOR gradually declined, reaching its lowest level of the year in the final days of December, before starting to rise again in early 2025.

In 2022, Sava Turizem hedged part of its liabilities by purchasing an interest rate cap with a strike rate of 0%, effective until 2029.

The interest rate burden — and consequently interest rate risk — remains high.

Sensitivity analysis for interest rate changes

A change of 100 basis points in interest rates on the loan liabilities of the SSH Group companies would result in a change in annual interest expense of EUR 578 thousand (2023: EUR 955 thousand).

3.8.3 Liquidity risks

The Group has secured long-term loans from commercial banks, with final maturities extending to the end of 2036. Repayments are made in accordance with the agreed amortisation schedules. The value of the Group's assets pledged as collateral for financial liabilities significantly exceeds the amount of those liabilities. The Group's liquidity risk is well managed.

THE MATURITY PROFILE OF LIABILITIES, BASED ON CONTRACTUAL CASH FLOWS AS AT 31 DECEMBER 2024, IS PRESENTED BELOW (IN EUR THOUSAND).

Contractual cash flows					
	Book value of liabilities	Liability	1 year	from 1 to 5 years	more than 5 years
Finance lease payables	1,853	2,014	802	830	382
Financial liabilities	56,177	64,831	8,178	29,251	27,403
Operating liabilities	34,993	34,993	34,993	0	0
Other liabilities	22,170	22,170	22,170	0	0
Total liabilities	115,193	124,008	66,143	30,081	27,785

THE MATURITY PROFILE OF LIABILITIES, BASED ON CONTRACTUAL CASH FLOWS AS AT 31 DECEMBER 2023, IS PRESENTED BELOW (IN EUR THOUSAND).

Contractual cash flows					
	Book value of liabilities	Liability	1 year	from 1 to 5 years	from 1 to 5 years
Finance lease payables	19	19	10	9	0
Financial liabilities	74,861	85,772	36,784	30,309	18,679
Operating liabilities	48,863	48,713	48,863	0	0
Other liabilities	20,875	20,875	20,875	0	0
Total liabilities	144,618	155,379	106,532	30,318	18,679

3.8.4 Market risk

DOMESTIC MARKETABLE SHARES AND SENSITIVITY ANALYSIS AGAINST CHANGES OF MARKET PRICES

in EUR '000					
	Value	Change in market prices	Change in market prices	Change in market prices	Change in market prices
	31 Dec 2024	15%	20%	-15%	-20%
Krka, d. d.	410,033	61,505	82,007	-61,505	-82,007
Petrol, d. d.	166,925	25,039	33,385	-25,039	-33,385
Sava Re, d. d.	121,755	18,263	24,351	-18,263	-24,351
Luka Koper, d. d.	62,314	9,347	12,463	-9,347	-12,463
Other quoted domestic shares	27,473	4,121	5,495	-4,121	-5,495
Total	788,500	118,275	157,700	-118,275	-157,700

in EUR '000					
	Value	Change in market prices	Change in market prices	Change in market prices	Change in market prices
	31 Dec 2023	15%	20%	-15%	-20%
Krka, d. d.	324,486	48,673	64,897	-48,673	-64,897
Petrol, d. d.	123,472	18,521	24,694	-18,521	-24,694
Sava Re, d. d.	86,229	12,934	17,246	-12,934	-17,246
Luka Koper, d. d.	50,319	7,548	10,064	-7,548	-10,064
Other quoted domestic shares	31,625	4,744	6,325	-4,744	-6,325
Total	616,131	92,420	123,226	-92,420	-123,226

* Changes in market prices affecting other comprehensive income.

LIQUIDITY OF THE MOST IMPORTANT INVESTMENTS OF THE GROUP IN QUOTED SHARES

Turnover ratio*	in 2024	in 2023
Krka, d. d.	3.71%	3.13%
Luka Koper, d. d.	2.12%	3.06%
Petrol, d. d.	2.23%	1.88%
Pozavarovalnica Sava, d. d.	4.76%	3.69%
Prime market	4.29%	3.45%
Standard market	0.78%	1.14%

Source: Monthly and Annual Statistics Ljubljana Stock Exchange (LJSE), 2024 and 2023

3.8.5 Risks within the Loan Portfolio

Risk of change in the probability of the restructuring scenario

The restructuring strategy is defined in accordance with the DPS model, which classifies various elements of business risk on a seven-point scale, ranging from least to most risky. If a particular element of business risk poses a higher risk, the probability of a successful restructuring strategy will be lower. Based on the risk classes assigned, an average risk profile is determined for the restructuring scenario, which is then linearly distributed on the probability scale for the restructuring strategy.

Although the DPS model measures the business risk of individual companies, any change in the model has a direct impact on the fair value of loans and consequently also on credit risk exposure. The tables below present the loan exposure based on the probability classes of the realisation of the restructuring scenario (DPS probability). All cases following the collateral realisation strategy are assigned a 0% probability for the restructuring scenario. For group-valued exposures, the DPS model is not applied.

PROBABILITY CLASSES BASED ON THE RESTRUCTURING STRATEGY PROBABILITY

in EUR '000

	Fair value 2024	Share in total fair value 2024	Fair value 2023	Share in total fair value 2023
Restructuring strategy	33,199	21%	84,302	41%
P (Restructuring Scenario Probability) 100 %	365	0%	9,418	5%
P (Restructuring Scenario Probability) 90– 99 %	-	-	-	-
P (Restructuring Scenario Probability) 80– 89 %	-	-	-	-
P (Restructuring Scenario Probability) 70– 79 %	-	-	-	-
P (Restructuring Scenario Probability) 60– 69 %	13,921	9%	8,429	4%
P (Restructuring Scenario Probability) 50– 59 %	18,913	12%	66,455	33%
Collateral realisation strategy	122,335	78%	118,014	58%
Collectively valued exposure	901	1%	1,153	1%
Total	156,435	100%	203,468	100%

Sensitivity Analysis of Changes in the Restructuring Scenario Probability Realisation

A change in the probability of realizing the restructuring scenario (the DPS probability) directly affects the credit risk exposure. The following section presents a sensitivity analysis of the impact of a 10 and 5 percentage point

change (hereinafter referred to as “p.p.”) in the probability of the restructuring scenario.

Impact of Parallel Changes in the DPS Probability on Restructuring Scenario Realization

The tables below show the fair value of loans based on the parallel change in the DPS probability for restructuring scenario realization, assuming all other assumptions remain unchanged. The group-valued exposure does not reflect the risk of changes in the DPS probability related to the realisation of the restructuring scenario, as the DPS probability is not an input parameter in the revaluation calculation for group-valued exposures. Debtors categorised under the collateral realisation strategy likewise do not reflect the risk of changes in the DPS probability, as such cases do not incorporate values from the restructuring scenario (in these cases, SSH most commonly pursues debt recovery through legal proceedings).

A parallel reduction in the DPS probability would have a material impact on the fair value of loans, as at 31 December 2024 the largest share — 12% of the fair value attributed to the restructuring strategy — was allocated to the DPS band between 50% and 59%. A significant proportion of such debtors would be reclassified under the collateral realisation strategy, as those with a DPS below 50% are automatically classified as collateral realisation cases. Conversely, an increase in the DPS probability has no impact on the portfolio of debtors already assigned to the collateral realisation strategy. The impact of a parallel change in the DPS probability on the realisation of the restructuring scenario is therefore non-linear.

SENSITIVITY ANALYSIS OF THE DPS PROBABILITY IN THE RESTRUCTURING SCENARIO REALIZATION AS AT 31 DECEMBER 2024

	Fair value	Impact of a Parallel Change in DPS Probability by 10 Percentage Points on the Fair Value of Loans		Impact of a Parallel Change in DPS Probability by 5 Percentage Points on the Fair Value of Loans	
		Increase	Decrease	Increase	Decrease
Restructuring strategy	33,199	87	-18,946	43	-10,614
Collateral realisation strategy	122,335	0	18,618	0	10,304
Collectively valued exposure	901	-	-	-	-
Total	156,435	87	-328	43	-310

SENSITIVITY ANALYSIS OF THE DPS PROBABILITY IN THE RESTRUCTURING SCENARIO REALIZATION AS AT 31 DECEMBER 2023

	Fair value	Impact of a Parallel Change in DPS Probability by 10 Percentage Points on the Fair Value of Loans		Impact of a Parallel Change in DPS Probability by 5 Percentage Points on the Fair Value of Loans	
		Increase	Decrease	Increase	Decrease
Restructuring strategy	84,302	983	-66,497	491	-60,395
Collateral realisation strategy	118,014	0	61,704	0	55,622
Collectively valued exposure	1,153	-	-	-	-
Total	203,468	983	-4,794	491	-4,772

A change in the fair value of loans resulting from a change in the DPS probability for the realisation of the restructuring scenario would also affect the income statement. Changes in the fair value of loans would result in variations in profit or loss, as indicated in the table above.

Risk of the failure of the restructuring strategy

Due to the risk of simultaneous failure of the restructuring strategy for all borrowers for whom SSH is pursuing such a strategy within the same year, all of them would be reclassified under the collateral realisation strategy,

resulting in the loss of cash inflows from regular business operations. Consequently, SSH could only expect inflows from collateral realisation, which could be lower than the cumulative inflows from regular repayments.

The tables below present the difference in fair value under the assumption that the entire portfolio of individually assessed borrowers were classified under the collateral realisation strategy — i.e. in a scenario where all cases currently assigned to the restructuring strategy are assumed to fail. The risk of restructuring strategy failure does not have a direct impact on the fair value of collectively assessed exposures.

If all borrowers under the restructuring strategy were to default, the fair value of individually assessed loans would decrease by EUR 99 thousand (2023: EUR 4,488 thousand).

in EUR '000

2024	Fair value of loans	Fair value of loans, if all cases with restructuring strategy were to fail	Difference
Restructuring strategy	33,199	0	-33,199
Collateral realisation strategy	122,335	155,435	33,100
Collectively valued exposure	901	901	0
Total	156,435	156,336	-99

in EUR '000

2023	Fair value of loans	Fair value of loans, if all cases with restructuring strategy were to fail	Difference
Restructuring strategy	84,302	0	-84,302
Collateral realisation strategy	118,014	197,827	79,813
Collectively valued exposure	1,153	1,153	0
Total	203,468	198,979	-4,488

Risk of changes in the discount rate

Due to ongoing portfolio sales of receivables/loans, the information is price-sensitive. As a result, the WACC for the 2024 financial year is not disclosed.

A change in the discount rate has a direct impact on the fair value of loans. Assuming all other inputs remain unchanged, it also affects the level of loan impairments and, consequently, has a direct impact on the Income Statement.

A sensitivity analysis of changes in the discount rate was prepared based on a shift of half and one percentage point.

SENSITIVITY ANALYSIS OF CHANGES IN THE DISCOUNT RATE AS AT 31 DECEMBER 2024

in EUR '000

	Fair value of loans	Impact of a 0.5 Percentage Point Decrease in WACC on the Fair Value of Loans	Impact of a 1 Percentage Point Decrease in WACC on the Fair Value of Loans	Impact of a 0.5 Percentage Point Increase in WACC on the Fair Value of Loans	Impact of a 1 Percentage Point Increase in WACC on the Fair Value of Loans
Restructuring strategy	33,199	134	269	-210	-427
Collateral realisation strategy	122,335	1,216	2,455	-1,194	-2,365
Collectively valued exposure	901	0	0	0	0
Total	156,435	1,350	2,724	-1,403	-2,793

Sensitivity analysis of changes in the discount rate as at 31 December 2023

The fair value of SSH's loans is determined based on expected future cash flows, discounted using a rate of 7.96% as at 31 December 2023. A change in the discount rate directly impacts the fair value of loans, assuming all other assumptions remain unchanged, it affects the amount of loan impairments, and consequently, directly impacts the Income Statement.

A sensitivity analysis of changes in the discount rate was conducted based on a shift of 0.5 and 1 percentage point. The Weighted Average Cost of Capital (WACC) was capped at an upper limit of 8.00%.

Maturity of anticipated cash flows

in EUR '000

	31 Dec 2024	31 Dec 2023
Short-term loans	25,868	32,215
Long-term loans	165,801	214,128
Total	191,669	246,344

	Fair value of loans	Impact on the fair value of loans from a 0.5 percentage point increase in WACC	Impact on the fair value of loans from a 1 percentage point increase in WACC	Impact on the fair value of loans from an increase in WACC to 8.00%
2023				
Restructuring strategy	84,302	675	1,363	-54
Collateral realisation strategy	118,014	1,052	2,118	-84
Collectively valued exposure	1,153	0	0	0
Total	203,468	1,727	3,482	-137

in EUR '000

3.8.6 Capital Management

There were no changes in the Group's approach to capital management in either 2024 or 2023. The primary objectives of capital management are to ensure capital adequacy and financial stability, with the overarching goal of delivering a strong return on equity. In accordance with the dividend policy of the sole shareholder, no dividends are distributed, except for the purpose of financing measures in accordance with the Reconstruction, Development and Provision of Financial Resources Act.

On 7 March 2024, the Government of the Republic of Slovenia, acting in its capacity as the Company's General Meeting, adopted a resolution approving amendments to the Company's Articles of Association. The amendment relates to the appropriation of retained earnings and provides that the Company's net profit for the financial years 2024 through 2028 — after the coverage of any accumulated losses and the allocation of mandatory legal reserves — may be used to finance the measures referred to in Article 1, Paragraph 1 of the aforementioned Act.

The Group monitors capital adequacy using the financial leverage ratio, which reflects the proportion of net debt to equity. Net debt includes current liabilities excluding deferred tax liabilities and provisions and non-current financial liabilities reduced by cash and cash equivalents.

	31 Dec 2024	31 Dec 2023
Current liabilities	70,115	110,801
Non-current financial liabilities	50,813	42,889
Cash and cash equivalents	158,858	67,072
Net indebtedness	-37,930	86,618
Equity	1,607,829	1,394,115
Financial leverage ratio in %	-2.36	6.21

3.9 TRANSACTIONS WITH RELATED PARTIES

In addition to the Republic of Slovenia, which is considered the 100% owner, the following entities are regarded as related parties in accordance with IAS 24:

- subsidiaries and associates;
- key management personnel, members of Supervisory Board and Audit Committee;
- state-related entities.

In 2024, SSH did not enter into any transactions that could have had an adverse impact on the operations of related parties.

3.9.1 Subsidiaries and associates

As at 31 December 2023, SSH held at least a 20% ownership interest in several companies which are listed in Notes 3.7.2.1 and 3.7.2.2. The majority of the above mentioned shares and shareholdings were obtained pursuant to the Ownership Transformation of Companies Act and other laws passed with the aim of settling denationalisation compensation to beneficiaries and compensation to victims of war- and post-war violence, and pursuant to ZSDH-1 (the merger with BAMC). There were no significant business transactions taking place between SSH and the above mentioned companies.

Transactions between the parent company and the subsidiary Sava (including its subsidiary Sava Turizem) are eliminated on consolidation and are therefore not separately disclosed at this point.

SSH hereby declares that the controlling company has not used its influence to induce related companies to engage in harmful legal transactions or act to their detriment. In addition to capital-related connections, business cooperation with associates mainly refers to a small-scale insurance transactions.

in EUR '000

	Receivables		Liabilities		Income		Expenses		Loans granted		Loans received	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Subsidiaries	6,052	5,859	0	0	136,792	128,012	134,569	128,987	1,001	20	0	0
Associates	43	0	25	12	20,336	15,967	35	282	0	0	0	0
Total	6,095	5,859	25	12	157,128	143,980	134,604	129,269	1,001	20	0	0

3.9.2 Management bodies, members of Supervisory Board and Audit Committee

EARNINGS OF SSH MANAGEMENT BOARD MEMBERS IN 2024

in EUR

	Žiga Debeljak	Janez Tomšič
	1 Jan.-31 Dec	1 Jan.-31 Dec
Fixed earning (gross)	156,202	140,583
Variable income (gross)	88,594	79,721
Fringe benefits	1,881	7,360
Annual leave allowance	2,000	2,000
Reimbursement of costs (meals, transportation cost, use of own assets)	2,094	1,624
Reimbursement of business travel costs	423	227
Voluntary suppl. pension insurance	2,904	2,904

EARNINGS OF SSH MANAGEMENT BOARD MEMBERS IN 2023

	in EUR	
	Žiga Debeljak	Janez Tomšič
	1 Jan.-31 Dec	1 Jan.-31 Dec
Fixed earning (gross)	151,584	136,399
Variable income (gross)	26,246	77,001
Fringe benefits	1,511	8,039
Annual leave allowance	2,000	2,000
Reimbursement of costs (meals, transportation cost, use of own assets)	2,111	1,688
Reimbursement of business travel costs	850	88
Voluntary suppl. pension insurance	2,904	2,904

In 2024 and in 2023, no loans were granted either to the management, members of the Supervisory Board or to members of its committees or employees.

In 2024, in addition to the Management Board, one other person was employed under an individual employment contract (the Executive Director for the management of claims).

ZSDH-1 stipulates that provisions of the Act Governing the Remuneration of Managers of Companies with Majority Ownership held by the Republic of Slovenia or Self-Governing Local Communities ("ZPPOGD", by way of which SSH is considered a large company) do not apply to salaries paid to the members of Management Board.

EARNINGS OF MEMBERS OF THE SUPERVISORY BOARD IN 2024

	in EUR				
	Compensation for the performance of the function (gross)	Attendance fee - gross	Fringe benefit	Travel expenses (gross)	Total
Karmen Dietner	956	275	0	0	1,231
Ivan Simič	14,400	2,585	1,320	0	18,305
Franjo Bobinac	15,840	2,860	1,320	0	20,020
Miro Medvešek	14,400	2,860	1,320	0	18,580
Suzana Bolčič Agostini	17,863	2,860	1,320	1,069	23,112
Total	63,460	11,440	5,278	1,069	81,247

EARNINGS OF MEMBERS OF THE SUPERVISORY BOARD IN 2023

	in EUR				
	Compensation for the performance of the function (gross)	Attendance fee - gross	Fringe benefit	Travel expenses (gross)	Total
Karmen Dietner	18,720	3,300	1,099	0	23,119
Ivan Simič	14,400	3,300	1,099	0	18,799
Franjo Bobinac	15,430	2,750	1,099	149	19,427
Miro Medvešek	13,858	2,530	1,099	0	17,487
Suzana Bolčič Agostini	14,400	3,300	1,099	1,854	20,653
Total	76,808	15,180	5,494	2,003	99,484

EARNINGS OF MEMBERS OF THE SUPERVISORY BOARD'S AUDIT COMMITTEE IN 2024

	in EUR				
	Compensation for the performance of the function (gross)	Attendance fee - gross	Fringe benefit	Travel expenses (gross)	Total
Ivan Simič	3,600	836	0	0	4,436
Suzana Bolčič Agostini	3,600	836	0	249	4,685
Darinka Virant	7,200	616	0	41	7,857
Total	14,400	2,288	0	290	16,978

EARNINGS OF MEMBERS OF THE SUPERVISORY BOARD'S AUDIT COMMITTEE IN 2023

	in EUR				
	Compensation for the performance of the function (gross)	Attendance fee - gross	Fringe benefit	Travel expenses (gross)	Total
Karmen Dietner	1,026	440	0	0	1,466
Ivan Simič	3,600	880	0	0	4,480
Suzana Bolčič Agostini	2,574	440	0	530	3,544
Darinka Virant	7,200	880	0	120	8,200
Total	14,400	2,640	0	650	17,690

EARNINGS OF MEMBERS OF THE SUPERVISORY BOARD’S NOMINATION COMMITTEE IN 2024

in EUR

	Compensation for the performance of the function (gross)	Attendance fee - gross	Fringe benefit	Travel expenses (gross)	Total
Karmen Dietner	300	0	0	0	300
Ivan Simič	3,600	1,452	0	0	5,052
Franjo Bobinac	3,600	1,452	0	0	5,052
Miro Medvešek	3,600	1,452	0	0	5,052
Suzana Bolčič Agostini	3,600	1,452	0	124	5,176
Total	14,700	5,808	0	124	20,632

EARNINGS OF MEMBERS OF THE SUPERVISORY BOARD’S NOMINATION COMMITTEE IN 2023

in EUR

	Compensation for the performance of the function (gross)	Attendance fee - gross	Fringe benefit	Travel expenses (gross)	Total
Karmen Dietner	3,600	440	0	0	4,040
Ivan Simič	3,600	440	0	0	4,040
Franjo Bobinac	3,600	440	0	0	4,040
Miro Medvešek	3,465	440	0	0	3,905
Suzana Bolčič Agostini	3,600	440	0	530	4,570
Total	17,865	2,200	0	530	20,594

EARNINGS OF MEMBERS OF THE SUPERVISORY BOARD’S RISK COMMITTEE IN 2024

in EUR

	Compensation for the performance of the function (gross)	Attendance fee - gross	Fringe benefit	Travel expenses (gross)	Total
Miro Medvešek	3,600	440	0	0	4,040
Darinka Virant	4,800	440	0	17	5,257
Bobinac Franc	3,600	440	0	0	4,040
Total	12,000	1,320	0	17	13,337

EARNINGS OF MEMBERS OF THE SUPERVISORY BOARD’S RISK COMMITTEE IN 2023

in EUR

	Compensation for the performance of the function (gross)	Attendance fee - gross	Fringe benefit	Travel expenses (gross)	Total
Karmen Dietner	1,026	0	0	0	1,026
Miro Medvešek	2,574	220	0	0	2,794
Darinka Virant	4,800	220	0	15	5,035
Bobinac Franc	2,574	220	0	0	2,794
Total	10,974	660	0	15	11,650

EARNINGS OF MEMBERS OF THE NOMINATION COMMITTEE IN 2024

in EUR

	Compensation for the performance of the function (gross)	Attendance fee - gross	Fringe benefit	Travel expenses (gross)	Total
Vlasta Lenardič	28,800	0	0	0	28,800
Urška Podpečan	28,800	0	0	0	28,800
Samo Roš	28,800	0	0	119	28,919
Total	86,400	0	0	119	86,519

EARNINGS OF MEMBERS OF THE NOMINATION COMMITTEE IN 2023

in EUR

	Compensation for the performance of the function (gross)	Attendance fee – gross	Fringe benefit	Travel expenses (gross)	Total
Vlasta Lenardič	25,200	0	0	0	25,200
Urška Podpečan	25,200	0	0	0	25,200
Samo Roš	25,200	0	0	390	25,590
Total	75,600	0	0	390	75,990

OTHER COSTS ASSOCIATED WITH THE SUPERVISORY BOARD AND ITS COMMITTEES

in EUR

	2024	2023
Costs for supplementary training	478	0
Other (insurance premiums)	1,227	1,173
Total	1,705	1,173

3.9.3 Transactions with the Government of the Republic of Slovenia, state authorities and enterprises controlled by the Government or in which its significant influence is exercised

Companies that are related to the state include all companies in which the Republic of Slovenia exercises a significant influence.

in EUR '000

	Receivables		Liabilities		Income		Expenses	
	2024	2023	2024	2023	2024	2023	2024	2023
Ministry of Finance	521	72	0	0	4,596	4,452	0	0
Farmland and Forest Fund of RS	156	158	0	0	1,340	1,382	0	0
D. S. U.	0	1,207	0	0	0	1,976	0	42
Pension Fund Management (KAD)	0	0	0	38,394	0	1	0	3,358
Transactions with companies related to owners*	270	262	30,744	108,373	881	1,707	7,274	15,045
Total	947	1,699	30,744	146,767	6,817	9,518	7,274	18,445

* Entities related to the owners are those that hold more than a 20% ownership interest in the company that owns Sava, as well as entities in which the owners of Sava hold more than a 20% ownership interest.

SSH also transacts with other companies, authorities, bodies and agencies in which the Republic of Slovenia holds either a majority or minority interest. All transactions with the above-mentioned entities are conducted on an arm's length basis, consistent with transactions with other entities. As the amounts involved are not material, this information is not disclosed.

3.10 CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Contingent assets represent claims pursued by the Company through legal proceedings with uncertain outcomes. These claims originate from the 2022 merger with BAMC.

In addition to future obligations for which provisions have been recognised — as the conditions for recognition have been met — SSH also reports contingent liabilities arising from denationalisation in the amount of EUR 28.3 million (31 December 2023: EUR 33.3 million), and other contingent liabilities amounting to EUR 113.1 million (31 December 2023: EUR 114.1 million), as detailed below. It is known that administrative units and ministries have additional compensation claims under the Denationalisation Act (ZDen) which have not yet been formally communicated to SSH. The value of these liabilities has therefore been estimated. Total contingent liabilities amount to EUR 141.4 million (2023: EUR 147.4 million).

	in EUR '000	
	31 Dec 2024	31 Dec 2023
Contingent liabilities for legal disputes which have not been settled	112,989	13,134
Contingent liabilities arising from bank guarantees issued	125	140
Contingent liabilities for guarantees granted	0	828
Total	113,114	114,102

(a) Contingent liabilities relating to unresolved legal disputes

Contingent liabilities relating to unresolved legal disputes represent the total value of all litigation claims, including estimated legal costs and associated default interest.

Two lawsuits—one initiated in 2015 and the other in 2020—account for 92% of the total value of all claims against SSH. One lawsuit concerns alleged unfair negotiations, while the other seeks compensation for an allegedly unjustified application to initiate bankruptcy proceedings against the debtor.

b) Contingent liabilities arising from bank guarantees issued

	in EUR '000	
	31 Dec 2024	31 Dec 2023
Arising from the merger of Factor banka	94	94
Arising from the merger of Probanka	31	46
Total	125	140
Less amount included in balance sheet in provisions for bank guarantees issued	0	0
Contingent liabilities	125	40

The table presents contingent liabilities representing the amounts of approved but unredeemed and still valid bank guarantees as at 31 December 2024. The full amount was assumed as a result of the merger of Factor banka and Probanka.

c) Contingent liabilities for collateral and guarantees granted

	in EUR '000	
	31 Dec 2024	31 Dec 2023
Collateral in the form of pledged deposits	0	0
Collateral from issued promissory notes	0	828
Total	0	828
Stated on the balance sheet among other provisions	0	0
Contingent liabilities	0	828

3.11 EVENTS AFTER THE BALANCE SHEET DATE

No events occurred after the reporting date that would affect the financial position, profit or loss, or other comprehensive income of SSH for the year ended 31 December 2024. Other significant events are presented below.

- The Company received an inflow of EUR 2.6 million from the realisation of a separate bankruptcy estate in the case of Martex, d. o. o. – in bankruptcy.
- In March 2025, an addendum to the Financial Restructuring Agreement was signed with companies belonging to the Goričane Group.

Ljubljana, 30 May 2025



Janez Tomšič,

Member of SSH Management Board



Žiga Debeljak, MSc

President of SSH Management Board

4 SUSTAINABILITY REPORT

4

4 SUSTAINABILITY REPORT

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4.1 STATEMENT OF MANAGEMENT RESPONSIBILITY FOR SUSTAINABILITY REPORT

The Management Board confirms that this Sustainability Report (hereinafter referred to as: the “Report”) has been prepared in accordance with applicable legislation in Slovenia and the European Union, the European Sustainability Reporting Standards (ESRS), and Article 8 of the EU Taxonomy Regulation. The Report has been prepared on the basis of a double materiality assessment. We further confirm that all information presented in this Report — including data on environmental impacts, social matters, and governance practices — has been disclosed fairly and accurately. In preparing the report, we have exercised appropriate judgement and applied relevant estimates, assumptions, and methodologies to ensure the reliability and integrity of the disclosures.

Ljubljana, 30 May 2025



Janez Tomšič,
Member of SSH Management Board



Žiga Debeljak, MSc
President of SSH Management Board

4.2 INDEPENDENT AUDITOR'S REPORT ON THE SUSTAINABILITY REPORT OF SSH



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Slovenia

THE INDEPENDENT LIMITED ASSURANCE REPORT ON THE SUSTAINABILITY REPORT

(Translation from the original in Slovene language, for convenience purposes only)

To the shareholder of SDH d.d.

We have conducted a limited assurance engagement on the Sustainability Report of SDH d.d. (the "Company") included in the section "Sustainability Report" of the Company's annual report for the year ended 31 December 2024 and for the period from 1 January 2024 to 31 December 2024 (the "Sustainability Report"). The Company is not legally required to prepare a Sustainability Report for 2024 and has prepared the report on a voluntary basis.

Identification of applicable criteria

The Sustainability Report was prepared by the management of the Company in order to comply, on a voluntary basis, with the requirements of Articles 70(c) and 70(č) of the Companies Act (ZGD-1), implementing Article 19(a) of EU Directive 2013/34/EU, including:

- compliance with the European Sustainability Reporting Standards (ESRS) introduced by Commission Delegated Regulation (EU) 2023/2772 of 31 July 2023 supplementing Directive 2013/34/EU of the European Parliament and of the Council as regards sustainability reporting standards (ESRS), including that the process carried out by the Company to identify the information reported in the Sustainability Report (the "Process") is in accordance with the description set out in chapter 4.3.6 - Description of the process to identify and assess material impacts, risks, and opportunities (IRO-1) in chapter 4.3 ESRs 2 - General Disclosures; and
- compliance of the disclosures in chapter 4.4.6 EU Taxonomy within the environmental section of the Sustainability Report with Article 8 of EU Regulation 2020/852 (the Taxonomy Regulation).

Responsibility of the Management and those charged with governance for the Sustainability Report

Management is responsible for designing and implementing the procedures to identify the information reported in the Sustainability Report in accordance with the ESRS and for disclosing this Process in chapter 4.3 ESRs 2 - General disclosures in the Sustainability Report. This responsibility includes:

- understanding the context in which the Company's activities and business relationships take place and developing an understanding of its affected stakeholders;
- identification of the actual and potential impacts (both negative and positive) related to sustainability matters and the risks and opportunities that affect, or could reasonably be expected to affect, the Company's financial position, financial performance, cash flows, access to finance or cost of capital in the short, medium or long term;
- assessing of the materiality of the identified impacts, risks and opportunities related to sustainability matters by selecting and applying appropriate thresholds; and
- making assumptions that are reasonable in the circumstances.

Management is further responsible for the preparation of the Sustainability Report in accordance with Article 70(c) and 70(č) of the ZGD-1, implementing Article 19(a) of EU Directive 2013/34/EU, including:

- compliance with ESRS;
- preparing the disclosures in chapter 4.4.6 EU Taxonomy within the environmental section of the Sustainability Report in accordance with Article 8 of the European Union Regulation 2020/852;
- designing, implementing and maintaining such internal controls as management determines are necessary to enable the preparation of a Sustainability Report that is free from material misstatement, whether due to fraud or error; and
- the selection and application of appropriate sustainability reporting methods and making assumptions and estimates for individual sustainability disclosures that are reasonable in the circumstances.

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

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Practitioner's responsibility for the limited assurance engagement

Our responsibility is to plan and perform the assurance engagement to obtain limited assurance about whether the Sustainability Report is free from material misstatement, whether due to fraud or error, and to issue a limited assurance report that includes our conclusion. Misstatements can arise from fraud or error and are considered material if they can reasonably be expected, individually or in combination, to influence the decisions of users taken on the basis of the Sustainability Report taken as a whole.

As part of a limited assurance engagement under ISAE 3000 (revised), we exercise professional judgement and maintain professional scepticism throughout the engagement.

Our responsibilities in relation to the Sustainability Report in relation to the Process include:

- obtaining an understanding of the Process, but not for the purpose of providing a conclusion on the effectiveness of the Process, including its outcome;
- designing and performing procedures to evaluate whether the Process is consistent with the Company's description of its Process as disclosed in chapter 4.3.6 Description of the process to identify and assess material impacts, risks, and opportunities (IRO-1) in chapter 4.3. ESRs 2 General Disclosures.

Our other responsibilities in relation to the Sustainability Report include:

- obtaining an understanding of the Company's control environment, processes and information systems relevant to the preparation of the Sustainability Report, but not evaluating the design of particular control activities, obtaining evidence of their implementation or testing their operating effectiveness;
- identifying disclosures where material misstatements are likely to arise, whether due to fraud or error;
- designing and performing procedures responsive to disclosures where material misstatements in the Sustainability Report are likely to arise. The risk of not detecting a material misstatement resulting from fraud is higher than the risk resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

Our independence and quality management

We have complied with the independence and ethical requirements of the International Code of Ethics for Professional Accountants (including the International Independence Standards) issued by the Committee for International Standards of Ethics for Professional Accountants ("the Code"). The Code is founded on the fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional conduct.

We applied International Standard on Quality Management (ISQM) 1 - Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements and accordingly maintain a comprehensive system of quality control, including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Inherent limitations in the preparing the Sustainability Report

The criteria, the nature of the Sustainability Report and the absence of long-established authoritative guidance, standard applications and reporting practices allow for different but acceptable measurement methodologies to be adopted, which may result in variances between entities. The measurement methodologies adopted may also impact the comparability of sustainability matters reported by different organisations and from year to year within an organisation as methodologies evolve.

In reporting forward-looking information in accordance with ESRS, management is required to prepare forward-looking information based on disclosed assumptions about events that may occur in the future and possible future actions by the Company. Actual outcome is likely to be different as anticipated events often do not occur as expected.

In determining the disclosures in the Sustainability Report, management of the Company interprets undefined legal and other terms. Undefined legal and other terms may be interpreted differently, including the legal conformity of their interpretation, and are therefore subject to uncertainties.

References to external sources or websites in the Sustainability Report are not included in our review procedures for the Sustainability Report. Therefore, we do not provide any assurance on them.



We draw your attention to the following specific limitations addressed in the Sustainability Report:

- Environmental reporting, applied by all companies, includes information based on climate-related scenarios that are subject to inherent uncertainty because of incomplete scientific and economic knowledge about the likelihood, timing, or effect of possible future climate-related physical and transitional impacts. For the avoidance of doubt, the scope of our engagement and our responsibilities did not include work necessary for any assurance on the reliability, proper compilation or accuracy of forward-looking information.
- Any emissions metrics, particularly those related to Scope 3, included in the Sustainability Report may include information provided by suppliers or third parties. A significant portion of the reported Scope 3 emissions relates to 3.15 - investments, i.e., emissions associated with capital investments and receivables. These emissions were reported for capital investments by companies in which SDH has an investment, and the reports were not subject to audit or independent expert review. Emissions related to receivables are calculated using emission factors reported by the Jožef Štefan Institute, which cannot be independently verified. Our procedures did not include obtaining assurance regarding the methodology, input data, and conversion factors provided by the Jožef Štefan Institute, or regarding the information provided by suppliers, companies covered by scope 3.15, or third parties.
- The Sustainability Report may include metrics that are derived from reported events relating to employees and subcontractors. As such, our testing may therefore not identify misstatements, for example in cases where events may have occurred but have not been reported.

Summary of work performed

A limited assurance engagement involves performing procedures to obtain evidence about the Sustainability Report.

The nature, timing and extent of procedures selected depend on professional judgement, including the identification of disclosures in the Sustainability Report where material misstatements are likely to occur, whether due to fraud or error.

In conducting our limited assurance engagement in relation to the Process, we:

- obtained an understanding of the Process by:
 - performing enquiries to gain understanding of the sources of information used by management (e.g. stakeholder engagement, business plans and strategy documents); and
 - reviewing the Company's internal documentation on their Process; and
- evaluated whether the evidence obtained from our procedures in relation to the Company's Process was consistent with the description of the process in the chapter 4.3.6 Description of the process to identify and assess material impacts, risks, and opportunities (IRO-1) in chapter ESRS 2 - General Disclosures.

In conducting our limited assurance engagement on the Sustainability Report, we:

- obtained an understanding of the Company's reporting processes relevant to the preparation of the Sustainability Report by making enquiries to obtain an understanding of the Company's control environment, processes and information systems relevant to the preparation of the Sustainability Report, but not for the purpose of providing an opinion on the effectiveness of the Company's internal controls.
- evaluated whether the relevant information identified by the Process is included in the Sustainability Report;
- evaluated whether the structure and presentation of the Sustainability Report is in line with the ESRS;
- performed staff enquiries and analytical procedures on selected information in the Sustainability Report;
- performed substantive assurance procedures on selected information in the Sustainability Report on a sample basis;
- where and when appropriate, reconciled the disclosures in the Sustainability Report to the corresponding disclosures in the financial statements;



- obtained evidence on the methods and processes used to generate meaningful estimates and forward-looking information, and how these methods have been applied;
- gained an understanding of the Company's process for identifying economic activities that are acceptable for the taxonomy and economic activities that are acceptable for the taxonomy and the relevant disclosures in the Sustainability Report.

Basis for conclusion

We conducted our limited assurance engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (revised), *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* ("ISAE 3000 (revised)") issued by the International Auditing and Assurance Standards Board.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement less assurance is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Our responsibilities under this standard are described in more detail in the *Auditor's Responsibility for the Limited Assurance Engagement* section of our report.

We believe that the evidence obtained is sufficient and appropriate to support our conclusion.

Limited Assurance Conclusion

Based on the procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that the Sustainability Report is not prepared in all material respects in accordance with Article 70(c) of the Companies Act (ZGD-1), implementing Article 19(a) of EU Directive 2013/34/EU, including:

- compliance with the European Sustainability Reporting Standards (ESRS), including that the Process carried out by the Company to identify the information reported in the Sustainability Report (the "Process") in accordance with the description set out in the chapter 4.3.6 Description of the process to identify and assess material impacts, risks, and opportunities (IRO-1) in chapter 4.3 ESRS 2 - General Disclosures;
- the compliance of the disclosures in chapter 4.4.6 EU Taxonomy within the environmental section of the Sustainability Report with Article 8 of European Union Regulation 2020/852 (the "Taxonomy Regulation").

Other matter

Our limited assurance engagement does not concern information relating to prior periods.

Ljubljana, 30 May 2025

BDO Revizija d.o.o.
Cesta v Mestni log 1, Ljubljana

(Signature on original report issued
in Slovene language)

Mateja Vrankar
Key Sustainability Partner

4.3 ESRS 2 – GENERAL DISCLOSURES

4.3.1 General Basis for Preparation of Separate Sustainability Report (BP-1)

General information

SSH is not subject to mandatory sustainability reporting for 2024 (and is not expected to be in the coming years, based on applicable legislation and its anticipated amendments), the SSH Sustainability Report was prepared on a voluntary basis in accordance with the Corporate Sustainability Reporting Directive (CSRD, Directive (EU) 2022/2464), as transposed into Slovenian law by the amendment ZGD-1M (Article 70(c) of the Companies Act – ZGD-1), adopted on 22 November 2024, and with the European Sustainability Reporting Standards (ESRS). The Sustainability Report also includes disclosures in accordance with Article 8 of Regulation (EU) 2020/852 (the EU Taxonomy Regulation). As this is the SSH's first year of preparing a sustainability report, no comparative information is disclosed, in accordance with the ESRS provisions. The Report was not prepared in accordance with Article 58 of the Companies Act (ZGD-1), and therefore was not published in the European Single Electronic Format (ESEF), as defined in Article 3 of Commission Delegated Regulation (EU) 2018/815 of 17 December 2018 supplementing Directive 2004/109/EC of the European Parliament and of the Council with regard to regulatory technical standards on the specification of the single electronic reporting format (the ESEF Regulation) (ESRS 2, BP-1, 5(a)).

Scope of Consolidation

SSH is not subject to the obligation to prepare a separate sustainability report for the 2024 financial year, nor to prepare a consolidated sustainability report. As the parent company of the SSH Group, SSH prepared consolidated financial statements but did not prepare a consolidated sustainability report. Instead, **it voluntarily prepared a separate sustainability report**. Accordingly, the subsidiaries Sava, d. d. and Sava Turizem, d. d., while included in the consolidated financial statements, are not included in the sustainability report.

The 2024 Sustainability Report covers the period from 1 January to 31 December 2024. The reporting periods are in accordance with the ESRS (ESRS 2, BP-1, 5(b)).

Value Chain

The value chain is described in the Section [Strategy, Business Model and Value Chain](#).

Exemption from the obligation to disclose sensitive information on impending developments or matters in the course of negotiation

SSH did not exercise the option to omit specific information relating to intellectual property, know-how or the results of innovation for the purpose of protecting sensitive information. In accordance with Article 19a(3) and

Article 29a(3) of Directive 2013/34/EU, as transposed into national legislation, SSH did also not make use of the exemption from disclosing forward-looking information or matters in the course of negotiation (ESRS 2, BP-1, 5(d)–(e)).

4.3.2 Disclosures in Relation to Specific Circumstances (BP-2)

Time Horizons

Material impacts, risks and opportunities were assessed across the short-, medium- and long-term time horizons. For forward-looking information on material impacts, risks and opportunities presented in this Sustainability Report, the following definitions of time horizons apply (ESRS 2, BP-2, 9):

- short-term: up to 1 year;
- medium-term: 1 to 5 years;
- long-term: more than 5 years.

Measurement Uncertainty: Estimates and Assumptions

In preparing the SSH carbon footprint calculation, estimates (approximations) are used in certain cases for specific parameters or sectors. Assumptions are also applied in the context of SSH's decarbonisation plan.

The most significant estimates and assumptions relate to the presentation of SSH's greenhouse gas (hereinafter referred to as: "GHG") emissions data. A notable degree of measurement uncertainty arises from inherent limitations in the methodologies used and from challenges in ensuring data accuracy, including dependence on the quality of information provided by stakeholders involved in the preparation of the SSH Sustainability Report (e.g. SSH portfolio companies, energy suppliers, and others). Many of the SSH portfolio companies and which submitted data to SSH are themselves subject to sustainability reporting requirements for the 2024 reporting year. The methodology used for calculating the carbon footprint is disclosed in the document Carbon Footprint Calculation Methodology of SSH for 2023 and 2024, with its key elements also presented in Section E1-6 of this Report.

Climate-related targets, measures, and initiatives rely on long-term projections. Accordingly, the assumptions and parameters applied in the calculations are subject to a certain degree of uncertainty. Forward-looking estimates are based on expectations, national-level planning documents (including the National Energy and Climate Plan – NEPN, and the [Ordinance on State Assets Management Strategy](#) (hereinafter referred to as: the "State Assets Management Strategy") as well as on assumptions and expectations expressed by SSH stakeholders. Actual future outcomes may ultimately deviate from these expectations due to changes in the regulatory environment (e.g. calculation methodologies, amendments to national or EU legislation, etc.). SSH will review and update its targets, methodologies and approaches on an annual basis and, where necessary, adjust reference values (ESRS 2, BP-2, 11).

SSH will assess potential changes or improvements to the way carbon footprint data is collected from SSH portfolio companies and from companies in which the Republic of Slovenia holds an ownership interest. This includes efforts to reduce measurement uncertainty in Scope 3.15 and to monitor

progress in the development of the supporting tools. SSH will report on these measures in future annual reports (ESRS 2, BP-2, 10(d)).

This Sustainability Report also includes the [List of datapoints from cross-cutting and topical ESRS that derive from other EU legislation \(ESRS 2, Annex B\)](#).

In preparing this Report, SSH made use of the phased-in disclosure option as specified in the List of phased-in disclosure requirements (ESRS, Annex C). This applies to the following disclosures:

- ESRS 2, SBM-1, Paragraph 40, points (b) and (c);
- ESRS 2, SBM-3, Paragraph 48, point (e);
- ESRS E1-9, in full.

SSH also applied the transitional provision referred to in Paragraph 133 of ESRS 1, which allows, during the first three years of reporting, for the limitation of value chain disclosures to information available within the organisation. The topics covered under Sections S2, S3, S4, E2, E3 and E4 were not identified as material (ESRS 2, BP-2, 17).

Incorporation by Reference

In preparing this Sustainability Report, SSH made use of the option to incorporate certain information by reference to other publicly available documents. These documents form an integral part of this Report and are accessible to users via the links and references listed below. References are used solely to support the understanding of disclosed information and, in most cases, do not affect the overall completeness of the disclosures (ESRS 2, BP-2, 16).

Disclosure Requirement	Title of the document to which the disclosure refers
ESRS 2, SBM-2 – Stakeholder Engagement	SSH Strategy (not a public document; only an excerpt is published), ZSDH-1 , SSH Assets Management Policy (available at: sdh.si).
ESRS 2, GOV-1 – Role of the Administrative, Management and Supervisory Bodies	• The composition and diversity of the administrative, management and supervisory bodies, and declarations of independence of SSH Supervisory Board members - available under the Asset Management Section of the SSH website. • Sustainability topics embedded in the fundamental governance documents and in the system for internal controls and sustainability risk management are fully disclosed on the Company's website. • The skills, professional expertise and other key competencies related to SSH's sustainability-related responsibilities and activities are described in more detail on SSH's website. • Training activities.
Business Conduct G1	The Integrity Plan and all other SSH business conduct documents are available on the SSH website.
Entity-Specific Information – SSH G1	Key indicators such as the return on equity (ROE) of the portfolio, dividends, and value added per employee are presented in the business section of the annual report (Management of Capital Assets), which is available on the SSH website . The Annual Report - Management of Capital Assets is also accessible in the Document Centre of the SSH website.

4.3.3 Strategy, Business Model and Value Chain (SBM-1)

SSH’s vision for 2030 commits the Company to the efficient management of state assets and to serving as a model of excellence in corporate governance at both national and international levels. Over the strategic period, the value added per employee in the portfolio companies identified in the State Assets Management Strategy is expected to exceed the national average. Provided that the portfolio’s return on equity (ROE) is adequate, dividends will be stable, sustainable, and aligned with the strategic and sustainability objectives of the portfolio companies, as well as with the expectations of the State and the owners. Processes will be structured, sustainability-driven, highly efficient, and digitally supported, underpinned by a culture of agility and the engagement of competent personnel.

OUR MISSION

We manage capital assets diligently, efficiently, independently, and transparently, in accordance with the State Asset Management strategy.

STAKEHOLDER IMPACT

stable and
adequate
dividend flows

growth in portfolio
productivity and
sustainable value

excellence in capital
asset management

OUR OPERATIONS

sustainability-
driven and optimally
digitalised processes

corporate
security

KEY ENABLERS

engaged and
competent employees

agile
organisational
structure

“

SSH manages its assets diligently, economically, independently, and transparently, in accordance with the national State Assets Management Strategy.

This **mission** is carried out on the basis of the competencies and **values of its employees**.

SSH Core Values



INTEGRITY

SSH operates in accordance with the highest standards of ethical and professional conduct. Its business activities are grounded in the principles of fairness, accountability and transparency. Strict compliance with legislation and internal regulations forms the foundation for building trust among employees, partners, and all stakeholders.



RESPECT

SSH recognises and values diversity and actively promotes equality across all areas of its operations. It fosters an inclusive working environment that encourages the exchange of differing perspectives and experiences. SSH maintains open and respectful relationships with its stakeholders.



PROFESSIONALISM

SSH is committed to achieving and maintaining the highest standards of professional excellence through ongoing training, continuous development of competencies, and the adoption of best practices. Its objective is to manage state assets optimally, in line with the most demanding professional criteria and international benchmarks.



COLLABORATION

SSH recognises the essential role of collaboration in delivering sustainable value and ensuring long-term success. It promotes proactive engagement with all relevant stakeholders and builds partnerships based on open communication, mutual understanding and alignment of objectives. SSH's corporate journey began in 2014, when the company was established to enable the centralised and transparent management of state assets. Over the past decade, it has achieved significant financial and societal results. Looking ahead, SSH will continue to pursue a strategy of long-term sustainable development, strengthened corporate governance, and support for innovation and decarbonisation—with the ambition of becoming a model of sustainable asset management at both national and international levels.

SSH Objectives

SSH manages the capital assets of the Republic of Slovenia and its own holdings with the aim of maximising their long-term value, ensuring stable revenue streams for both SSH and the state budget, and promoting sustainable development. The model focuses on the long-term financial, strategic, and sustainability performance of the portfolio companies.

At the end of 2024, SSH launched a project to prepare the Strategy of Slovenian Sovereign Holding for the 2025–2030 period (hereinafter referred to as: the “Corporate Strategy” or the “SSH Strategy”), which was adopted by the SSH Management Board in March 2025 and also acknowledged by the SSH Supervisory Board. SSH is a highly regulated institution, with several aspects of its sustainable operations governed by law, including the Slovenian Sovereign Holding Act (ZSDH-1). In addition, sustainability-related matters are embedded in several governance instruments and internal functional strategies and policies, as further explained in the sections that follow. The new Corporate Strategy sets out revised strategic priorities, objectives, and performance indicators, including those related to sustainable business conduct, which are presented below.

Key Strategic Directions for the 2025–2030 Period (ESRS 2, SBM-1, 38, 40 (e)–(g); GOV-5, 37):

Key Strategic directions



Strengthening the performance, productivity, and sustainable value of the state capital assets portfolio



Development of Internal Competencies and a Modern Organisational Structure

Strategic objectives

- 1. Growth in the productivity and sustainable value of the portfolio (Focus is not solely on short-term financial returns, but on achieving long-term sustainability and resilience)
- 2. Adequate level and stability of dividends from portfolio companies
- 3. High-quality corporate governance of portfolio companies

- 1. Engaged and competent employees
- 2. Sustainability-oriented and optimally digitalised processes
- 3. Agile organisational culture
- 4. Corporate security (Including physical and internal, information and cyber, financial and legal security, with a focus on compliance and risk management)

Strategic Indicators

- Achieved ROE of the Republic of Slovenia and SSH portfolio
- Total amount of dividends received by SSH, the Republic of Slovenia and ZPIZ
- Value added per employee in the SSH portfolio
- Total emissions of the portfolio
- Gender diversity in the Supervisory and Management Boards of portfolio companies
- Status of the stakeholder environment in terms of sustainable governance

- Optimisation and digitalisation of processes
- Functioning of corporate security systems, compliance assurance, and risk management
- Employee engagement
- Intensity of training

The objectives of the two key strategic directions are to:

- promote the growth of the sustainable value of equity investments by integrating sustainability goals across all levels of state asset management;
- strengthen the professionalism of supervisory and management boards and encourage responsible corporate governance in companies under state (co-)ownership;
- introduce mechanisms to enhance the independence of supervisory boards and reduce the risk of politicisation;
- engage proactively with stakeholders to foster a supportive environment for successful sustainable development;
- develop employee competencies (knowledge, skills, values, and views), processes, and an agile organisational culture that is both flexible (adaptive and dynamic) and stable (resilient to external shocks and effective in risk management), enabling a rapid and thoughtful response to changes in the economic, political, technological, and natural environment (ESRS 2, SBM-1, 40 (e) and GOV-5, 37).

SSH Value Chain

The value chain encompasses the full scope of activities, resources, and relationships associated with SSH's business model and the external environment in which the Company operates. In general, it includes the activities, resources, and interactions that are linked to SSH's operations.

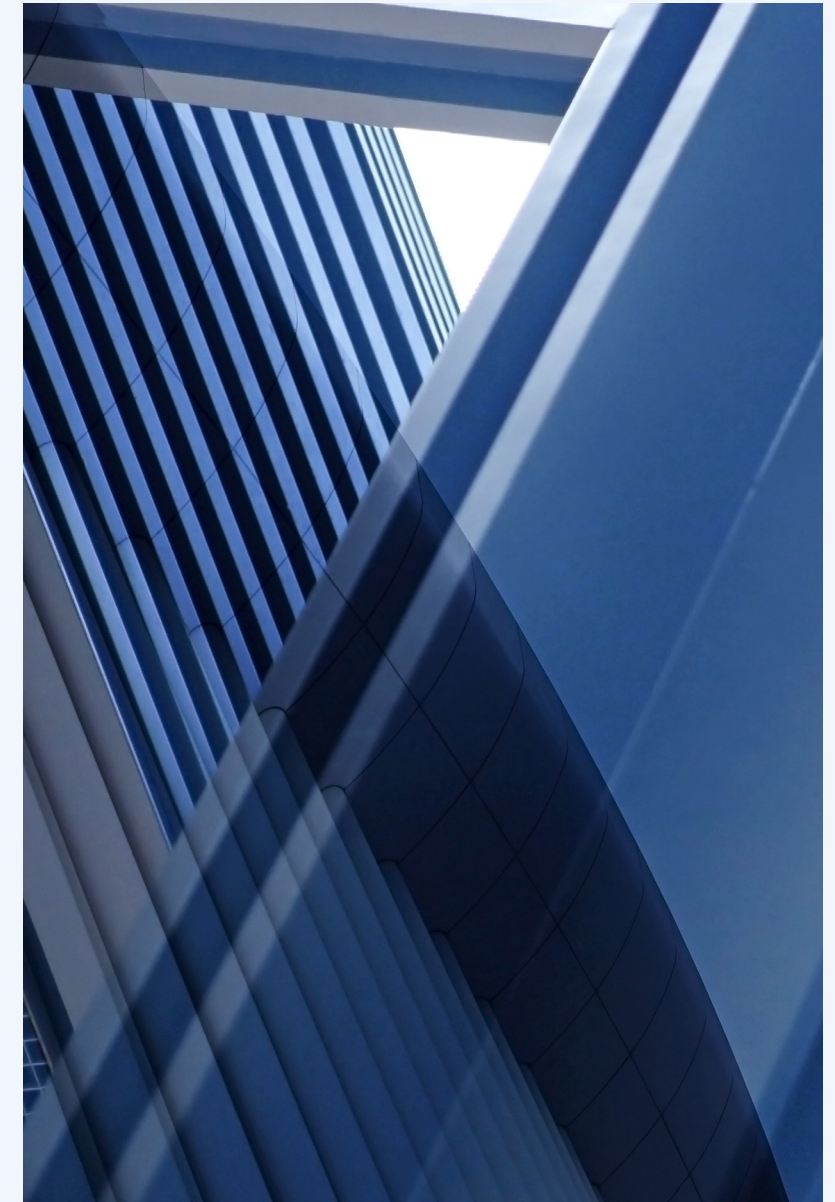
The SSH value chain presented here reflects the activities, resources, and relationships that SSH engages with and relies upon in carrying out its core function: the management of capital assets and their associated impacts (ESRS 2, SBM-1, 42(a)–(c); GOV-5, 37).

Material Impacts on People or the Environment

SSH does not generate direct impacts on people or the environment through its own operations. However, it has a significant indirect impact through the management and oversight of state capital assets, which must be exercised in line with applicable legislation and internal governance instruments.

Material negative impacts within SSH's sphere of influence may include (i) climate-related impacts by portfolio companies (e.g. emissions, resource use); (ii) impacts on workers' rights; (iii) impacts on local communities (e.g. in the context of major environmental interventions). Potential positive impacts include (i) the transition of portfolio companies to low-carbon business models; (ii) the promotion of decent work and inclusive employment policies; (iii) the enhancement of transparency and corporate integrity in the broader economy (ESRS 2, SBM-1, 48(c)(i); AR 18).

Most material impacts over which SSH has indirect influence are medium- to long-term in nature, meaning a timeframe of 1 to 5 years and more than 5 years, respectively (ESRS 2, SBM-1, 48 (c) (iii), AR 18). SSH contributes to these impacts through its statutory defined powers and responsibilities, which serve as a key lever for achieving positive outcomes, while also creating a responsibility to monitor potential negative impacts stemming from the decisions of companies in its portfolio. (ESRS 2, SBM-1, 48(c)(iv); AR 18).



Business Relationships and Operational Foundations of SSH		SSH Activities and Business Model	Business Relationships and Impacts
The legislative framework, the State Assets Management Strategy, and national policies related to the sectors in which individual portfolio companies operate (adopted by the National Assembly and the Government of the Republic of Slovenia) form the basis on which SSH carries out its activities.		Management of capital assets of the Republic of Slovenia and SSH; management of claims. The SSH business model is based on its mission: To manage assets prudently, efficiently, independently, and transparently, in accordance with the State Assets Management Strategy. SSH manages state assets with the objective of maximising their long-term value, ensuring stable revenues for SSH and the state budget, and supporting sustainable development. The model focuses on the long-term financial, strategic, and sustainability performance of the portfolio companies. SSH strictly adheres to the guidelines set out in the State Assets Management Strategy, and unconditionally upholds the statutory principles of governance as well as its own values of integrity, respect, professionalism, and collaboration. It applies modern corporate governance methods. Strategic decisions are underpinned by an analytical approach and active stakeholder engagement, with SSH pursuing objectives related to (global) competitiveness, innovation, efficiency, digitalisation, decarbonisation, and the resilience of the assets under its management (ESRS 2, SBM-1, 42(b)–(c); AR 14–15; GOV-5, 37(a)). The foundation of SSH’s operations is its engaged and competent employees, supported by structured, digitalised, and sustainability-oriented processes and an agile organisational culture.	Companies with Capital Assets of the Republic of Slovenia, SSH, (ZPIZ and KAD) SSH requires companies to comply with governance instruments and expectations regarding business performance; it monitors the achievement of results through oversight of their operations and exercises corporate rights within these companies. The companies, which are classified according to the objectives pursued through state ownership into strategic, important, and portfolio companies, operate both domestically and internationally. Each has its own business activity and value chain. It is expected that, in particular, companies classified as portfolio and important capital assets generate financial returns for the owner in exchange for equity financing. Companies with capital assets owned by SSH generate financial income for SSH in the form of dividends or profit participation. Companies Financed by SSH Through Debt Instruments A special category of companies includes those that are owned by SSH and financed by SSH through debt. These companies are required to pay interest to SSH on the financing they receive. The Republic of Slovenia (the State Budget), ZPIZ, and KAD These entities are indirect, “formal” beneficiaries of good governance, particularly through the receipt of dividends or profit participation. They pay cost reimbursements to SSH for the management services it provides.
Upstream Value Chain:	Own operations		Downstream Value Chain
SSH, on the basis of its statutory mandate, and in accordance with the legislative framework and capital assets governance instruments, manages capital assets (shares and ownership stakes) in companies owned by SSH, the Republic of Slovenia (RS), and equity holdings held by Pension and Disability Insurance Institute of Slovenia (hereinafter referred to as: “ZPIZ”) in Zavarovalnica Triglav. It also manages its own claims. SSH additionally exercises voting rights on behalf of Kapitalska družba (with English name: Pension Fund Management; hereinafter referred to as: “KAD”) arising from equity holdings owned by KAD in companies in which SSH and/or the Republic of Slovenia also hold an interest. In managing these capital assets, SSH may also take into account sectoral policies adopted by the State with respect to individual companies within the portfolio. The main foundations for SSH’s operations are adopted by the Government of the Republic of Slovenia and the National Assembly of the Republic of Slovenia, which are thus the key stakeholders in the upstream segment of the value chain.		SSH generates the majority of its operating income from: (i) management fees for managing capital assets owned by the Republic of Slovenia, (ii) rental income from leasing real estate, and (iii) income from the sale of real estate inventories. These revenues declined significantly in 2024 due to the carve-out and transfer of the real estate portfolio to D.S.U. The most significant financial income for SSH arises from (i) profit participation (dividends) from companies in which SSH holds capital assets, (ii) interest income, and (iii) income from the realisation of claims (ESRS 2, SBM-1, 40(a)(i)–(ii)). The downstream value chain includes the stakeholders of investee companies and the State, who are most directly affected by the results of SSH’s activities (ESRS 2, SBM-1, 42(b); AR 14; GOV-5, 37(b)).	1. Companies with Capital Assets owned by the Republic of Slovenia, SSH (ZPIZ and KAD) SSH requires portfolio companies to comply with the Corporate Governance Code for SOEs, the SSH Recommendations and Expectations, and the Criteria for Measuring the Performance of SOEs. These governance instruments aim to enhance corporate governance practices within the portfolio companies and to motivate them to improve business outcomes by setting ambitious performance targets. SSH monitors the companies’ performance and communicates with them—depending on their legal form and ownership share—on the achievement of objectives and other matters. SSH’s expectations regarding the attainment of business objectives depend on the classification of the companies with state capital assets as strategic, important, or portfolio. Regardless of the type of companies with capital assets, SSH does not interfere in decisions that fall under the responsibility of the companies.

ity of the executive management and supervisory bodies of each company and therefore does not exercise operational control over the portfolio companies. Each company under SSH's governance conducts its business independently and maintains its own value chain. SSH exercises the corporate rights of a shareholder or partner, which derive from its ownership of shares or equity interests. In doing so, and in addition to the State Assets Management Strategy, SSH follows the Annual Asset Management Plan and its Asset Management Policy as key governing documents. Companies with capital assets owned by SSH generate financial income for SSH in the form of dividends and profit participation. Conversely, SSH may be required to increase share capital in a company when such an action is economically justified.

2. Companies Financed by SSH Through Debt Instruments

Following the merger with BAMC at the end of 2022, SSH acquired a number of equity investments that had previously been held by BAMC, in which BAMC had also acted as a creditor. These debtor companies are required to pay interest to SSH for the debt financing they have received. SSH rarely grants new loans to its portfolio companies. Any decision to approve a new loan is subject to passing the private operator test, which in this context primarily involves the optimisation of the combined debt and equity value.

3. The Republic of Slovenia (the State Budget), ZPIZ, and KAD

The successful implementation of SSH's activities is expected to contribute to improved performance of the portfolio companies. The value thus created also benefits the owners of the capital assets, reflected for instance in higher dividend payments. The Republic of Slovenia, ZPIZ, and KAD reimburse SSH annually for the costs of asset management. Between 2024 and 2028, SSH will allocate retained earnings to finance measures pursuant to Article 1 of the Reconstruction, Development and Provision of Financial Re-

sources Act, by transferring the corresponding amount to the State Budget as earmarked revenue for the dedicated budget fund.

SSH does not identify any other non-strategic stakeholders—such as suppliers of goods and services, denationalisation beneficiaries, or customers—as material, as they are not considered relevant in terms of sustainability-related impacts, risks or opportunities.(ESRS 2, SBM-1, 42(a)–(c)).

SSH does not report by operating segment in accordance with IFRS 8 (ESRS 2, SBM-1, 40(b)).

Employees of SSH are among the key stakeholders in the implementation of SSH's mandate. As at 31 December 2024, SSH employed a **total of 84 employees**. Following the carve-out of the real estate portfolio at the end of September 2024, the number of employees decreased significantly during the year, with a reduction of 34 employees. SSH operates primarily from its headquarters at Mala ulica 5, Ljubljana, and maintains archival facilities in Maribor, where two employees were stationed in 2024. SSH conducts its business activities exclusively in Slovenia, with only occasional operations abroad, such as the exercise of shareholder rights in the company Študentski dom Korotan, based in Vienna, Austria (ESRS 2, SBM-1, 40(a)(iii)).

SSH does not engage in services prohibited on Slovenian or other EU markets, nor does it carry out activities that generate revenues linked to the extraction, production, processing, distribution or research of fossil fuels, chemicals, arms or tobacco (ESRS 2, SBM-1, 40(a)(iv)).

4.3.4 Interests and Views of Stakeholders (SBM-2)

SSH defines stakeholders as individuals or groups that influence SSH's activities or are influenced by them. Two main stakeholder categories are distinguished: **(i) affected stakeholders**: individuals or groups whose interests may be positively or negatively impacted by SSH's activities or by its direct and indirect business relationships along the value chain; and **(ii) users of the sustainability report**: primarily the users of general-purpose financial reporting (e.g. the Republic of Slovenia as shareholder), as well as SSH's business partners, social partners, civil society organisations, NGOs, analysts and the academic community.

Some stakeholders may belong to both groups simultaneously.

SSH's stakeholder groups and engagement strategy are defined in the SSH Strategy. Going forward, SSH will aim to more systematically take stakeholder interests into account—including in processes indirectly related to sustainability—to ensure regular, transparent, and inclusive stakeholder dialogue. Existing mechanisms for stakeholder engagement, including some that are legally mandated, are set out in the SSH Strategy, ZSDH-1, the SSH Assets Management Policy and other governance documents. (ESRS 2, SBM-2, 43; AR 16).

SSH endeavours to understand and take into account the interests and views of:

- stakeholders of companies with capital assets held by the Republic of Slovenia and SSH,
- SSH employees, and

- the State, as well as the media and broader public, with whom it engages through structured dialogues, reporting, and other inclusion mechanisms.

SSH involved stakeholders in *the double materiality assessment process* through a structured survey. The [methodology and results of the double materiality analysis](#) are described in more detail in Section [IRO-1](#) (ESRS 2, SBM-2, 45(b); AR 16).

Stakeholder views are gathered through regular and structured dialogues, thematic meetings, direct electronic communication, and ongoing monitoring of portfolio company performance.

For all relevant **strategic initiatives**, the SSH Strategy sets out the associated stakeholder risks and opportunities, approaches to proactive co-strategising with stakeholders, and the dual impacts of these interactions. Since

the said strategy was adopted in 2025, disclosures in this section only partially reflect the full implementation of the strategy (ESRS 2, SBM-2, 45(c) (i–iii); AR 16).

The **SSH Management Board** is involved in all key interactions with affected stakeholders concerning sustainability-related impacts. The **Supervisory Board** and representatives of the Ministry of Finance, the Ministry of the Economy, Tourism and Sport, and the parliamentary Commission for Public Finance Control —participating as invited observers at Supervisory Board meetings—are kept informed on key matters through periodic management reports, the Chief Compliance and Integrity Officer’s reports, and other thematic briefings (ESRS 2, SBM-2, 45(d); AR 16).

SSH’s operations are underpinned by committed and competent employees, supported by structured, sustainability-oriented processes and an ag-

ile organisational culture. The expectations of SSH employees and the ways they are actively involved in co-strategising are likewise addressed in the SSH Strategy (ESRS 2, SBM-2, 12; AR 16).

The methods, objectives, outcomes, and activities of stakeholder engagement are presented in the table below (ESRS 2, SBM-2, 45(a)(i–v); AR 16; GOV-5, 37(b)):

Stakeholder	Engagement Channels	Purpose and Outcomes of Engagement	Examples of Activities in 2024
Stakeholders of Portfolio Companies (including their employees, trade unions/ECESA, shareholders/partners, KAD, relevant line ministries for individual portfolio companies, banks, local communities, civil society, regulatory authorities, general public)	Regular periodic and thematic meetings; written communication; invitations to SSH training events; governance instruments requiring compliance; ongoing performance monitoring	Engagement with portfolio companies and proactive management of stakeholder relationships are essential for achieving the strategic objectives of state asset management, which include: • ensuring an appropriate and stable level of dividends; • driving productivity growth and sustainable value of the portfolio; • promoting high-quality corporate governance.	SSH has established a standardised system of engagement and communication with the Management and Supervisory Boards of the RS and SSH portfolio companies, as detailed in the Annual Report on Management of Capital Assets for 2023 . In 2024, SSH held 87 periodic meetings with portfolio companies, along with a number of individual thematic meetings with other stakeholders of individual portfolio companies, as part of its regular asset management activities. A structured dialogue is also maintained with ECESA, the advisory body of SSH, with relevant disclosures published publicly. In addition, SSH hosted six training sessions for portfolio companies, the majority of which focused on sustainability-related topics.

Stakeholder	Engagement Channels	Purpose and Outcomes of Engagement	Examples of Activities in 2024
Employees (Internal stakeholders, i.e. SSH employees)	In-person and virtual engagement, e-mail communication, participation in governance through the Employees' Council, capital asset coordination meetings, claims management coordination meetings, occasional coordination meetings of all directors and unit heads, Intranet portal, internal socially responsible and team-building events, structured e-bulletins, internal surveys, general staff assemblies and departmental coordination meetings..	SSH is committed to protecting the health, safety and well-being of its employees. The development of an agile organisational culture, underpinned by engaged and competent staff, is a key component of SSH's Strategy. Operations are built on sustainability-oriented, digitally optimised processes, with robust corporate security. These efforts are supported by an employee engagement survey, training for upskilling and competence development, continuous dialogue with the Employees' Council, and a wide range of measures implemented under the Family-Friendly Company and Socially Responsible Employer certificates, as well as other initiatives foreseen in the SSH's Corporate and Human Resources Strategies.	At the beginning of the year, an employee assembly was convened. Throughout the year, the Employees' Council invited employees on multiple occasions to provide feedback and comments on various proposals for amending internal rules. Several targeted training sessions were organised for all staff, covering soft skills and digital competency upgrades. At the end of the year, employee engagement was measured. All employees may follow events organised by SSH for its portfolio companies. A variety of measures are in place to enhance working conditions and workplace well-being, such as flexible breaks, time-account arrangements, child-related time bonuses, reduced working hours for family responsibilities, occasional exercise sessions, and regular weekly deliveries of fresh fruit to the office.
State (Government – Ministry of Finance, National Assembly, Commission for the Prevention of Corruption, Court of Audit)	Quarterly reports on asset management, Annual Report on the Management of Capital Assets of RS and SSH, the cooperation in the implementation of sectoral policies, participation of three state decision-makers at SSH Supervisory Board meetings (Article 41 of ZSDH-1). The cooperation must be traceable (Article 7 of ZSDH-1). The Government of the Republic of Slovenia acts as the General Meeting of SSH. The communication with state oversight bodies is governed by legislation.	The cooperation with state representatives is essential for the coherent and effective management of state capital assets, the achievement of broader national strategic objectives, and the realisation of the key asset management goals, namely: • ensuring an appropriate and stable level of dividends; • driving productivity growth and sustainable value of the portfolio; • promoting high-quality corporate governance.	The participation of SSH's representatives at the meetings of the Committee on Finance also occasionally on the Commission for Public Finance Control, regular quarterly and annual reporting to the Government of RS and the Parliament, regular cooperation with sectoral ministries. SSH co-organised the event Integrity in the Economy with the Commission for the Prevention of Corruption (KPK) for SOEs. Experts from the Commission for the Prevention of Corruption (KPK) delivered lectures at the regular periodic meetings of compliance and integrity officers of SSH portfolio companies.
General Public and Media	SSH communicates with the general public and media via the website www.sdh.si , press releases, responses to media inquiries, personal engagement with journalists, occasional invitations to events, and—when relevant—other communication tools (e.g. sharing key messages from events via LinkedIn).	SSH strives to communicate proactively with the media and to ensure the provision of timely, accurate and transparent information, in line with expectations. The effects of high-quality communication may include stronger public support for projects and enhanced reputation of SSH, which improves access to investors and strategic partnerships, and optimises long-term returns by contributing to greater stability and alignment with public expectations.	In 2024, SSH published 24 press releases, 9 summaries of Supervisory Board meetings, 2 statements following ECESA meetings, and 1 release addressed to its portfolio companies. It received 216 distinct journalist inquiries with multiple questions. It delivered presentations at external professional events and conferences organised by other institutions. SSH also organised one event on the theme of integrity in the economy, which was open to the media.

4.3.5 Material Impacts, Risks and Opportunities and Their Interaction with Strategy and Business Model (SBM-3)

Sustainable business conduct is embedded in the **SSH's Strategy**, which addresses the management of impacts arising from its operations on people and the broader natural and social environment, as well as the management of risks — including those associated with the transition to sustainable business conduct —to ensure resilience and long-term performance.

In connection with its strategic directions, four sustainability matters were identified during **the double materiality assessment** as particularly significant for SSH and will form the focus of its efforts going forward. The most significant topic — *Long-term performance of the portfolio of capital assets: achieving strategic, financial and ESG objectives* — pertains to the specific role SSH plays as the manager of state capital assets. Each (double) mate-

rial sustainability topic is subdivided into subtopics, with the [most relevant impacts, risks and opportunities](#) (hereinafter also referred to as: “IROs”) presented (ESRS 2, SBM-3, 46, 48; AR 16).

The purpose of the double materiality assessment is to understand the impacts of SSH’s activities on people and the environment, as well as the risks or opportunities such impacts may represent for the business. The assessment process also applied the EFRAG Implementation Guidance IG3 on identifying material information, using the topics listed in the ESRS. The guidance is described in Sections 4.6 and 4.7 (ESRS 2, SBM-3, 48(a)).

Impacts, risks and opportunities represent a key focus area for future development and improvement — **through processes**, both at the level of SSH’s own operations and within the downstream part of the SSH value chain, i.e. at the level of the companies that form its asset management portfolio. These impacts are embedded in **SSH’s Corporate Strategy** and **values**, underscoring its commitment to diligent, efficient, independent and transparent management of capital assets, in accordance with the State Asset Management Strategy. They are grounded in sustainability-oriented, technologically advanced processes and a culture of agility and engagement among competent staff. [SSH’s Corporate Strategy](#) is also described in the Section [Strategy, business model and value chain](#) (ESRS 2, SBM-3, 48(b))

Further information on the interaction between material impacts, risks and opportunities and the strategy and the business model is also available in specific parts of the thematic sections of this Report, and in the table setting out the key impacts, risks and opportunities. IROs were assessed in terms of their time horizon, materiality and scope of consequences, among other criteria. The most significant IROs include: climate change and the associated physical and transition risks, as well as cybersecurity and resilience. SSH also identified several positive impacts and opportunities in its value chain — for itself, the state and other stakeholders (ESRS 2, SBM-3, paragraph 48(c)(i)–(iv)).

The double materiality assessment is a regular and recurring process in the preparation of the sustainability report. It serves to identify new impacts, opportunities and risks that continuously affect SSH’s own operations and those of the companies in its asset management portfolio.

The projected quantitative (financial) effects of material impacts, risks and opportunities (IROs) are assessed and managed primarily within the Capital Asset Management and Corporate Affairs departments—particularly within Controlling, Risk and Valuation, and Finance and Accounting. Relevant information is shared at regular meetings that also involve the Compliance and Integrity function and the relevant governance and decision-making bodies. Dividends from companies owned by SSH represent the main source of SSH’s operating income (ESRS 2, SBM-3, 48(d)).

As this is the SSH’s first sustainability report prepared in accordance with the ESRS, no comparative information is disclosed (ESRS 2, SBM-3, 48(g)). In addition, SSH has not yet conducted a qualitative and quantitative analysis of the resilience of its business model and strategy to climate change—one of the disclosure requirements under topical standard E1 – Climate Change (ESRS E1, SBM-3, 19(a)–(c)). The double materiality assessment includes qualitative and partially quantitative evaluations. However, a comprehensive quantitative analysis of the financial effects of material climate-related opportunities and risks on SSH’s financial position, performance and cash flows has not yet been carried out (ESRS 2, SBM-3, 48(f)). In March 2025, SSH adopted its SSH Strategy, which includes among its priority projects a commitment to closing the identified gaps towards full alignment with the ESRS (ESRS 2, SBM-3, E1, 18–19; ESRS 2, E1-1, 16 (h)).

Impacts, risks and opportunities specific to SSH relate to the tasks set out in ZSDH-1 and other governance instruments concerning the management of investments (ESRS 2, SBM-3, 48 (h)).



LIST AND DESCRIPTION OF MATERIAL IMPACTS, RISKS AND OPPORTUNITIES (IROS) IDENTIFIED THROUGH THE DOUBLE MATERIALITY ASSESSMENT PROCESS (DMA)

Sustainability-related material topic	Sub-topic	IRO	Value chain	Time horizon	Description of material impacts, risks and opportunities and their effects on people or the environment
Long-term performance of the capital assets portfolio: achievement of strategic and financial objectives and ESG goals — entity-specific governance topic (G1) – SSH	Achievement of strategic and financial objectives and ESG goals	 		  	The long-term financial performance of portfolio companies means the sustainable creation of value over time and includes the alignment of strategic, financial and ESG goals. The objective is for companies in which SSH or the Republic of Slovenia holds equity investments to achieve balanced growth, enhance competitiveness, and contribute to sustainable development. The transition towards sustainable business conduct gives rise to a range of opportunities, primarily in the medium and long term. These include the potential to gain competitive advantage through the successful implementation of sustainability-related innovation — such as energy-efficient processes, the use of renewable energy sources, and reduced dependence on fossil fuels — which may in turn facilitate access to ESG investment funds and more favourable financing conditions, as well as increase attractiveness to sustainability-oriented investors, customers, and contribute to long-term stability. Strong sustainability performance also enhances the ability to attract and retain talent and key personnel. Furthermore, there is an opportunity to foster a climate of trust, transparency and accountability that is essential for promoting long-term (sustainability-related) investment and innovation, maintaining financial stability, and further strengthening SSH's business integrity and reputation, ensuring appropriate management of ESG-related risks, and more. However, the transition process also involves certain negative impacts that affect most companies. In particular, in the short to medium term, costs associated with integrating ESG objectives into business strategies are expected to rise. The shift towards more sustainable business practices typically adds complexity to operations — including asset management — and requires additional resources for monitoring, data collection, and reporting. To achieve the sustainability-related objectives, it will be important to further develop methodologies for ESG performance measurement and to adapt to anticipated changes and developments in EU-level regulation. Lastly, the transition process may face resistance from certain stakeholder groups, including resistance to change or reluctance to sacrifice short-term results in favour of medium- and long-term outcomes.
	Dividends	 	 	 	The amount and stability of dividend payments are, for SSH as the owner of capital assets, one of the key sources of funding for its operations, and for the Republic of Slovenia, an important source of budgetary revenue. In investment planning, an increasingly significant share is represented by investments in sustainable business practices. It is therefore important to take into account the expected (long-term) returns on such investments alongside the (short-term) dividend expectations of shareholders, with the aim of continuously improving competitiveness, reducing environmental impacts, and adapting to regulatory requirements.
	Geostrategic, country and business risks and resilience building			  	Geostrategic, country and business risks — alongside climate-related risks (both physical and transition) and other risks such as cybersecurity — and their effective management, are key factors in building resilience and supporting the long-term performance of SSH's portfolio.
	Green transition and decarbonisation of companies	 		  	The green transition and the decarbonisation of companies in SSH's portfolio require targeted and prudent investment management, as sustainability-related projects often involve high upfront costs, extended implementation timelines, and the need to navigate relatively complex and evolving sustainability-related regulation. SSH therefore continuously monitors key projects as part of its asset management activities, since they also give rise to risks related to governance, financing, implementation, and return on investment. Poor management of green transition investments may lead to inefficient use of resources, weaker business performance (for SSH and for companies in its asset management portfolio), and a potential negative impact on SSH's reputation in connection with such projects.

Sustainability-related material topic	Sub-topic	IRO	Value chain	Time horizon	Description of material impacts, risks and opportunities and their effects on people or the environment
	Innovation, new technologies and digitalisation of business; big data	  		  	Innovation — particularly that which drives the transition to a circular and low-carbon economy — is key to sustainable business. Digital solutions and automation help improve process efficiency and reduce environmental impacts. Non-technological innovations in business models and processes are also of considerable importance. Big data is a key component for collecting and analysing data, enabling improved business decision-making and the creation of sustainable value. At the same time, investments in new technologies bring higher initial costs, implementation complexity, and risks related to cybersecurity, system reliability, and dependency on external providers. There are also challenges associated with employee adaptation and potential short-term impacts on profitability. Nevertheless, digital solutions offer opportunities to optimise processes, enhance decision-making, and secure a sustainable competitive advantage.
	Future skills and talent	  		 	Talent is a key factor for companies aiming to preserve or enhance their future competitiveness. Companies that do not invest in the development of future-oriented skills — such as digital and sustainability-related skills, or the use of artificial intelligence tools — face a risk of reduced competitiveness and innovation capacity (i.e. the risk of skills obsolescence). If companies are unable to attract and retain talent and key personnel, this may negatively affect their growth and development. There is also an increase in training costs required to equip employees with new knowledge and competences. Companies that invest in employee education and training in future skills are better positioned to adapt to technological changes and evolving sustainability requirements. The creation of supportive working environments and innovative talent development programmes enhances companies' attractiveness and long-term competitiveness, supports job creation and promotes equal opportunities for all.
	Cybersecurity and information security			  	Cyber and information security, along with resilience building, are key drivers of long-term stability for SSH and for a substantial part of the companies within its asset management portfolio. This area is especially critical for companies that manage essential national infrastructure. Cyberattack risks can directly disrupt the operations of these companies and ultimately impact the value of state-owned assets (i.e. the capital assets managed by SSH). Security measures require high initial costs and increase the complexity of systems and processes. Nevertheless, investment in the resilience of information systems is essential — not only to ensure compliance with legal requirements, but primarily to safeguard security and trust in a digitalised business environment.
S1 – Own workforce	Training and development of knowledge and skills			  	In managing its own workforce, SSH focuses on three key areas: training and development of knowledge and skills, workforce renewal and retention of key staff, and employee satisfaction. Successful employee development is based on striking a balance between employees' talents, experience, knowledge and aspirations and the goals of the organisation. The most significant adverse impacts in this context may include: limited employee motivation for further training and, consequently, slower professional development; insufficiently developed competences (including leadership skills), which may lead to inefficient management and, in turn, employee overload or even departures. Organisational changes may also affect employee development by requiring revisions to individual employee development plans. All of the above sub-topics involve both risks and opportunities for effective human resource management at SSH.
G1 – Business conduct	Compliance with applicable legislation and internal corporate rules and regulations	 	  	  	SSH, as an institution and through all its function holders, is required to lead by example and to act in accordance with the established principles of governance, integrity, ethics and regulatory compliance in order to gain and maintain the trust and confidence of its stakeholders. One of the key elements in building trust is business transparency, which includes ethical conduct and compliance with applicable legislation. Core principles of responsible, diligent and compliant conduct by SSH include the adherence to the provisions of the Slovenian Sovereign Holding Act (ZSDH-1) concerning increased business transparency, compliance with adopted SSH governance instruments, transparent management of assets, and the equitable treatment of other shareholders or equity holders. In addition to ethical conduct and integrity, acting in accordance with legislation and internal rules also entails the protection of confidential information, facts and circumstances related to an individual SOE, as well as the safeguarding and non-disclosure of SSH's inside information to unauthorised third parties. This also includes the exercise of due diligence when carrying out procedures for identifying beneficial owners and verifying sources of funds in accordance with the Prevention of Money Laundering and Terrorist Financing Act (ZPPDFT-2). The SSH Integrity Plan identifies risks such as lobbying, lack of communication traceability, and undue influence of any kind on SSH employees, who are required to consistently uphold the principle of independence as set out in Article 7 of the ZSDH-1.

Sustainability-related material topic	Sub-topic	IRO	Value chain	Time horizon	Description of material impacts, risks and opportunities and their effects on people or the environment
	Corporate culture – leading by example	+	↑ ↔ ↓	● ● ●	SSH, through its established and operational compliance and integrity system and the full set of corporate governance instruments, exerts a significant influence on other companies in its asset management portfolio. In this context, it is important for SSH to publicly disclose its policies, directions and recommendations concerning responsible business conduct on its website, to communicate them to its key personnel and other employees, and to ensure regular training of employees in order to maintain awareness of corporate culture and responsible conduct. Such practices also enable SSH to detect any deviations in a timely manner and reflect them accordingly in its policies and guidelines, which are a key component of the corporate culture. These documents define how SSH intends to operate and what it expects from itself and the portfolio companies under its management. The main instrument for identifying and managing risks related to corruption , unlawful and unethical conduct is SSH's Integrity Plan. This document covers risks in the areas of undue influence and demands, conflicts of interest, abuse of recruitment procedures, procurement of goods and services, the operation of the Chief Compliance and Integrity Officer, contract conclusion, inefficient use of public funds, prevention of money laundering and terrorist financing, data protection and safeguarding of inside information, and operation in accordance with applicable legislation and SSH's internal rules, as well as the risks of unethical conduct.
	Data protection, information system security and the technical safeguarding of SSH assets	—	↑ ↔ ↓	● ●	An important factor in maintaining stakeholder trust is the safeguarding of confidential information , which ensures that sensitive data relating to portfolio companies, operational activities and personal data are not accessible to unauthorised individuals. This protects the interests of SSH and its portfolio companies and helps preserve SSH's reputation and integrity. Data breaches can result in the destruction or corruption of IT networks, potentially leading to business interruption and the loss of business assets. Recovery from a cyberattack may involve significant costs, including the recruitment of security specialists, upgrading of infrastructure and potential legal consequences. An attack may also increase the risk of further incidents, as attackers may gain insight into the company's systems and security vulnerabilities. Following such incidents, heightened regulatory requirements and additional security measures may arise, further increasing company costs.
	Effective functioning of SSH – digitalisation of operations	—	↑ ↔ ↓	● ●	Operational disruptions experienced by suppliers providing digital business solutions may result in the partial or total failure of such solutions (e.g. web portals, software applications, etc.), which could have a material adverse impact on SSH's operations.
E1 – Climate change mitigation and adaptation	Climate change mitigation and adaptation	+	↓	● ●	Carbon footprint and decarbonisation are at the heart of climate action. SSH is committed to reducing the use of fossil energy sources within its own operations, as set out in the SSH Decarbonisation Plan . SSH will also articulate its expectations regarding carbon footprint measurement and the development of decarbonisation plans through its communication with portfolio companies, the revision of key governance documents , and the preparation of individual annual management plans. The response of companies to climate change, their effectiveness in managing transition and physical risks, and their resilience and ability to meet business objectives will have a significant financial impact on SSH — including in terms of dividend flows, capital value, investment capacity, and access to more favourable sources of (co-)financing for environmental investments. Investments by SSH portfolio companies in low-carbon technologies, energy efficiency and sustainable business models contribute to the reduction of greenhouse gas (GHG) emissions . For SSH, these are primarily reflected in Scope 3, Category 15 (Investments – financed emissions), and contribute to accelerating the climate transition. Through these efforts, SSH generates not only long-term sustainable value growth for the owner, but also broader benefits for society and the environment.
	Carbon footprint	—	↓	● ●	Energy efficiency is not only a means of reducing costs and enhancing the competitiveness of companies — particularly in relation to GHG emissions (Scope 3, Category 15 – Investments) — but also a key tool for mitigating transition risks faced by companies within SSH's asset management portfolio and for strengthening their resilience to climate change. For SSH, as the portfolio manager, this also entails — in addition to the activities set out under material sustainability topics — actively monitoring regulatory developments, tracking financial and other business data of portfolio companies, identifying key risks, assessing decarbonisation and transition plans, and formulating targeted expectations.

+ Positive impacts

— Negative impacts

★ Opportunities

⚡ Risks

↑ Upstream

↔ Own operations

↓ Downstream

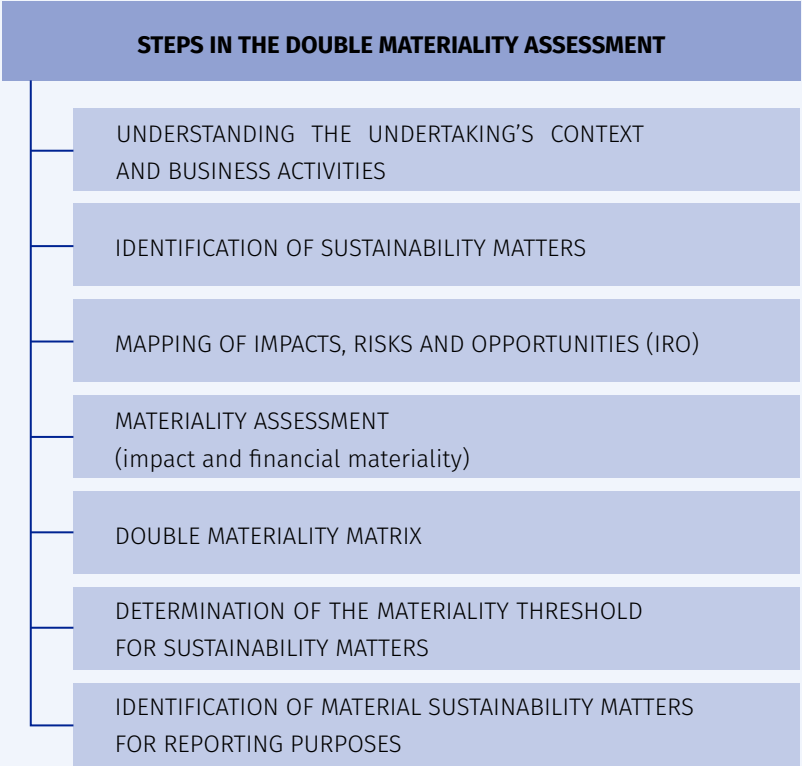
● Long term (over 5 years)

● Medium term (1 to 5 years)

● Short term (up to 1 year)

4.3.6 Description of the Process to Identify and Assess Material Impacts, Risks and Opportunities (IRO-1)

The double materiality assessment served as the basis for the preparation of SSH’s Sustainability Report. The assessment process was carried out on the basis of a defined process plan and methodology for identifying material (double material) sustainability topics, which SSH developed with the support of an external advisor. The double materiality assessment was conducted using the data and information available at the time of the assessment. In the coming years, further clarification can be expected in this area regarding calculation methods at EU level, guidance for (specific) economic undertakings or sector-specific standards, as well as improvements in the quality, coverage and availability of data and information across the entire value chain.



In addition to the sustainability matters (topics) referred to in ESRS 1 AR 16, SSH also considered the following sources:

- State Assets Management Strategy, (July 2024),
- ZSDH-1,
- Corporate Governance Code for SOEs;
- SSH Recommendations and Expectations;
- Annual Asset Management Plan and
- SSH Risk Register.

Individual material sustainability topics were broken down into sub-topics, and for each of them, all **actual and potential** impacts, risks and opportunities (IRO) were mapped. These were assessed with regard to their **time horizon** (short-, medium- or long-term), **their position within SSH’s value chain** (within its own operations or within business relationships across the upstream or downstream parts of the value chain), and in terms of the IRO descriptions and the reasons for their relevance to SSH.

To determine the sustainability topics (matters) that are material to SSH from a double materiality perspective, all impacts, risks and opportunities were assessed in accordance with the ESRS guidance: in assessing the materiality of positive impacts, **scale, scope and likelihood of occurrence** were taken into account, while for negative impacts, **the extent to which they are remediable** through appropriate measures was also considered. For opportunities and risks, only the scope and likelihood of occurrence were assessed. Due to the use of a different number of factors in the respective calculations, the results were normalised (i.e. adjusted scores). The assessment of impacts, opportunities and risks was carried out using **a scoring scale from 1 to 5**, which is also applied in SSH’s risk management model and is disclosed in the **SSH Double Materiality Assessment Methodology**, which was reviewed by an external auditor.

The **sustainability topics identified as (double) material** for reporting by SSH were those whose impacts, risks and opportunities, on average, **exceeded the threshold** , defined by SSH: (a) their impact materiality score was 0.4 or higher (i.e. 40% of the maximum possible score); and/or (b) the weighted score (70% impact materiality, 30% financial materiality) was 0.35 or higher (i.e. 35% of the maximum possible score). In addition, SSH independently identified **double material impacts, opportunities or risks (IRO)** that exceeded a specific **high watermark**: this was set at 60% of the maximum possible score for positive impacts, opportunities and risks, and at 40% for negative impacts. Compared to S1, significantly fewer IROs were

identified in the areas of S2 and S3, and they received lower scores; therefore, these two sets were assessed as not material. ESRS S4 was also identified as not material, as SSH does not operate in the market with consumers or end-users. The aspect of engagement with portfolio companies is addressed under governance.

In this way, all IROs were duly addressed, and SSH reported on all sustainability topics that are (double) material for its sustainability reporting. Members of the extended project team and the external advisor were involved in the assessment of impacts, risks and opportunities (ESRS 2, IRO-1, 51, 53(a); IRO-2, 59). As already noted, the double materiality assessment does not relate solely to SSH's own operations but also includes its value chain. SSH's value chain is presented in more detail in the Section [Strategy, Business Model and Value Chain](#).

As part of its activities related to the governance of SOEs, SSH monitors key risks in those companies, including sustainability-related risks. It also monitors the risks of adverse impacts, including geopolitical risks and those related to the functioning of critical infrastructure. These risks are addressed during regular meetings with the companies and at the periodic meetings of the **Risk Commission**. SSH has established a set of measures for risk management, the implementation and effectiveness of which are regularly monitored and audited. Risks are also addressed by the **Risk Committee of SSH's Supervisory Board** and by the Supervisory Board itself (ESRS 2, IRO-1, 53(b)(i), 53(c)(iii), 53(d)).

In 2025, SSH will enhance its risk management system by integrating a **procedure for identifying, assessing and managing impacts and risks**, and by defining how this procedure will be applied in the assessment of the overall risk profile and risk management processes (ESRS 2, IRO-1, 53(e)).

No material information has been omitted from the Sustainability Report on the grounds of confidentiality, sensitivity of information or the protec-

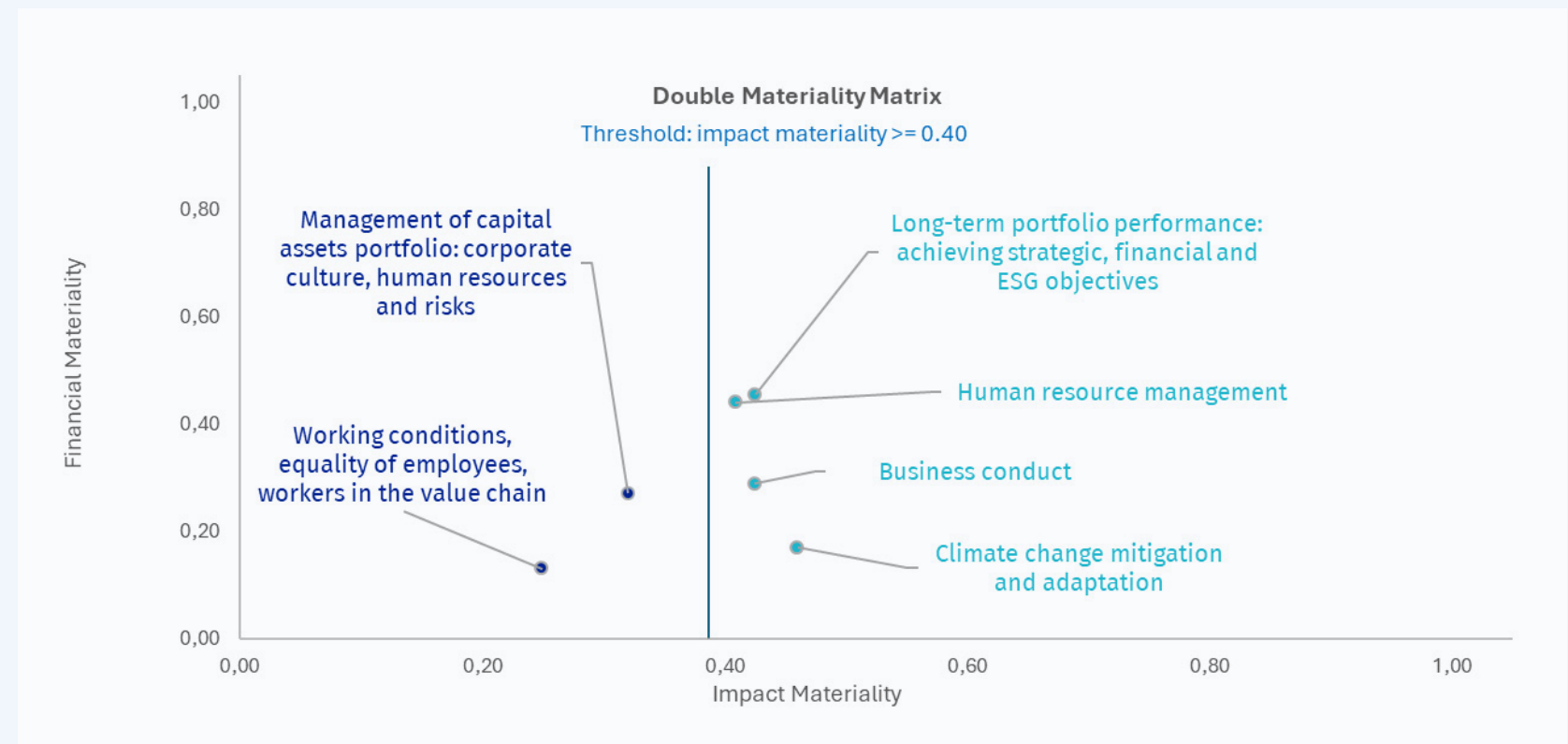
tion of trade secrets. Nor has the option been exercised to omit disclosures concerning expected developments or ongoing negotiations.

The data presented in the Sustainability Report are expressed in appropriate units of measurement, such as Euros and tonnes of carbon dioxide equivalent (tCO₂eq).

SSH also engaged stakeholders in the **materiality assessment process** through survey questionnaires, which helped confirm or adjust the materiality assessments of individual sustainability topics. Stakeholders included

SSH Management Board and SSH Supervisory Board, key SSH employees (department directors and their deputies), the top 20 portfolio companies (by book value of capital assets), and the Ministry of Finance (as the competent ministry) (ESRS 2, IRO-1, 53(b)(iii)).

The result of the double materiality assessment is a **matrix reflecting the sustainability topics (matters) that are material (double material) for SSH**. These are shown in green in the graphic below. The two topics shown in red are not material, meaning that their scores under the double materiality assessment (DMA) process fell below the [established thresholds](#).



The material sustainability matters identified relate to the topical areas E1 (Climate change mitigation and adaptation), S1 (Own workforce), G1 (Business conduct), and the entity-specific topic Long-term performance of the asset portfolio: achievement of strategic, financial and ESG objectives. Given SSH's specific role and business model as the manager of the State's capital assets, the latter topic (Long-term performance of the asset portfolio) is the most material. While its impact materiality score is comparable to that of the other material topics, it received the highest financial materiality score. This reflects the fact that the majority of SSH's material impacts, risks and opportunities are associated with its portfolio of capital assets, which comprises equity holdings of the Republic of Slovenia and SSH in major Slovenian companies. — some of which have a significantly greater impact on the natural and social environment than SSH itself. For the same reason, the environmental topics under E2 to E5 (Pollution, Water and marine resources, Biodiversity and ecosystems, and Resource use and circular economy) are not material to SSH as an asset management company whose activities are largely office-based. Environmental sustainability topics are included in the State Assets Management Strategy, and SSH may integrate them into its governance activities and reflect them in its governance instruments.

The proposed double materiality assessment was prepared by the sustainability reporting working group. It was adopted and approved by the Management Board along with the methodology, and was also presented to SSH's Supervisory Board.

SSH has not conducted a double materiality assessment in previous years. Therefore, the results and process for the 2024 financial year cannot be compared with those of prior periods (ESRS 2, IRO-1, 53(a)–(c)).

4.3.7 Disclosure Requirements under the ESRS Covered by the Undertaking's Sustainability Report (IRO-2)

The list of ESRS disclosure requirements, that were fulfilled in the preparation of the Sustainability Report is provided under ESRS 2 BP-2 and in the content index (ESRS 2, IRO-2, 56; AR 19).

Material information, required in relation to impacts, risks and opportunities is disclosed under ESRS 2, [IRO-1](#) (ESRS 2, IRO-2, 59).

4.3.8 Role of the Administrative, Management and Supervisory Bodies (GOV-1)

Composition and Diversity of the Administrative, Management and Supervisory Bodies

SSH is a public limited company with a two-tier governance system. In accordance with its Articles of Association, it has a three-member Management Board, which as at 31 December 2024 comprised two members, and a five-member Supervisory Board (ESRS 2, GOV-1, 21(a)). In accordance with the applicable legislation, ECESA functions as a dedicated corporate body of the Company, while the Nomination Committee serves as a special advisory body to the Management Board.

Body	Composition	Responsibilities
Management Board	Žiga Debeljak, MSc Janez Tomšič (ESRS 2, GOV-1, 21(a); AR 5)	The Management Board organises and directs the work of the undertaking and is competent and responsible for all management and operational decisions of the Company in accordance with the Slovenian Sovereign Holding Act (ZSDH-1). It is also responsible for the adoption and implementation of all decisions not assigned to other company bodies under ZSDH-1 or the Articles of Association. The Management Board is responsible for ensuring the legality of the Company's operations. The Management Board represents the Slovenian Sovereign Holding.
Supervisory Board	Suzana Bolčič Agostini Franjo Bobinac Ivan Simič, MSc Miro Medvešek (ESRS 2, GOV-1, 21(c), 22(a), 23(a)–(b); AR 5)) (ESRS G1, G1-5, 30, AR 11)	The Supervisory Board oversees the implementation of governance instruments and the business operations of the Company. It reviews the annual report and the proposal for the appropriation of retained earnings, approves the Company's annual report, and submits a proposal to the General Meeting for the appointment of the auditor. Further details regarding the functioning of the Supervisory Board are provided in the Corporate Governance Statement, which forms part of SSH's Annual Report for 2024.
Audit Committee	Suzana Bolčič Agostini Ivan Simič, MSc Darinka Virant, External Member (ESRS 2, GOV-1, 22(a), 23(a)–(b))	The key responsibilities of the Audit Committee include monitoring the financial reporting process and sustainability reporting, preparing recommendations and proposals to ensure their integrity, monitoring the effectiveness and efficiency of the internal control system, internal audit and the risk management systems, and overseeing the statutory audit of the annual non-consolidated and consolidated financial statements, the sustainability statement and the consolidated sustainability statement.
Risk Committee	Franjo Bobinac Miro Medvešek Darinka Virant, External Member (ESRS 2, GOV-1, 22(a))	The risk management process is monitored by the Risk Committee, an advisory body of the SSH's Supervisory Board. Its task is to provide expert opinions on SSH's risk management system and propose improvements by submitting recommendations during its meetings. The President of the Committee informs the Supervisory Board of the Committee's activities.
Nomination Committee	Suzana Bolčič Agostini Franjo Bobinac Ivan Simič, MSc Miro Medvešek (ESRS 2, GOV-1, 22(a))	The Nomination Committee operates in the area of defining competencies and diversity, ensuring that members of the Supervisory Board collectively possess the appropriate knowledge, competencies and professional expertise to understand the Company's activities and the related risks, including ESG.

Supervisory Board

The Supervisory Board of SSH is composed of five members, in accordance with ZSDH-1. Pursuant to Article 40, Paragraph 1 of ZSDH-1, members of the Supervisory Board are appointed by the National Assembly of the Republic of Slovenia. In accordance with a specific legal provision, there are no employee representatives on the Supervisory Board (ESRS 2, GOV-1, 21(b)).

As at 31 December 2024, the SSH Supervisory Board consisted of four members. The SSH Supervisory Board is diverse in terms of age and experience and is composed of professionals with varied competencies. The share of women in governance and supervisory bodies is 14%. Gender balance with-

in the Supervisory Board as a whole is somewhat improved by the composition of the Audit Committee, where women represent a majority — 66.67% (ESRS 2, GOV-1, 21(a)–(d)).).

Declarations of independence by members of the SSH Supervisory Board are published on the [SSH's website](#). All members of the Supervisory Board (100%) declare themselves to be independent (ESRS 2, GOV-1, 21(e)).

Members of the Supervisory Board ensure an **appropriate competency-based approach** to all aspects of supervisory activities — including sustainability matters — either independently, through training, or by occasionally engaging external experts (ESRS 2, GOV-1, 21(c); AR 5).

All key topics and matters, including sustainability, are addressed at all levels of decision-making and oversight processes. From the perspective of individual impacts and risks, material matters are addressed through various internal processes and communicated to different levels of management and oversight (meetings of the Risk Committee, coordination meetings of the Chief Compliance and Integrity Officer, regular and occasional reports to the SSH Supervisory Board, etc.). In accordance with its responsibilities, the Supervisory Board monitors — both during its own meetings and through the work of its committees — the procedures directly or indirectly related to the management of material impacts, risks and opportunities associated with the EU sustainability agenda and the preparation of SSH's first Sustainability Report. The SSH Supervisory Board receives periodic updates through reports from the Audit Committee, the Risk Committee, and the Chief Compliance and Integrity Officer, as well as mid-year reports on the performance of the most important portfolio companies in the area of capital asset management. This insight enables the Supervisory Board to remain informed about key SSH activities related to sustainability, as well as the management of associated impacts, opportunities and risks. The Supervisory Board was briefed on the double materiality assessment and the methodology applied (ESRS 2, GOV-1, 22(a)).

ECESA

ECESA is a advisory body of SSH's Management Board. Its members are appointed in accordance with Article 37 of ZSDH-1 and Article 24 of SSH's Articles of Association. ECESA issues opinions and proposals relating to socio-economic matters. At its meetings, ECESA adopts opinions and initiatives that are related to affairs which result or may result in issues concerning the labour law, the company's Articles of Association or have or may have social impacts for SSH employees or for companies managed by SSH. ECESA is composed of seven representatives of Slovenia's representative trade unions and confederations who are members of the Economic and

Social Council. The ECESA members are nominated by these federations or confederations and confirmed by SSH Management Board. The term of office for ECESA members is five years (ESRS 2, GOV-1, 22(a)).

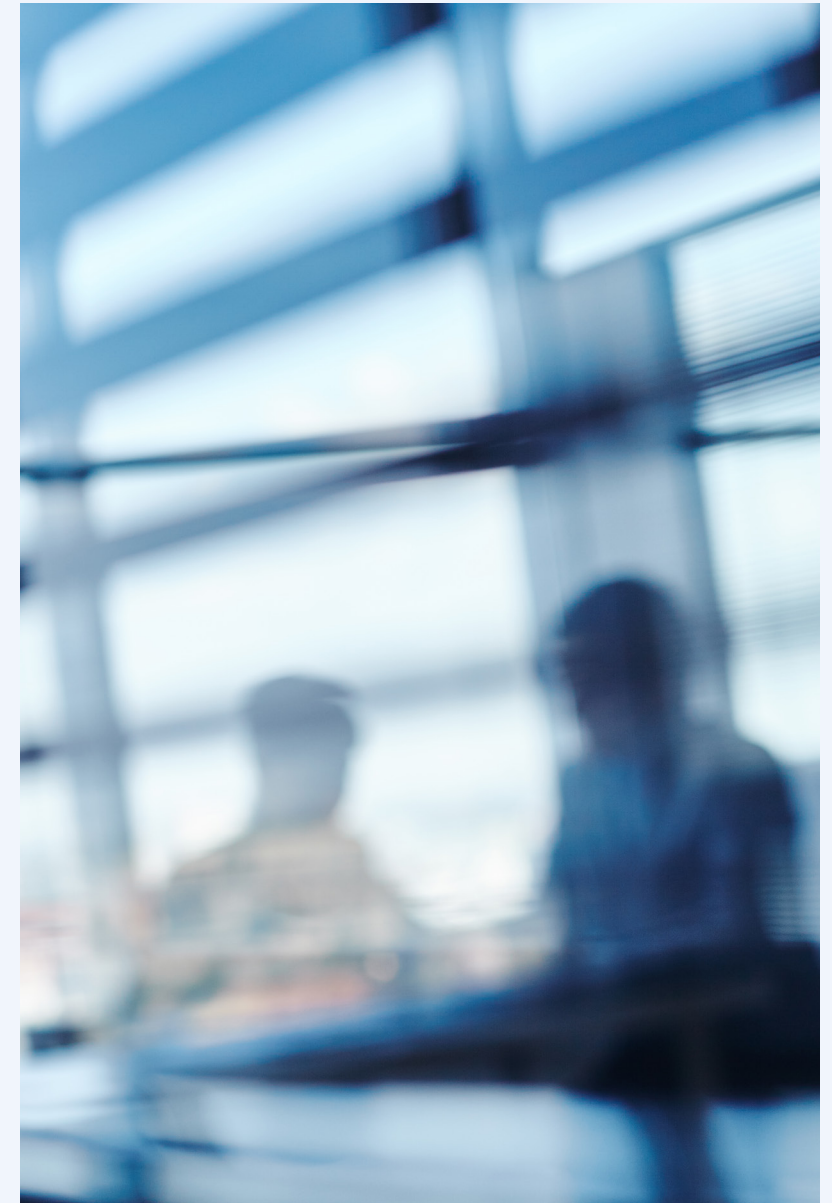
Nomination Committee

The Nomination Committee is an **advisory body of SSH Management Board**. In accordance with ZSDH-1, the SSH Asset Management Policy, and the Rules on the Assessment of Potential Candidates for Members of Supervisory and Management Boards of SOE, the Committee conducts **the procedures for sourcing candidates for members of the supervisory and management bodies of SOEs**, as well as the procedures for their accreditation and nomination. It consists of **three members**, appointed by the SSH Management Board for a four-year term, selected from among experts in corporate governance, human resource management, and supervisory board operations (ESRS 2, GOV-1, 22(a)).

[The SSH Management Board](#) ensures due consideration of sustainability matters — both when setting and monitoring the achievement of sustainability objectives for SSH and the companies under its management, and when preparing the Sustainability Report. Sustainability topics are addressed proactively, including through regular reporting to internal advisory bodies and organisational units (e.g. the coordination meetings of the Chief Compliance and Integrity Officer, meetings of the Risk Commission, departmental coordination meetings, etc.). (ESRS 2, GOV-1, 22(b); AR 3).

Dedicated controls and procedures for managing impacts, risks and opportunities (IRO), which form part of the double materiality assessment process, are implemented within the Human Resources and General Affairs Sector and the Controlling, Risk and Valuation Department. These departments obtain information from the Internal Audit Department, the Capital Asset Management Department, the Claim Management Department, and other relevant functions. (ESRS 2, GOV-1, 22(a)–(b); AR 3).

Sustainability matters are integrated into both the procedures and the content of SSH's key documents. ZSDH- 1 defines four core instruments for managing capital assets held by SSH and the Republic of Slovenia: (i) the State Assets Management Strategy, (ii) the Annual Asset Management Plan (AAMP) (iii) the SSH Asset Management Policy, and (iv) the SSH Corporate Governance Code. In addition to these governance instruments, two further—substantively linked to the above—are also part of the capital asset management framework: (v) the Criteria for Measuring Performance of SOEs and (vi) the SSH Recommendations and Expectations. All documents are drafted and adopted by the relevant expert departments. They are reviewed by the relevant internal SSH committee (IKKN) and formally approved by the SSH Management Board and Supervisory Board. In the case of the State Assets Management Strategy, final approval rests with the National Assembly of the Republic of Slovenia. The documents listed in the table below address, regulate, or define the treatment of all sustainability-related matters, material to SSH's operations and the execution of its asset management function.



Core Governance Instruments	Content	Sustainability-related Content
State Assets Management Strategy	The State Assets Management Strategy , adopted by the National Assembly of the Republic of Slovenia on 16 July 2024, in accordance with Article 28 of the ZSDH-1, sets out the following:(i) the definition and classification of capital assets by type, in line with asset management objectives;(ii) the definition of the Republic of Slovenia's development directions in its role as shareholder or partner in companies; and (iii) the individual strategic objectives that the Republic of Slovenia seeks to achieve through each capital asset designated as strategic. The Article 10 of ZSDH-1 specifies that all assets held by SSH and RS be categorised into one of three categories of assets: strategic, significant, or portfolio assets.	The State Assets Management Strategy outlines several general development directions, including: • a commitment to the respect for human rights and the promotion of socially responsible practices, • the promotion of gender equality, • the promotion of sustainable energy sources, • the promotion of sustainable infrastructure, • the promotion of sustainable forest management, and • the management of capital assets aimed at achieving other objectives of significant public interest (e.g. construction of affordable rental housing, socially responsible organisation of lottery games to support disability, humanitarian, and sports organisations.
Annual Asset Management Plan	In accordance with Article 30 of ZSDH-1,the Annual Asset Management Plan (AAMP) is adopted by the SSH Management Board on the basis of the State Assets Management Strategy. The AAMP enters into effect upon approval by the SSH Supervisory Board, which is required to grant such approval no later than the end of November for the subsequent calendar year. The AAMP must then be approved by the Government of the Republic of Slovenia, based on a proposal submitted by the Ministry of Finance. The 2025 AAMP is the first plan prepared under the newly adopted State Assets Management Strategy and also addresses sustainability-related topics and SSH's expectations in this regard, setting out the key management priorities for the year.	Key Planned Sustainability-Related Activities in the 2025 AAMP: • development of new technologies and innovations, particularly the integration of generative AI solutions into business models; • development and effective management of key personnel; • effective procurement practices and mitigation of corruption risks; • strengthening internal control functions and enhancing risk management systems in in SOEs; • management of risks and opportunities with a focus on: • corporate security, cyber risks, and strengthening organisational resilience; • climate-related risks and opportunities, • corporate compliance and integrity; • defining sustainability as a strategic priority and encouraging portfolio companies to strengthen their approach in this area; • promoting corporate culture, diversity, and the respect for human rights.
Criteria for Measuring Performance of SOEs	The Criteria for Measuring Performance of SOEs comprise a set of indicators used to monitor both their operational and strategic performance. These criteria are not quantified which is why they have to be applied in conjunction with each respective AAMP. It sets out company-specific criteria in the form of objectives, which are selected and quantified, and represent SSH's expectations regarding the achievement of future business performance. Looking retrospectively, they serve as a quantified basis for measuring or assessing company performance against SSH's expectations	Criteria related to sustainable business performance include: • share of electricity losses in the distribution network (electricity distribution companies – EDPs), • share of investments in the low-voltage network (EDPs), • average number of days required to issue a connection approval for decentralised renewable energy sources (EDPs), • average number of training hours per employee (applicable to large enterprises), • efficiency, safety, and sustainability of the motorway network (DARS – Motorway Company of the Republic of Slovenia), • value of implemented projects in the field of ecology and environmental protection (Pošta Slovenije), • achievement of nature conservation objectives (SIDG), • other relevant indicators.
SSH Asset Management Policy	The SSH Asset Management Policy presents in detail principles, procedures and criteria which are applied by SSH in carrying out its duties and activities. The framework meticulously defines the procedures for the acquisition and disposal of assets, as well as the relevant processes for identifying and selecting suitable candidates for Supervisory Board Members of companies with state capital assets. This governance instrument is adopted by the SSH Management Board, with the endorsement of the SSH Supervisory Board.	The SSH Asset Management Policy incorporates the following sustainability-related elements: • identification of SSH stakeholders and the framework for engagement with them, • definition of SSH's core values, • inclusion of commitments to manage conflicts of interest and ensure the independence of Supervisory Board and Management Board members, • protection of employee interests within SSH, • the area of compliance and integrity within the asset management, • definition of nomination procedures for Supervisory Board members, with an emphasis on competencies and compliance with established conditions and criteria.

Core Governance Instruments	Content	Sustainability-related Content
Corporate Governance Code for SOEs	The SSH Code outlines principles and best practice recommendations for corporate governance in companies with state capital assets (SOEs). The purpose of the SSH Code is to enhance the quality of corporate governance in SOEs and within SSH itself, with the long-term objective of enhancing business performance in the interest of all stakeholders.	The Code includes a number of recommendations that relate to sustainability topics, with particular emphasis on: • development of a diversity policy, • equal treatment of shareholders or company members, • communication with shareholders, • recommendations on independence, • leading by example, • the composition of the Supervisory Board, with the emphasis on knowledge, skills, and experience, continuity and diversity of the board; and appropriate representation of the under-represented gender, • the composition of the executive management board, with the emphasis on knowledge, skills, experience, and cooperation, and consideration of diversity in its composition, • transparency of operations and reporting, including consideration of audit and the internal control system, • strategic planning, sustainable business practices, and sustainability reporting, • adoption of a code of ethics, • regulation of the compliance and integrity system.
SSH Recommendations and Expectations	Through the SSH Recommendations and Expectations , specific guidelines and expectations are communicated to SOEs. These are clearly defined in advance and publicly disclosed, covering areas such as: (i) business planning, (ii) periodic reporting, (iii) procurement processes, (iv) sponsorship and donation policies, (v) cost optimisation, (vi) respect for human rights in business operations, (vii) sustainable business, (viii) compliance and integrity, (ix) remuneration policies, including recommended levels of compensation and other benefits for members of management and supervisory bodies, among others.	The SSH Recommendations and Expectations address the following sustainability-related areas: • allocation of sponsorships and donations, • governing corporate culture, • sustainable business operations, • responsible business conduct and respect for human rights, • development of remuneration policies for management bodies, including recommendations to incorporate sustainability-related performance incentives (based on ESG criteria), • risk management, • diversity, equity and inclusion (DEI), including the promotion of gender balance in management and supervisory bodies, • compliance and integrity system.

(ESRS 2, GOV-1, 22(b); AR 3)

The **management of risks and internal controls** related to sustainability performance and reporting is integrated into the Risk Register and internal policies and regulations. These documents will be updated as needed to reflect material sustainability topics identified through the double materiality assessment process. The SSH Management Board is responsible for risk management and is obliged to establish both the system and the organisational environment necessary for its effective implementation. The Controlling, Risk and Valuation Department acts as the coordinator of the risk management process. Risks recorded in the Risk Register are discussed

at meetings of the **Risk Commission** and at **coordination meetings chaired by the Chief Compliance Officer**. An independent **internal audit** function has been established, providing an additional layer of oversight and control over business operations.

Internal Audit

The review of risks included in the Risk Register serves as the foundation for internal audit planning. As part of its audits, the Internal Audit function — together with the Risk Commission through regular reviews and assess-

ments of key risks — evaluates whether the existing risk mitigation measures are appropriate and effective.

The risk management process is monitored by **the Risk Committee**, an advisory body of SSH’s Supervisory Board. Its role is to provide expert opinions on SSH’s internal risk management system and to propose improvements where necessary. The President of the Risk Committee provides the Supervisory Board with reports on the Committee’s activities.

The Internal Audit function maintains regular communication with both the [Audit Committee](#) and the SSH Supervisory Board for reporting purposes. In 2024, the Supervisory Board did not directly address matters related to the **systems for managing impacts, risks and opportunities (IRO)**. Sustainability-related topics will continue to be addressed by the Audit Committee. At present, the establishment of a dedicated Supervisory Board committee for this purpose is not foreseen (ESRS 2, GOV-1, 22(c)–(d)).

SSH Activities in Managing Impacts, Risks and Opportunities in Portfolio Companies

SSH manages the companies within the SSH Group in the same manner as other companies with capital assets — in line with ZSDH-1, applicable asset management instruments, and with due consideration of each company's legal form and founding act.

SSH Supervisory Board

Since 2016, in accordance with the Supervisory Board Assessment Manual (Slovenian Directors' Association (SDA), 2011), the SSH Supervisory Board and its committee have carried out an annual **self-assessment** of their performance, provided that at least four regular meetings are held during the year. The results of the self-assessment are included each year in the [Supervisory Board Report](#), which forms part of the Annual Report of SSH and the SSH Group. The evaluation process is conducted once a year, in line with the aforementioned Manual, and the self-assessment is carried out internally using structured questionnaires. Following the analysis of the results, a dedicated agenda item is included at a meeting of the Audit Committee, where members discuss the findings and adopt, if necessary, action measures to improve performance. The analysis and any related actions are then also addressed at the level of the SSH Supervisory Board. (ESRS 2, GOV-1, 23; AR 5).

Information on the skills, expertise, and other key competencies of Supervisory Board members, including those relevant to SSH's work in the field of sustainability, is available on the [SSH website](#) (ESRS 2, GOV-1, 23(a)–(b)).

In line with the Rules of Procedure of the SSH Supervisory Board and SSH's annual business and financial plan, a dedicated budget is allocated each year for the training and development of Supervisory Board members and members of its committees. In October 2024, the SSH Supervisory Board approved the participation of an external member of the Audit Committee in a sustainability-related training programme. The President of the SSH Supervisory Board, Ms Suzana Bolčič Agostini, participated in a sustainability training session organised by SSH in March 2024. In 2023, she also completed a multi-day training programme to become a certified expert in Sustainable and Circular Business Transformation, organised by the SPIRIT agency. The Deputy President of the Supervisory Board, Mr Franjo Bobinac, reported that he participated in four meetings of the Sustainability Committee of the European Handball Federation during 2024/25, in his role as Committee Chair. The committee also includes three external experts. All members of the SSH Supervisory Board actively contributed to the development of the SSH Strategy 2025–2030 (ESRS 2, GOV-1, 23(a)–(b)).

Internal Control Systems and Sustainability Risk Management in Portfolio Companies

SSH requires all companies with state capital assets to comply with the [Corporate Governance Code for SOEs](#), which includes a dedicated chapter on the establishment and management of internal control systems and risk management. These systems are generally more developed in larger companies and in public-interest entities, where dedicated functions — such as audit committees, internal audit, and risk coordinators — further support the design and implementation of effective frameworks. Companies with more complex operations have well-developed business processes,

governed by internal policies and regulations, with internal controls also subject to statutory requirements.

Internal controls systems in some companies may not be explicitly documented but are established in practice. Companies have both automatic and manual controls in place. Transparency remains a key focus area across the SSH Group and within state-owned enterprises more broadly. Companies comply with applicable regulations and follow recognised corporate governance practices, as recommended by SSH through the Corporate Governance Code for SOEs. In its [Recommendations and Expectations](#), SSH also encourages the adoption of a structured approach to sustainability management, including the systematic management of impacts, risks and opportunities.

Education and Training

SSH does not directly lead the SSH Group of companies as a joint concern, thus it does **not directly intervene** in their operations, their business processes, internal control systems, and risk management systems. However, SSH seeks to support the development of corporate governance practices in these companies through asset **management instruments** that are binding on them, and — significantly — through **educational activities**. These efforts also aim to emphasise the importance of internal control and risk management systems in areas linked to current sustainability topics.

A key part of SSH's educational activities in 2024 focused on raising awareness and providing updates on a range of sustainability-related themes, including the green transition, sustainability risk management, decarbonisation planning, and the promotion of an appropriate corporate culture. The following training events were held:

- Shaping a Positive Corporate Culture in Projects: Opportunities and Challenges in Management

- Integrity in Practice
- Corporate Sustainability Due Diligence Directive CS3D and and Its Impact on Business Operations
- The Impact of Artificial Intelligence on the Future of Business: Examples of Good Practice
- The Impact of Cyber (In)Security on Business and Strengthening Resilience of Organisations
- Integrity in the Economy

These free-of-charge training sessions are open to all members of SSH's management and supervisory bodies, the management and supervisory bodies of companies in SSH's portfolio, and all SSH employees.

4.3.9 Information Provided to and Sustainability Matters Addressed by the Undertaking's Administrative, Management and Supervisory Bodies (GOV-2)

In 2024, the **SSH Supervisory Board** reviewed and adopted the 2024 Annual Asset Management Plan (AAMP), took note of the 2023 Annual Report on Asset Management, reviewed the 2023 Audit Committee Activity Report, and considered the Report on the Status of the ESRS Implementation Project within SSH's Internal Operations. The **SSH Management Board** is kept informed of material impacts, risks and opportunities; due diligence procedures; and the outcomes and effectiveness of the policies, actions, metrics and targets adopted to address material impacts, risks and opportunities. This information is provided through individual reports prepared by the

Controlling, Risk and Valuation Department and the Human Resources and General Affairs Department.

ZSDH-1 defines four [core instruments](#) for managing capital assets owned by SSH and the Republic of Slovenia. The process for preparing and adopting key documents — involving the Management Board, the Supervisory Board, its committees, and other advisory bodies of SSH — also includes consideration of material sustainability areas and their treatment. The Annual Asset Management Plan, which defines economic and financial criteria for monitoring the performance of all major portfolio companies, also sets out SSH's expectations and targets for these companies in relation to sustainability. It further establishes general sustainability-related objectives for asset management (ESRS 2, GOV-2, 26(a)–(c)).

4.3.10 Integration of Sustainability-Related Performance in Incentive Schemes (GOV-3)

SSH's incentive schemes and Remuneration Policy incorporate sustainability matters among the criteria used to determine the variable component of remuneration. The performance of the Management Board is assessed based on specific objectives and/or impacts linked to sustainability. These have included the implementation of **the CSRD Directive in SSH's internal operations** (sustainability policy, carbon footprint measurement, double materiality assessment, preparation for ESRS reporting, and other adjustment measures), **the organisation of training sessions in sustainable business**, regular **monitoring the attainment of sustainability targets**, and **alignment with relevant European regulation** — both within SSH and the companies under management.

The criteria for the variable component of remuneration must be defined in advance and clearly separated into **financial and non-financial components**. The weighting of non-financial criteria is 30%. All non-financial criteria applied are, by their nature, sustainability-related. These include the achievement of **corporate governance development** objectives, **the implementation of SSH's key projects** relating to corporate operations and governance, and the attainment of social and other objectives derived from **SSH's sustainable business (ESG-related criteria)**. Financial criteria are also largely sustainability-related, as they measure **the progress of productivity and ROE of capital assets** managed by SSH (the Republic of Slovenia and SSH) (ESRS 2, GOV-3, 29(a)–(e); AR 7).

4.3.11 Statement on Due Diligence (GOV-4)

SSH has procedures and measures set out in its governance instruments and internal rules and regulations which, by their nature, represent individual elements of due diligence. The table below shows where (in which Sections) the individual elements of due diligence are presented in this report.

Key Elements of Due Diligence	Paragraphs in the Sustainability Report
Embedding due diligence in governance, strategy and business model	ESRS 2 GOV-2 – Section 4.3.9 ESRS 2 GOV-3 , Section 4.3.10 ESRS 2 SBM-3 – Section 4.3.5
Engaging with affected stakeholders in all key steps of the due diligence	ESRS 2 SBM-2 – Section 4.3.4 S1-2, S1-3, S1-8 – 4.5.1.3
Identifying and assessing adverse impacts	ESRS 2 IRO-1 – Section 4.3.6 ESRS 2 SBM-3 – Section 4.3.5
Taking actions to address those adverse impacts	E1 – Section 4.4 S1 – Section 4.5 G1 – Section 4.6
Tracking the effectiveness of these efforts and communicating	S1 – Section 4.5 G1 – Section 4.6

(ESRS 2, GOV-4, 30, 32; AR 8–10)

4.3.12 Risk Management and Internal Controls over Sustainability Reporting (GOV-5)

As SSH has prepared this Sustainability Report on a voluntary basis, internal controls relating to sustainability reporting have not yet been established. Activities to implement these controls are ongoing in 2025. (ESRS 2, GOV-1, 22 (c)–(d)).

The process and outcomes of the double materiality assessment are discussed in more detail in the Section [Description of the Process to Identify and Assess Material Impacts, Risks and Opportunities](#) (ESRS 2, IRO-1, 53).



4.4 ENVIRONMENTAL INFORMATION

4.4.1 ESRS E1 – Climate Change

Integration of Sustainability-Related Performance in Incentive Schemes

While the remuneration of members of the administrative, management and supervisory bodies is linked to sustainability objectives, in 2024, it was not yet directly aligned with the specific climate change mitigation and adaptation targets set by SSH (ESRS E2, GOV-3, 13).

Material Impacts, Risks and Opportunities and their Interaction with Strategy and Business Model

Based on the double materiality assessment methodology described in the Section [Description of the Process to Identify and Assess Material Impacts, Risks and Opportunities](#), SSH has identified the following material (i.e. double material) climate-related impacts, risks and opportunities.

- **Climate Change Mitigation and Adaptation (positive Impact).** SSH adopts strategies and implements measures aimed at reducing the vulnerability of both SSH and the companies under its management to the actual or anticipated effects of climate change. **Adaptation to climate change** involves adjustments to processes and practices in order to minimise potential damage or take advantage of opportunities

that climate change may present. In addition to its own operations, SSH ensures careful oversight of key climate-related risks in the companies under its management and communicates its expectations—either during regular periodic meetings with company representatives or through key governance instruments and organised training sessions. SSH supports investments and projects through which companies invest in infrastructure and initiatives that enhance their resilience to material physical and transition climate-related risks:

- *physical risks* refer to the direct impacts of climate change, such as extreme weather events (floods, droughts, hurricanes) and gradual long-term changes in the climate system (rising sea levels, shifts in precipitation patterns). These risks may lead to financial losses for the companies under SSH management, caused by damage to assets, reduced productivity, higher operating costs, and other challenges—ultimately affecting SSH's financial performance and position, inflows to the state budget and the pension fund (ZPIZ), the achievement of strategic objectives, and more.
- *transition risks* arise from changes related to the shift towards a low-carbon economy, including regulatory developments, evolving consumer preferences and technological innovation. Such risks may impact the value of portfolio companies, their business profitability, and the overall financial stability of these companies.

In the context of SSH's activities related to **climate change mitigation**—namely, the reduction of greenhouse gas emissions, which are the main drivers of global warming—priority is given to the companies under its management. These companies can make the greatest contribution to progress towards the global warming targets set by the Paris Agreement by transitioning to renewable energy sources in a timely manner, improving energy efficiency, promoting sustainable mobility, and implementing a range of other measures.

– Carbon Footprint (negative Impact)

The carbon footprint represents the total amount of greenhouse gas (GHG) emissions—expressed in carbon dioxide equivalents (CO₂e)—that are directly or indirectly generated by an individual, organisation, product, or activity. These emissions arise from various sources and are generally classified into three categories:

- **Scope 1** (direct emissions): emissions **generated directly by the organisation**, for example through the combustion of fuels in owned facilities or equipment;
- **Scope 2** (indirect emissions from electricity consumption): emissions associated with **the electricity consumed by the organisation but produced by a third party** (e.g. power plants);
- **Scope 3** (other indirect emissions): **all other indirect emissions across the organisation's value chain**, including those arising from transport, the supply of raw materials, and waste.

More than 99% of SSH's total GHG emissions (Scopes 1, 2 and 3) originate from **the downstream part of the value chain**—specifically from Scope 3, Category 15, which accounts for emissions linked to **the ownership of equity investments and receivables (i.e. financed emissions)**. Emissions from SSH's own operations (Scopes 1, 2 and 3, excluding Category 15) represent less than 1% of total emissions and are considered negligible. Further information on SSH's GHG emissions is available in the table in the Section [Total GHG Emissions, Gross Scope 1, 2 and 3 GHG Emissions](#) (ESRS E1, SBM-3, 18, 19(a)–(c)).

Sustainability topics remained a key focus of SSH's activities in 2024. SSH's business model encompasses not only the oversight of the ongoing operations of companies under its management but also the promotion and integration of leading corporate practices into their business models — with sustainable business conduct and resilience currently among the most prominent. SSH communicates its expectations transparently, both as the owner and as the manager of the assets of the Republic of Slovenia — through online publications, regular revisions of its [key governance instruments](#), direct engagement with media representatives and company officials (via periodic meetings). Each year, the key sustainability objectives are also set out in the annual management plans of the individual companies within the SSH's management portfolio.

SSH's recently adopted the Corporate Strategy for the period 2025–2030 that outlines its key future activities in the area of climate change mitigation and adaptation. Corresponding adjustments will be made to business processes as appropriate. Sustainability topics are also embedded in national legislation (the Ordinance on State Assets Management Strategy).

Activities relating to the green transition and climate change mitigation also involve the management of associated risks. SSH has described the link between the management of impacts, risks and opportunities and its

business model in the Section [Material Impacts, Risks and Opportunities and their Interaction with Strategy and Business Model](#).

In the future, subject to the availability and quality of data, SSH also plans to conduct a **resilience analysis** and **scenario analysis** (ESRS E1, AR 8 (b); ESRS E1, IRO-1, 20 (b)–(c)).

Description of the Process to Identify and Assess Material Impacts, Risks and Opportunities transfer related to climate change

In the process for assessing the materiality of impacts, opportunities and risks — both physical and transition-related — the impacts, risks and opportunities (IROs) related to climate change were addressed in the same manner (through the same procedure) as all others. The procedure for identifying and defining IROs and the assessment process are described in greater detail in the Section [Material Impacts, Risks and Opportunities and their Interaction with Strategy and Business Model](#) (ESRS E1, IRO-1, 20).

4.4.2 Transition Plan for Climate Change Mitigation

SSH supports the transition to net zero carbon emissions by 2050 or earlier and, for this purpose, has prepared the SSH Decarbonisation Plan. However, this is not yet a transition plan that fully meets all ESRS requirements. The plan was adopted by the Management Board on 10 April 2025. Task owners responsible for implementing the plan and for conducting periodic reviews of progress towards targets have been designated (ESRS E1-1, 14, 16 (i)).

To enable calculation of the 2050 targets and interim milestones of the SSH Decarbonisation Plan, an **emissions model** was developed for SSH. The

model incorporates input data from carbon footprint calculations, assumptions for each source of emissions, and activities planned for emission reduction.

SSH's Decarbonisation Plan covers all categories under Scope 1 and Scope 2. However, Category 15 of Scope 3 **(S3-15) is not included: Indirect emissions – investments, covering all equity holdings and receivables held by SSH**. SSH does not yet have credible data from portfolio companies for these emissions, which represent the majority of the total. SSH included its expectations for portfolio companies to prepare comprehensive decarbonisation plans in the 2025 Annual Asset Management Plan. Alignment is expected to be achieved within the next three to five years, under the conditions specified in the plan.

SSH's greenhouse gas emissions in 2024 — the baseline year for preparing the plan and monitoring intermediate targets — amounted to **259.7 tCO₂e** across all reported scopes, excluding the above-mentioned investments (Scope 3/15). The objective of SSH's Decarbonisation Strategy is to reduce GHG emissions by 87%. Based on the results generated by the SSH emissions model, **the realistic target is to reduce SSH's emissions to 24.6 tCO₂e by 2050, representing an 87% reduction compared to the current baseline year. This is only slightly below the targets of the Paris Agreement**. It should be noted that SSH had already largely decarbonised its electricity consumption before 2024. **Planned emissions in 2030 are projected to be 47% lower, and in 2040 64% lower, than in the baseline year** (ESRS E1-1, 14, 16, 16(a), AR 1, AR 2).

In its transition towards more sustainable forms of business activity, SSH will implement the following measures (ESRS E1-1, 16(b)):

- [focusing on energy efficiency and reducing](#) energy consumption in the premises where SSH carries out its activities;
- installing energy-efficient equipment;

- transitioning from fossil fuel vehicles to low-emission and electric vehicles;
- [sourcing](#) electricity from renewable energy providers and cooperating with building managers;
- reducing overall consumption and the volume of waste generated;
- maintaining careful planning of business travel and choice of transport (environmentally friendly vehicles);
- continuing to offer remote working options for employees and encouraging low-emission commuting;
- engaging with providers of district heating, cooling agents, and [suppliers](#) of paper, water, IT equipment and services.

To **reduce GHG emissions included in Scope 3/15** (i.e. emissions from companies managed by SSH, accounting for 99% of SSH’s total emissions), the following measure is key (ESRS E1-1, 16 (b)):

integrating sustainability-related targets into business plans and processes, including clear and transparent communication of expectations of the owner and monitoring the achievement of targets.

SSH’s planned sustainable investments in 2025 include the renovation of its office building to improve energy efficiency. The SSH Decarbonisation Plan also foresees investments up to 2030; however, these are not disclosed (ESRS E1-1, 16 (c)). Specific features concerning revenue and investments in fixed and working capital — due to the company’s specific business model — are described in the Section on EU Taxonomy (ESRS E1-1, AR 4).

4.4.2.1 Policies related to climate change mitigation and adaptation

SSH’s environmental policies address both its own operations and the lower end of the value chain. These policies are set out in the following documents:

Policy	Description	Material impacts, opportunities and risks addressed	Expected results:	Value Chain	Timeframe
SSH Resource Management Policy, adopted in October 2024	These policies highlight the need to use renewable energy sources and manage energy responsibly. They promote the active use of clean and renewable energy in SSH’s own operations, and emphasise energy and water efficiency, paperless operations, the complete elimination of single-use products, and appropriate waste management. The document also includes the Company’s policy on hybrid working..	GHG emissions	Gradual transformation of SSH’s operations towards low-carbon and energy-efficient practices	Own operations	Ongoing
SSH Decarbonisation Plan, adopted in April 2025	The plan sets out SSH’s planned activities to reduce GHG emissions from its own operations by 2050.	GHG emissions, investments in sustainable operations, and implementation of measures in line with EU environmental objectives.	Reduction of GHG emissions in SSH’s own operations. The plan is presented in more detail in the Section Transition Plan for Climate Change Mitigation .	Own operations	By 2050
SSH Carbon Footprint Calculation Methodology (2023–2024), adopted in April 2025	In 2023, SSH calculated the carbon footprint of its own operations for the first time, with verification by SIQ. The calculation also included companies owned by SSH’s and receivables, using a harmonised approach to data collection across the companies. In 2024, for the first time, data were also obtained from companies owned by the Republic of Slovenia.	GHG emissions	Monitoring and reporting of GHG data from own operations and portfolio companies.	Own operations, downstream value chain (SSH portfolio)	Annually
2025 Annual Asset Management Plan	SSH monitors material climate-related risks — both physical and transition-related — in portfolio companies, along with the measures adopted to reduce their impacts and to harness opportunities arising from the green transition The implementation of mitigation and prevention measures also includes investment in adaptation and resilience. All SOEs are required to contribute to the reduction of GHG emissions and align their operations with the objectives of the Paris Climate Agreement.	GHG emissions (negative impact), investments in sustainable operations, and implementation of measures aligned with EU environmental objectives. Company-level emissions, net-zero plans and adopted decarbonisation measures, portfolio company targets, and expectations related to the green transition. The role of the owner in environmental projects/investments, support for digitalisation, the adoption of AI and new technologies, promotion of digital skills, and the shift to a circular economy.	GHG footprint calculated in accordance with GHG Protocol Scopes 1, 2 and 3; decarbonisation targets for 2025 and 2030; comprehensive decarbonisation plans. Climate risks are integrated into existing risk management processes and into SSH’s Corporate Strategy. The development and implementation of transition plans by portfolio companies for adaptation to a low-carbon economy.	Lower end of the value chain (SSH and Republic of Slovenia portfolio)	Annually

The Controlling, Risk and Valuation Department holds a primary responsibility for the implementation of these policies, with partial responsibility also allocated to the Capital Assets Management Department and other organisational units within SSH. The SSH Decarbonisation Plan includes specific trajectories for reducing the company's carbon footprint. These are further detailed in the Section [Transition Plan for Climate Change Mitigation](#) (ESRS E1-2, 22, 24, 25 (a)–(e), MDR-P 65).

SSH's own operations are not directly exposed to climate-related risks. However, such risks do affect SSH through its portfolio of capital assets. As a result, SSH applies its policies for climate change mitigation and adaptation primarily **to the lower end of the value chain — i.e. to the portfolio companies** — through its asset management activities and governance instruments, as presented in the table in the Section [Role of the Administrative, Management and Supervisory Bodies](#) (ESRS E1-2, 25 (a)–(b) and ESRS 2, MDR-P).

4.4.2.2 Actions and Resources in Relation to Climate Change Policies

Key measures and resources for decarbonising SSH's **own operations** are set out in the SSH Decarbonisation Plan and are presented in the Section [Transition Plan for Climate Change Mitigation](#).

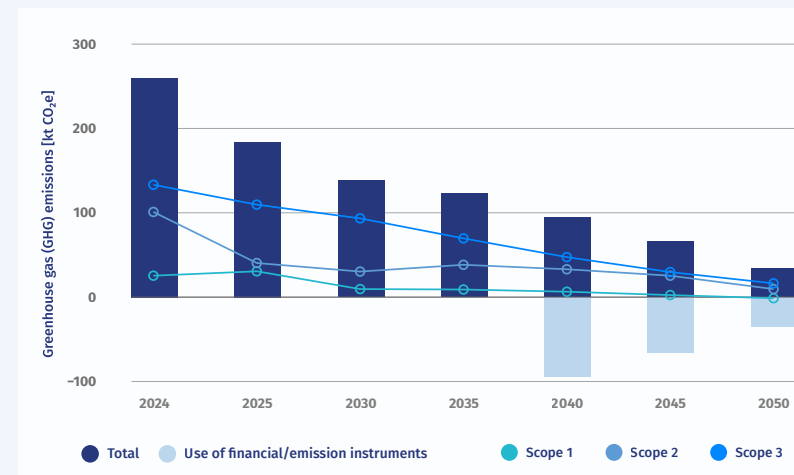
SSH's main climate change mitigation measures, however, focus on the lower end of its value chain — namely, the portfolio of **companies under its management**. SSH's expectations and targets in the area of sustainability are defined in the [Annual Asset Management Plans](#), which include measurable quantitative and qualitative (sustainability-related) performance indicators. Looking ahead, SSH will place increased emphasis on the quality of sustainability data received from portfolio companies, with the aim of having the total GHG emissions across the managed portfolio independently verified or certified by external experts. The decarbonisation plans will also

serve as the basis for preparing a decarbonisation plan covering Scope 3.15 (ESRS E1-3, 29 (a); ESRS 2, MDR-A).

4.4.2.3 Targets related to climate change mitigation and adaptation

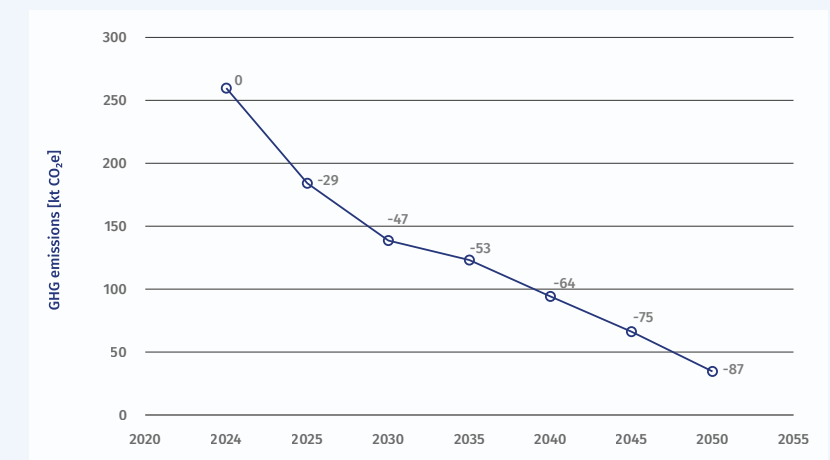
SSH's Decarbonisation Strategy aims to reduce GHG emissions from the 2024 baseline by: 47% by 2030, 64% by 2040, and 87% by 2050. The strategy follows the EU's proposal, which is aligned with the Paris Agreement, to reduce emissions by 55% by 2030 and by 90% by 2040 (EU target proposal). The 47% reduction target by 2030 is slightly below the level envisaged under the Paris Agreement (55%). However, it is important to note that SSH had already largely decarbonised its electricity consumption before 2024. For comparison, SSH's projected emissions in 2030 are more than 70% lower than those recorded prior to 2023 (ESRS E1-4, 30, 32, 34(e); ESRS 2, MDR-T; AR 26).

SSH DECARBONISATION PLAN FOR OWN OPERATIONS – GHG EMISSIONS REDUCTION PATHWAY TO 2050 WITH INTERMEDIATE TARGETS



The remaining emissions cannot be further reduced, as they primarily relate to sources outside SSH's control (e.g. employee commuting) or depend on future technological developments (e.g. low-carbon refrigerants). SSH has not yet decided whether it will use newly developed financial instruments for GHG emissions reduction (such as emission credits or offsetting) to compensate for residual emissions. However, it will continue to monitor carbon credit markets closely (ESRS E1-4, 30, 32; ESRS 2, MDR-T).

SSH GHG EMISSIONS FROM 2024 (BASELINE YEAR) TO 2050 WITH INTERIM REDUCTION TARGETS, IN %



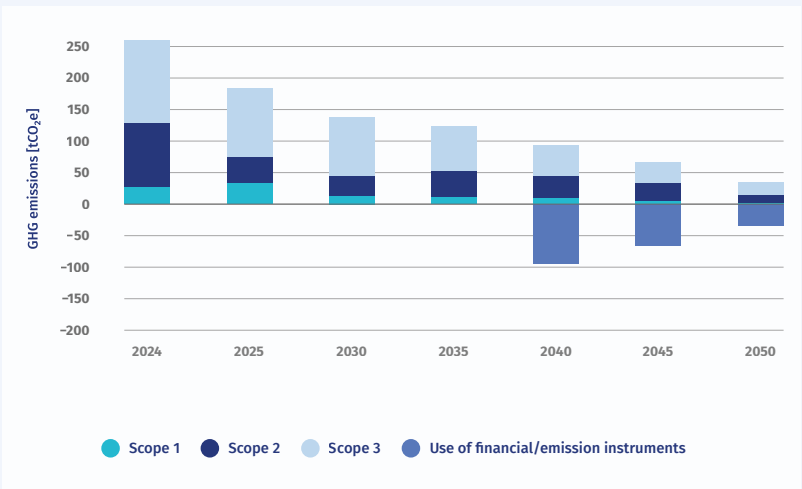
In 2024, the largest share of SSH's emissions fell under Scope 3, specifically in the categories of employee commuting and investments in IT equipment or services, together accounting for 44% of total emissions. Electricity, representing around 20% of total emissions, has already been decarbonised for SSH's own premises. The Company has purchased guarantees of origin for electricity sourced from hydropower, covering its total electricity consumption. The remaining electricity consumption not yet decarbonised will also be addressed.

For Scopes 1 and 2, the main reduction measures include reducing energy use in offices (both electricity and heating), purchasing 100% renewable electricity, cutting fossil fuel consumption in vehicles (fewer passenger kilometres, improved efficiency), transitioning to electric vehicles, reducing emissions of hydrofluorocarbons (HFCs), switching to refrigerants with low or zero global warming potential, and ultimately offsetting any remaining emissions.

Renewable electricity plays a key role in reducing emissions. In 2023, SSH purchased renewable (zero-carbon) electricity for the first time and will continue to do so in the coming years to decarbonise its operations. In 2024, a portion of the electricity used in shared premises had not yet been decarbonised — this will be addressed going forward. In Scope 3, Category 13, it is noted that buildings not directly managed by SSH — i.e. those overseen by external property managers — are not yet covered by decarbonised electricity.

Based on the assumptions outlined in the Decarbonisation Plan, SSH’s operational emissions will continue to be concentrated in Scope 3 beyond 2025, as was the case in 2023 — primarily due to employee commuting (44% of total emissions) and district heating (24%) (ESRS E1-4, 30, 34(f); ESRS 2, MDR-T and AR 30).

INTERIM EMISSIONS TARGETS FROM SSH’S OPERATIONS BY SCOPE



The table below shows the trajectory and distribution of GHG emissions from SSH’s own operations up to 2050, including interim targets in line with ESRS requirements. The direct emissions values in SSH’s Decarbonisation Plan are presented by individual scope categories, in accordance with the GHG Protocol (ESRS E1-4, 34(a)–(d); ESRS 2 MDR-T; AR 23–24, AR 27–29, AR 31).

SSH GHG EMISSIONS TO 2050 AND INTERIM TARGETS

Name	Description	Unit	2024	2025	2030	2035	2040	2045	2050
Scopes 1–3	Total emissions	[tCO ₂ e]	259,7	184,1	138,6	123,1	94,2	66,2	34,6
Scopes 1–2	Emissions Scopes 1& 2	[tCO ₂ e]	128,4	75,4	45,5	52,7	45,1	34,1	15,3
Scope 1	Scope 1 Total Scope 1	[tCO ₂ e]	28,0	33,0	12,8	12,3	9,8	6,0	2,4
Scope 1.1	Fuel combustion in stationary installations	[tCO ₂]	17,4	2,9	0,0	0,0	0,0	0,0	0,0
Scope 1.2	Fuel combustion in vehicles/for transport	[tCO ₂]	10,6	17,2	0,0	0,0	0,0	0,0	0,0
Scope 1.3	Fugitive and other emissions (e.g. refrigerants)	[tCO ₂ e]	0,0	12,8	12,8	12,3	9,8	6,0	2,4
Scope 2	Scope 2 Total Scope 2	[tCO ₂]	100,4	42,4	32,7	40,4	35,3	28,0	12,8
Scope 2.1	Electricity	[tCO ₂]	52,0	0,0	0,0	0,0	0,0	0,0	0,0
Scope 2.1– Buildings	Electricity - buildings	[tCO ₂]	44,9	0,0	0,0	0,0	0,0	0,0	0,0
Scopes 2.1– Vehicles	Electricity - vehicles	[tCO ₂]	7,2	0,0	0,0	0,0	0,0	0,0	0,0
Scope 2.2a	District heating	[tCO ₂]	48,4	42,4	32,7	40,4	35,3	28,0	12,8
Scope 3	Scope 3 Total Scope 3	[tCO ₂]	131,3	108,7	93,1	70,4	49,1	32,1	19,3
Scope 3.1	Purchased goods and services	[tCO ₂]	25,0	25,1	20,1	16,2	13,0	10,4	8,4
Scope 3.2	Purchased goods and services	[tCO ₂]	6,8	6,8	5,4	4,4	3,5	2,8	2,2
Scope 3.3	Fuel- and energy-related activities	[tCO ₂]	14,7	9,3	4,2	3,9	3,3	2,7	1,7
Scope 3.5	Waste generated in operations	[tCO ₂]	0,3	0,4	0,4	0,4	0,3	0,3	0,3
Scope 3.6	Business travel	[tCO ₂]	2,7	4,4	3,6	2,8	1,9	1,3	0,7
Scope 3.7	Employee commuting	[tCO ₂]	81,8	79,3	60,4	40,3	24,4	12,7	6,7
Scope 3.13	Leased assets in the downstream distribution chain	[tCO ₂]	0,0	0,0	9,1	11,2	9,8	7,8	3,6
Scope 3.15	Investments	[tCO ₂]	0,0	0,0	0,0	0,0	0,0	0,0	0,0

It should also be noted that in 2023 and partly in 2024, SSH already purchased zero-carbon electricity, thereby decarbonising the electricity consumption in the premises where it operates. For this purpose, it purchased guarantees of origin for electricity generated from hydropower. Had SSH used fossil-based electricity in 2024, its emissions would have been significantly higher and would have reached zero only later. Because SSH already purchased zero-carbon electricity in 2023 and 2024 and will continue to do so, this emissions reduction is considered part of the decarbonisation strategy, which has already been successfully implemented.

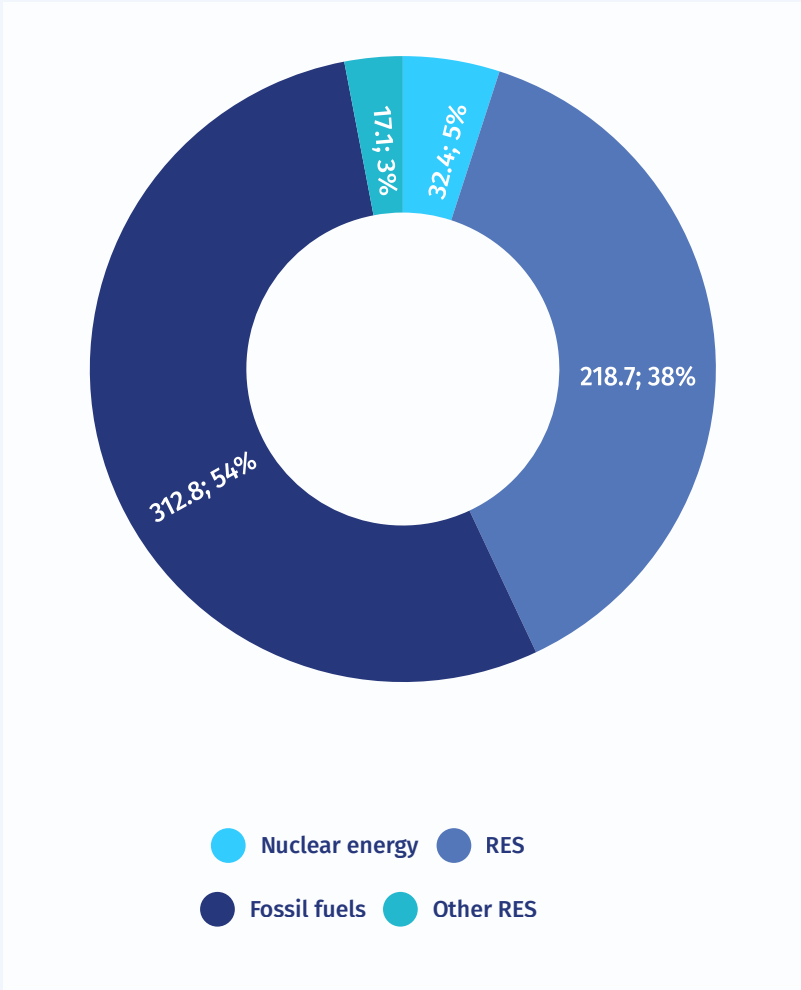
4.4.3 Energy Consumption and Mix

SSH carries out its activities in office premises, and its employees work at two locations. In addition, SSH owns three properties that affect the environment through their use.

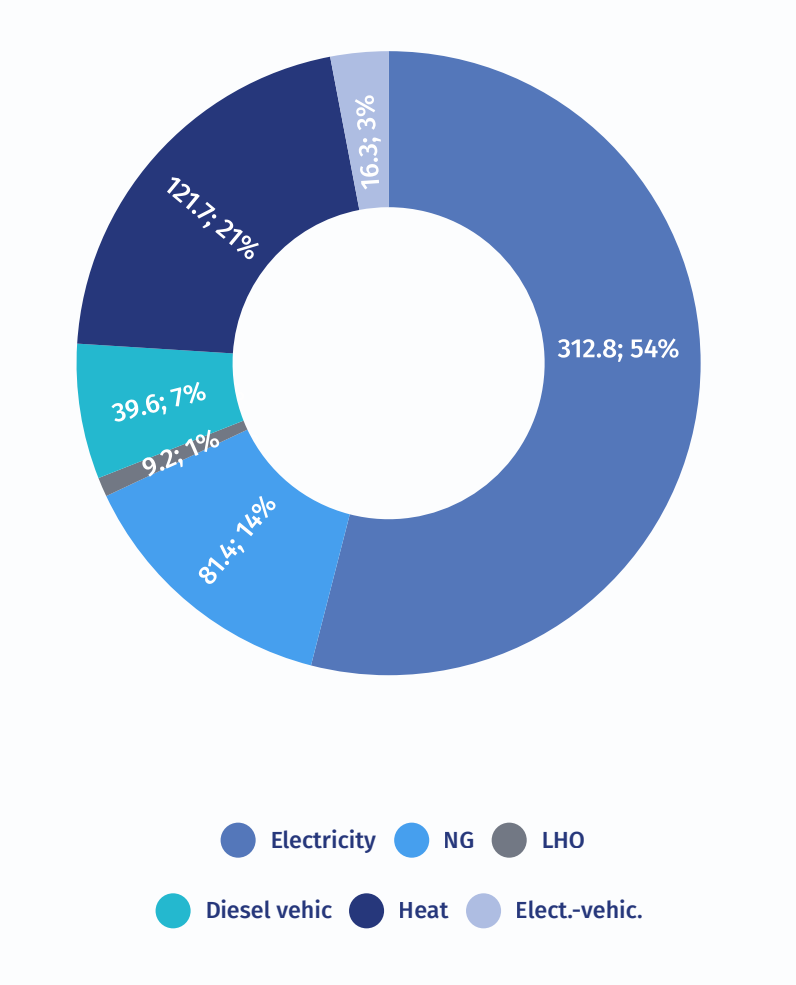
To operate its premises and power company vehicles, SSH uses energy sources such as electricity, extra light fuel oil, natural gas, district heating, and diesel fuel.

In 2024, SSH consumed **581.04 MWh** of energy from various sources as part of its business operations. SSH operates across five different properties, each with its own specific characteristics. It is important to note that SSH is not the sole owner of these properties; in some cases, the premises are rented. As a result, certain factors—such as building design (e.g. shared utility meters, energy source selected during construction), the choice of building manager, or decisions made by the actual property owner—often predetermine the type of energy source used on site (ESRS E1-5, 35, 37).

TOTAL ENERGY CONSUMPTION IN MWh AND %



SHARE OF ENERGY CONSUMED BY SOURCE IN MWh AND %



(ESRS E1-5, 37;AR 35)

SSH consumed **312.81 MWh** of fossil-based energy, used primarily for lighting, heating, and operating a diesel-powered company vehicle (ESRS E1-5, 37(a); AR 32–33).

SSH engaged multiple electricity suppliers in 2024. One of them supplied electricity for a metering point that was 100% sourced from nuclear energy, representing 7.06 MWh. Taking into account the nuclear energy share from other suppliers—who deliver electricity from a mix of coal, gas, hydro, nuclear and other sources—the total amount of nuclear-sourced energy used by SSH was **32.43 MWh**. This represents a **5.58%** share of SSH’s total energy consumption in 2024 (ESRS E1-5, 37(b); AR 34)).

SSH consumed a total of **218.70 MWh** of energy from renewable sources. Although SSH does not operate any energy production facilities and therefore does not use renewable fuels from its own sources, it did consume 2.73 MWh of renewable energy via blended biodiesel in the company vehicle. This amount is already included in the total renewable energy consumption (218,70 MWh) (ESRS E1-5, 37(c)).

Out of the total renewable energy consumed, **215.97 MWh** was sourced as electricity and heat from renewable generation (ESRS E1-5, 37(c)(ii)).

SSH does not produce or generate energy—neither renewable, fossil-based nor otherwise—through owned infrastructure. All energy is purchased from the market (ESRS E1-5, 37(c)(iii), 39).

In 2024, **37.64%** of the total energy consumed by SSH for its operations was sourced from renewable energy. Fossil fuels accounted for **53.84%** of total energy consumption (ESRS E1-5, AR 34).

ENERGY CONSUMPTION DATA

(based on AR 34 table structure)	Energy Consumption and Mix	2024
(6)	Total energy consumption from fossil fuels	312.81 MWh
	Share of energy consumed from fossil fuels (%)	53.84%
(7)	Energy consumption from nuclear sources	32.43 MWh
	Share of energy consumed from nuclear sources	5.58%
(8)	Consumption of renewable fuels	2.73 MWh
(9)	Consumption of electricity and heat from renewable sources	215.97 MWh
(10)	Self-generated electricity or energy	0 MWh
(11)	Total renewable energy consumption	218.70 MWh
	Share of energy consumed from renewable sources	37.64%
Total energy consumed		581.04 MWh

4.4.4 Gross GHG Emissions for Scopes 1, 2 and 3, and Total GHG Emissions

SSH’s day-to-day operations, carried out in office premises, result in minimal Scope 1 and Scope 2 emissions (ESRS E1-6, 52; AR 41).

In 2024, **Scope 1 gross emissions** amounted to **28 tonnes of CO₂** equivalent, arising from the use of heating oil, natural gas, and diesel fuel. In accordance with the applicable legislation, SSH does not purchase emission allowances for fossil fuel consumption.

In 2024, **Scope 2 gross emissions, calculated using the market-based method**, amounted to **100.4 tonnes of Co₂e**. Using the location-based method, emissions would have totalled 126.2 tonnes CO₂e. SSH does not generate energy from its own facilities; all energy used is purchased from external suppliers.

Scope 3 gross emissions amounted to **617,453.6 tonnes of CO₂e**, primarily due to financed emissions associated with SSH’s equity investments. These emissions fall under Scope 3, Category 15 – Investments, and also include receivables, which alone accounted for 12,275 tonnes of CO₂e (ESRS E1-6, 44; AR 39)).

SSH prepared this Sustainability Report as a parent undertaking, on a voluntary basis. A consolidated sustainability report was not prepared. Gross Scope 1, 2 and 3 emissions for SSH amount to **617,582.0 tCO₂e** (market-based method).

For the purpose of carrying out its activities, SSH is not required to purchase emission allowances and does not do so under the EU ETS or any other (national) scheme. SSH does not trade in electricity and holds no financial instruments related to energy trading. All data on renewable energy sources is based on supplier-provided information (ESRS E1-6, 48(a)–(b), 50).

4.4.4.1 Total GHG Emissions, Gross GHG Emissions – Scopes 1, 2 and 3, and Individual Subcategories

YEAR		Unit	2024
Scope 1–3 MB	Total emissions from all scopes – market-based method	[tCO ₂ e]	617,582.0
Scope 1–3 LB	Total emissions from all scopes – location-based method	[tCO ₂ e]	617,607.8
Scope 1	Total Scope 1 emissions	[tCO ₂ e]	28.0
Scope 1.1	Fuel combustion in stationary installations	[tCO ₂ e]	174

Scope 1.1	Natural Gas	[tCO ₂ e]	15.0
Scope 1.1	Heating oil	[tCO ₂ e]	2.5
Scope 1.2	Fuel combustion in vehicles/transport	[tCO ₂ e]	10.6
Scope 1.2	Diesel	[tCO ₂ e]	10.6
Scope 1.3	Fugitive and other emissions (e.g. refrigerants, agriculture)	[tCO ₂ e]	0.0
Scope 1.4	Process emissions	[tCO ₂ e]	0.0
Scope 2 MB	Total Scope 2 emissions – market-based method	[tCO ₂ e]	100.4
Scope 2 LB	Total Scope 2 emissions – location-based method	[tCO ₂ e]	126.2
Scope 2.1a	Purchased electricity – market-based method	[tCO ₂ e]	52.0
Scope 2.1b	Purchased electricity – location-based method	[tCO ₂ e]	87.0
Scope 2.2a	Purchased district heating, steam, and cooling – market-based method	[tCO ₂ e]	48.4
Scope 2.2b	Purchased district heating, steam, and cooling – location-based method	[tCO ₂ e]	39.2
Scope 3	Total Scope 3 emissions	[tCO ₂ e]	617,453.6
Scope 3.1	Purchased goods and services	[tCO ₂ e]	25.0
Scope 3.2	Capital goods	[tCO ₂ e]	6.8
Scope 3.3	Fuel- and energy-related activities	[tCO ₂ e]	14.7
Scope 3.4	Upstream transportation and distribution of purchased goods/materials	[tCO ₂ e]	0.0
Scope 3.5	Waste treatment	[tCO ₂ e]	0.3
Scope 3.6	Business travel	[tCO ₂ e]	2.7
Scope 3.7	Employee commuting	[tCO ₂ e]	81.8
Scope 3.8	Upstream leased assets (not included in Scopes 1 and 2)	[tCO ₂ e]	0.0
Scope 3.9	Downstream transportation of products	[tCO ₂ e]	0.0
Scope 3.10	Processing of sold products/services	[tCO ₂ e]	0.0
Scope 3.11	Use of sold products/services during their lifetime	[tCO ₂ e]	0.0
Scope 3.12	End-of-life treatment of sold products	[tCO ₂ e]	0.0
Scope 3.13	Downstream leased assets	[tCO ₂ e]	0.0
Scope 3.14	Franchises	[tCO ₂ e]	0.0
Scope 3.15	Investment	[tCO ₂ e]	617,322.3

(ESRS E1-6, 44; 48(a)–(b); 49(a)–(b); 50–52(a)–(b); AR 39, 41, 43–47, 50, 52)

SSH has **617,453.6 tCO₂e** under Scope 3, **the majority of which comes from Scope 3.15**, which includes emissions from portfolio companies, proportionally allocated according to SSH’s ownership share in each company with equity investment. Emissions from SSH’s own operations across other Scope 3 categories are extremely small compared to those recorded under Scope 3.15. All material Scope 3 categories are reported (ESRS E1-6, 51; AR 46(d), 50, 52).

Scope 1.1 emissions result from the use of natural gas at two locations and heating oil at one location for heating purposes. Scope 1.2 emissions relate to the use of diesel fuel for a company vehicle. The most recent emission factors from ARSO (NKV and EF for fuels for 2023) were used. There were no fugitive emissions (ESRS E1-6, 48(b); AR 44).

Emission values for categories 3.1 to 3.14 are minimal compared to emissions under Scope 3.15, as SSH performs service-based activities. Scope categories 3.8 to 3.14 are not relevant for SSH (Category 3.13 was relevant in 2023).

In the document SSH Carbon Footprint Calculation Methodology (2023–2024), SSH defined the relevance of equity investments and receivables included in the calculation under Scope 3.15 and identified the portfolio companies to which data request forms were sent, based on a standardised methodology developed by the Jožef Stefan Institute (IJS), including instructions and recommended emission factors (ESRS E1-6, 51; AR 39(b), 46).

4.4.4.2 Total Location-Based and Market-Based GHG Emissions

YEAR		2024	
Scope 1–3 MB	Total emissions from all scopes – market-based method	[tCO ₂ e]	617,582.0
Scope 1–3 LB	Total emissions from all scopes – location-based method	[tCO ₂ e]	617,607.8
Scope 1	Total Scope 1 emissions	[tCO ₂ e]	28.0
Scope 2 MB	Total Scope 2 emissions – market-based method	[tCO ₂ e]	100.4
Scope 2 LB	Total Scope 2 emissions – location-based method	[tCO ₂ e]	126.2
Scope 2.1a	Purchased electricity – market-based method	[tCO ₂ e]	52.0
Scope 2.1b	Purchased electricity – location-based method	[tCO ₂ e]	87.0
Scope 2.2a	Purchased district heating, steam, and cooling – market-based method	[tCO ₂ e]	48.4
Scope 2.2b	Purchased district heating, steam, and cooling – location-based method	[tCO ₂ e]	39.2
Scope 3	Total Scope 3 emissions	[tCO ₂ e]	617,453.6

When comparing the different emission values reported under the location-based and market-based methods, the differences arise primarily from emissions associated with electricity consumption (ESRS E1-6, 44; 52(a)–(b); AR 47).

4.4.5 Methodology and Significant Assumptions

In preparing the 2024 Sustainability Report and calculating its carbon footprint, SSH applied the methodology and tool developed by the Jožef Stefan Institute (IJS), based on the GHG Protocol and in line with the requirements of ISO 14064-1:2018. For the purpose of calculating emissions, SSH obtained

activity data from suppliers of energy, raw materials, and services. These data were then multiplied by appropriate conversion and emission factors, which were sourced from: energy suppliers (market-based method), national institutions (IJS, ARSO), and international sources (UK BEIS). Emission factors were applied in accordance with the requirements of each GHG scope. For Scope 2, both the market-based and location-based methods were used, depending on data availability. At the time of preparing this Report, the most recent available emission factors were those applicable to the year 2023, as emission factors for 2024 will be published in mid-2025 (ESRS E1-6, 47; AR 39(b)).

Scope	Content	Methodology and explanation
S1-1	Direct emissions from stationary sources	Emission factors (EFs) for fuel types were sourced from ARSO, based on net calorific values (NCVs) and the 2023 fuel emission factor dataset. An emission factor of 0.204 kg CO2 eq/kWh was used for natural gas, 0.267 kg CO2 eq/kWh for ELKO heating oil, and 0.267 kg CO ₂ 2 eq/kWh for diesel fuel.
S1-2	Direct emissions from mobile sources	In 2024, SSH leased one diesel-powered and one electric vehicle. Emission factors (EFs) for fuel types were sourced from 2023ARSO, based on net calorific values (NCVs) and the 2023 fuel emission factor dataset. Emission factors were applied according to the GHG Protocol guidance, using residual mix data for the relevant countries.
S1-3	Fugitive emissions (cooling systems)	No refrigerant refillings occurred in 2024. Emission factors were sourced from the UK BEIS 2024 database.
S2-1	Indirect emissions from electricity consumption	Although SSH owns several properties, only five were in use in 2024. Electricity suppliers varied by location, depending on SSH's ownership share. Emission factors varied by supplier and were taken into account in the market-based methodology for calculating the carbon footprint, with one of the suppliers providing carbon-free electricity. Location-based factors were taken from the IJS-CEU website: https://ceu.ijs.si/izpusti-co2-tgp-na-enoto-elektricne-energije/ , leto. For electric vehicles, electricity consumption was calculated based on actual kWh or kilometres driven, using a conversion factor of 0.17 kWh/km. For electricity, the location-based emission factor of 0.252 kg CO ₂ /kWh and market-based emission factors by supplier were used (ranging from 0 to 454.254 kg CO ₂ /MWh).
S2-2	Indirect emissions from heat consumption	In 2024, SSH used district heating at one location. The calculation was based on the location-based emission factor published on the IJS-CEU website: https://ceu.ijs.si/izpusti-co2-tgp-na-enoto-elektricne-energije/ , and the market-based emission factor provided by the supplier. The location-based emission factor is 0.322 t CO ₂ eq/MWh, while the market-based emission factor is 0.398 t CO ₂ eq/MWh.
S3-1	Indirect emissions from purchased goods and services	In 2024, SSH monitored its consumption of office paper, drinking water, and investments and purchases and other costs of services related to IT and maintenance. Emission factors were sourced from the UK BEIS 2023 database and EXIOBASE (https://exiobase.eu/index.php/about-exiobase). Emission factors by category were calculated based on data from IJS-CEU. An emission factor of 0.177 kg CO ₂ /m ³ was used for water and 0.910 kg CO ₂ /kg for paper.
S3-2	Indirect emissions from capital goods	In 2024, SSH acquired capital goods in the ICT Department. Emission factors by category were calculated based on data from IJS-CEU.
S3-3	Indirect emissions from fuel- and energy-related activities not included in Scopes 1 and 2	This includes “well-to-tank” emissions from fuel and grid losses from electricity and heat distribution. Sources: IJS, ARSO, and UK BEIS 2024.
S3-4	Indirect emissions from upstream transport and distribution	SSH does not monitor the procurement logistics service for the purpose of carbon footprint calculation. According to estimates, these emissions are not considered material, as they relate only to a limited number of deliveries of paper and IT equipment.
S3-5	Indirect emissions from waste	Calculation is based on actual waste quantities per location (in kg), using an emission factor of 0.021 kg CO ₂ /kg from UK BEIS 2024.
S3-6	Indirect emissions from business travel	In 2024, SSH monitored passenger-kilometres from business travel by car, taxi, and air. Distance travelled and relevant emission factors were applied for each transport mode. Emission factors for the respective transport modes were sourced from publicly available data published by the UK Government (2024, BEIS): https://www.gov.uk/government/collections/government-conversion-factors-for-company-reporting .
S3-7	Indirect emissions from employee commuting	Emission factors for the respective modes of employee transport were sourced from publicly available data published by the UK Government (2024, BEIS): https://www.gov.uk/government/collections/government-conversion-factors-for-company-reporting .
S3-8	Indirect emissions from upstream leased assets	These emissions are fully reported under Scopes 1 and 2.
S3-9, S3-10, S3-11, S3-12,		Not relevant to SSH.
S3-13	Indirect emissions from downstream leased assets	Not relevant in 2024.
S3-15	Indirect Emissions from financial investments	This category includes all relevant equity investments held by SSH, excluding immaterial holdings, as documented in Annex 1 of the Methodology, based on the equity share approach. Each investee company calculated its carbon footprint independently but followed SSH's instructions and the unified methodology. SSH provided an Excel template for consistent data input and overall emissions calculation. It should be noted, however, that not all investees report across all scopes and categories, particularly Scope 3. Although many of the companies in which SSH holds equity investments are subject to ESRS and therefore required to have their carbon footprint data audited, SSH did not request or conduct independent verification of the companies' calculations due to the early stage of the reporting timeline. As a result, a certain degree of measurement uncertainty applies, particularly in relation to companies that are not subject to ESRS and are not included in the EU Emissions Trading System (EU ETS). Scope 3, Category 15 also includes receivables, calculated in proportion to the total of a company's equity and debt capital (where equity is negative, only debt capital is considered). This amount is then multiplied by the emission intensity for the relevant sector or another credible data source, expressed in tonnes of CO₂ per EUR million of revenue. Sectoral emission intensity data were obtained from expert sources. The calculation of emissions from receivables includes data from companies for which, based on the receivables valuation methodology, SSH assessed at least a 50% probability that the restructuring of the company or its debt will be successful, and that SSH, as creditor, will be repaid in full or in part from the company's cash flow or operations. Companies for which repayment from cash flow is deemed unlikely (i.e. the probability of successful restructuring is estimated at below 50%) are not included in the table. The list of such companies is provided in Annex 2 of the Methodology document. Emission factors for 2024 are applied as set out in this table, in line with ESRS E1-6 and Application Requirement AR 46(i)).

4.4.5.1 Disclosure of the Effects of Significant Events and Changes in Circumstances

In the calculation of Scope 3, Category 15, it is noted that in 2024, Maribor-ska livarna Maribor (hereinafter referred to as: MLM) entered bankruptcy proceedings and a bankruptcy trustee was appointed. The trustee did not provide SSH with carbon footprint data for 2024. As a result, SSH prepared its own estimate of MLM’s carbon footprint based on available data from the period during which the company was still operational.

In the same year, SSH transferred its real estate portfolio and employees to the company D. S. U. (ESRS E1-6, AR 42(c)).

Share of Scope 3 GHG Emissions Calculated Using Primary Data

SSH prepared its Scope 3 emissions reporting by including, where relevant to its activities, data from its own operations in Categories 3.1 to 3.14. The Category 3.15 covers data received from companies in which SSH holds a material equity interest (equity investments), as well as data related to re- ceivables.

Emissions in the upstream part of the value chain (Scope 3) were calculated using general emission factors. A market-based calculation was not possi- ble, as service providers (e.g. for water supply or waste collection) did not provide SSH with supplier-specific emission factors. To calculate the carbon footprint, activity data were based either on physical units (e.g. kilograms, cubic metres) or on cost-based values of products and services. These were then multiplied by emission factors developed by the Jožef Stefan Institute (IJS) or sourced from other databases.

The carbon footprint of receivables was calculated using SSH’s internal re- ceivables valuation methodology, applying general emission factors classi- fied by industry sector. The carbon footprint data provided by companies or groups in which SSH holds a material equity interest (Ssh’s equity in- vestments) were submitted via the same data collection tool SSH used for its own reporting. As a result, the same methodological guidelines applied to the preparation of these data as to the data SSH collected for Scope 3 Categories 3.1 to 3.14.

Scope 3.15, which includes equity investments and receivables, accounts for 99.98% of all Scope 3 emissions reported by SSH. Overall, Scope 3 rep- resents 99.98% of SSH’s total reported gross emissions across Scopes 1, 2, and 3 (ESRS E1-6, AR 46(g)).

List of Scope 3 GHG Emission Categories Included in or Ex- cluded from the Calculation

SSH included the following Scope 3 categories in its emissions calculation: 3.1, 3.2, 3.3, 3.5, 3.6, 3.7, and 3.15. The remaining categories were excluded, as SSH does not carry out any material activities associated with them. Details on excluded categories are provided in the methodology table under Cate- gory 3.15 (ESRS E1-6, AR 46(i)).

Reporting Boundaries and Methodology for Estimating Scope 3 GHG Emissions

For the purposes of Category 3.15, SSH requested emissions data from companies or groups in which it holds an equity interest greater than 3%, covering **a total of 23 companies**. Casino Bled and Casino Portorož were excluded, as SSH had entered into sale agreements for these investments and no longer manages them as part of its portfolio. Investments consid- ered immaterial in terms of carbon footprint (e.g. project-based companies

and similar entities) were also excluded from the calculation (ESRS E1-6, AR 46(h)).

SSH asked the investee companies to disclose their material Scope 3 cate- gories and to provide a total GHG emissions estimate, enabling SSH to cal- culate Scope 3.15 emissions proportionally based on its equity share in each company. The data received were prepared in accordance with the reporting capacities of each individual company or group.

The reporting boundaries for receivables are detailed in the methodology table under Category 3.15.

4.4.5.2 GHG Emissions Intensity – Location-Based

YEAR			2024
Net revenue	In accordance with IFRS 15	[EUR million]	4.9
Scope 1- 3 MB	Total emissions for all scopes – market-based method	[tCO ₂ eq]	617,582.0
Scopes 1–3 LB	Total emissions for all scopes – location-based method	[tCO ₂ eq]	617,607.8
Performance Indi- cators			2024
Scope 1–3/revenue MB	Scope 1–3 emissions per revenue – market-based method	[tCO ₂ eq / EUR million]	126,761.5
Scope 1–3/revenue LB	Scope 1–3 emissions per revenue – location-based method	[tCO ₂ eq / EUR million]	126,766.8

SSH operates under a specific mandate defined by its mission. Its income is derived from dividends on equity investments, rental income from leased real estate, fees for managing capital assets (equity holdings), and com- pensation for carrying out other procedures on behalf of the Republic of Slovenia).

Net Revenue Used for GHG Emissions Intensity Calculation (Revenue from Contracts with Customers)	EUR 4.9 million
Other Net Revenue (Financial Income)	EUR 115.4 million
Total Net Revenue (as reported in the financial statements)	EUR 119.9 million

SSH prepares its financial statements in accordance with applicable legislation and the requirements of IFRS. In line with IFRS 15 and ESRS E1-5, AR 36(e), only revenue from contracts with customers is included in the calculation of location-based GHG emissions intensity. Other operating income and financial income are excluded (ESRS E1-6, 55; AR 55).

4.4.6 EU Taxonomy

Regulation (EU) 2020/852 of 18 July 2020 (hereinafter referred to as: the “Taxonomy Regulation”) establishes a classification system for environmentally sustainable economic activities. The EU Taxonomy is designed to help investors identify environmentally sustainable economic activities, support the transition to a carbon-neutral future, and guide capital flows towards addressing the climate crisis and preventing further environmental degradation. In assessing taxonomy-related activities, SSH took into account the specific nature of its business model.

SSH manages the capital assets of the Republic of Slovenia and its own portfolio with the objective of maximising their long-term value, generating stable revenues for SSH and the state budget, and promoting sustainable development. The Company focuses on the long-term financial, strategic, and sustainability performance of its portfolio companies and operates as a holding company.

Given the specific characteristics of its business model, SSH did not identify any activities that would qualify as taxonomy-eligible. Consequently, it did

not carry out an assessment of alignment with the taxonomy, including compliance with the Do No Significant Harm (DNSH) criteria or the minimum safeguards.

Basis for Key Performance Indicators

The key performance indicators for turnover, capital expenditure (CapEx), and operational expenditure (OpEx) were assessed based on the definitions provided in Annex I to the Delegated Act on Disclosures and its subsequent amendments.

Turnover was based on revenue from contracts with customers, as disclosed in Note 2.7.11, in the amount of EUR 4,872 thousand. In 2024, revenues primarily consisted of income from investment management services provided directly to the Republic of Slovenia. Given the specific nature of SSH’s business model, these revenues have been assessed as not falling within the scope of the classification system for environmentally sustainable economic activities under the EU Taxonomy Regulation.

The capital expenditure (CapEx) base includes tangible fixed assets recognised in the Statement of Financial Position, as well as investment property. In 2024, capital expenditure related mainly to the purchase of office equipment amounting to EUR 83 thousand, and the transfer of inventory to investment property due to a change in intended use, totalling EUR 1,302 thousand. The latter was not classified as additional CapEx for 2024. Further disclosures regarding tangible fixed assets and investment property can be found in the Financial Statements under Note 2.7.1 Tangible Fixed Assets and Note 2.7.5 Inventory of Property and Equipment. Due to the immaterial nature of these amounts, they are not presented in detail in the tables that follow.

The operational expenditure (OpEx) base includes lease expenses not capitalised as right-of-use assets, maintenance and minor repair costs, and

other direct costs associated with the day-to-day servicing of tangible fixed assets, necessary to ensure their uninterrupted and efficient operation. These expenses are included under maintenance costs in the amount of EUR 549 thousand and rental costs in the amount of EUR 265 thousand, as disclosed in Note 2.7.12 – Cost of Goods, Materials and Services. No research and development expenses or building renovation costs were incurred in 2024.

SHARE OF TURNOVER FROM PRODUCTS OR SERVICES RELATED TO ECONOMIC ACTIVITIES ALIGNED WITH THE TAXONOMY – DISCLOSURE FOR 2024

Economic Activities (1)	Labels (2)	Absolute Turnover (3)	Proportion of Turnover (4)	Criteria for Substantial Contribution						Criteria for Do No Significant Harm						Minimum Safeguards (17)	Share of Turnover Aligned with the Taxonomy, 2023 (18)	Share of Turnover Aligned with the Taxonomy, 2022 (19)	Category (Enabling Activity) (20)	Category (Transition Activity) (21)	
				Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water and Marine Resources (7)	Circular Economy (8)	Pollution (9)	Biodiversity and Ecosystems (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water and Marine Resources (13)	Circular Economy (14)	Pollution (15)	Biodiversity and Ecosystems (16)						
	EUR	%	%	%	%	%	%	%	YES/NO	YES/NO	YES/NO	YES/NO	YES/NO	YES/NO	YES/NO	YES/NO	Percent-age	Percent-age	E	E	T
A. ACTIVITIES ELIGIBLE UNDER THE TAXONOMY	0																				
A.1 Environmentally Sustainable Activities (Taxonomy-Aligned)																					
Turnover from Environmentally Sustainable Activities (Taxonomy-Aligned) (A.1)	0		0%	0%	0%	0%	0%	0%	/	/	/	/	/	/	/	/					
Of which enabling activities	0		0%	0%	0%	0%	0%	0%	/	/	/	/	/	/	/	/			E	E	
Of which transitional activities	0		0%	0%	0%	0%	0%	0%	/	/	/	/	/	/	/	/				T	
A.2 Activities Eligible Under the Taxonomy but Not Environmentally Sustainable (Non-Taxonomy-Aligned Activities)																					
Turnover from Activities Eligible Under the Taxonomy but Not Environmentally Sustainable (Non-Taxonomy-Aligned Activities) (A.2)		0		0%	0%	0%	0%	0%	0%	/	/	/	/	/	/	/					
Total (A.1 + A.2)		0		0%	0%	0%	0%	0%	0%	/	/	/	/	/	/	/					
B. ACTIVITIES NOT ELIGIBLE UNDER THE TAXONOMY		4,872																			
Turnover from Activities Not Eligible Under the Taxonomy (B)		4,872																			
Total (A + B)		4,872	100%																		

PROPORTION OF CAPITAL EXPENDITURE FOR PRODUCTS OR SERVICES RELATED TO ECONOMIC ACTIVITIES ALIGNED WITH THE TAXONOMY – DISCLOSURE FOR 2024

Economic Activities (1)	Labels (2)	Absolute Capital Expenditures(3)	Proportion of Capital Expenditures (4)	Criteria for Substantial Contribution						Criteria for Do No Significant Harm		Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water and Marine Resources (13)	Circular Economy (14)	Pollution (15)	Biodiversity and Ecosystems (16)	Minimum Safeguards (17)	Proportion of Capital Expenditures Aligned with the Taxonomy, 2023 (18)	Proportion of Capital Expenditures Aligned with the Taxonomy, 2022 (19)	Category (Enabling Activity) (20)	Category (Transition Activity) (21)
				Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water and Marine Resources (7)	Circular Economy (8)	Pollution (9)	Biodiversity and Ecosystems (10)	YES/NO	YES/NO											
		EUR	%	%	%	%	%	%	%		YES/NO	YES/NO	YES/NO	YES/NO	YES/NO	YES/NO	YES/NO	YES/NO	Per-centage	Per-centage	E	T
A. ACTIVITIES ELIGIBLE UNDER THE TAXONOMY																						
A.1 Environmentally Sustainable Activities (Taxonomy-Aligned)																						
Refurbishment of Existing Buildings		0		100%	0%	0%	0%	0%	0%		/	/	/	/	/	/	/				E	T
Installation, Maintenance, and Repair of Energy-Efficient Equipment		0		100%	0%	0%	0%	0%	0%		/	/	/	/	/	/	/				E	
Installation, Maintenance, and Repair of Instruments and Devices for Measuring, Regulating, and Controlling Building Energy Efficiency		0		100%	0%	0%	0%	0%	0%		/	/	/	/	/	/	/				E	
Installation, Maintenance, and Repair of Renewable Energy Technologies		0		100%	0%	0%	0%	0%	0%		/	/	/	/	/	/	/				E	
A.1 Capital Expenditure in Environmentally Sustainable Activities (Aligned with the Taxonomy)		0		0%	0%	0%	0%	0%	0%		-	-	-	-	-	-	-					
Of which enabling activities		0		0%	0%	0%	0%	0%	0%		/	/	/	/	/	/	/				E	
Of which transitional activities		0		0%	0%	0%	0%	0%	0%		/	/	/	/	/	/	/					T
A.2 Activities Eligible Under the Taxonomy but Not Environmentally Sustainable (Non-Taxonomy-Aligned Activities)																						
Refurbishment of Existing Buildings		0		0%	0%	0%	0%	0%	0%		/	/	/	/	/	/	/					
Installation, Maintenance, and Repair of Energy-Efficient Equipment		0		0%	0%	0%	0%	0%	0%		/	/	/	/	/	/	/					
Installation, Maintenance, and Repair of Instruments and Devices for Measuring, Regulating, and Controlling Building Energy Efficiency		0		0%	0%	0%	0%	0%	0%		/	/	/	/	/	/	/					
Installation, Maintenance, and Repair of Renewable Energy Technologies		0		0%	0%	0%	0%	0%	0%		/	/	/	/	/	/	/					
A.2 Capital Expenditure in Activities that are Taxonomy-Eligible but not Environmentally Sustainable (Non-Taxonomy-Aligned Activities) (A.2)				0%	0%	0%	0%	0%	0%		/	/	/	/	/	/	/					
Total (A.1 + A.2)		0		0%	0%	0%	0%	0%	0%		/	/	/	/	/	/	/					
B. ACTIVITIES NOT ELIGIBLE UNDER THE TAXONOMY																						
		83																				
Capital Expenditure in Activities that are Not Taxonomy-Eligible (B)		83																				
Total (A + B)		83	100.00%																			

4.5 SOCIAL INFORMATION

Employees are essential to the Company's success. Their satisfaction and motivation have a direct impact on productivity, the quality of services, and overall business performance. Within the "S" area of the European Sustainability Reporting Standards, several IROs have been identified, primarily relating to the own workforce. Based on the IRO assessment, human resources management was identified as a material topic, comprising:

- training and development of knowledge and skills;
- employee satisfaction and retention; and
- workforce renewal.

To capture a broader picture of the Company's practices regarding employees and to highlight additional factors influencing the materiality of this topic, the following aspects related to the working conditions of the own workforce are described below, covering in particular:

- workers' rights,
- occupational health and safety; and
- employee engagement.

High-quality working conditions are important for employee satisfaction; therefore, SSH also focuses on creating a safe, inclusive, healthy, and stimulating working environment, thereby impacting its employees at all hierarchical levels (ESRS S1, SBM-3, 14; AR 6–7). SSH cooperates with companies providing consultancy and other services necessary for the Company's operations. Occasionally, SSH engages individual contractors under copyright agreements, and, exceptionally, it hires students to perform light work. SSH has no significant influence over any of these workers who are not part of

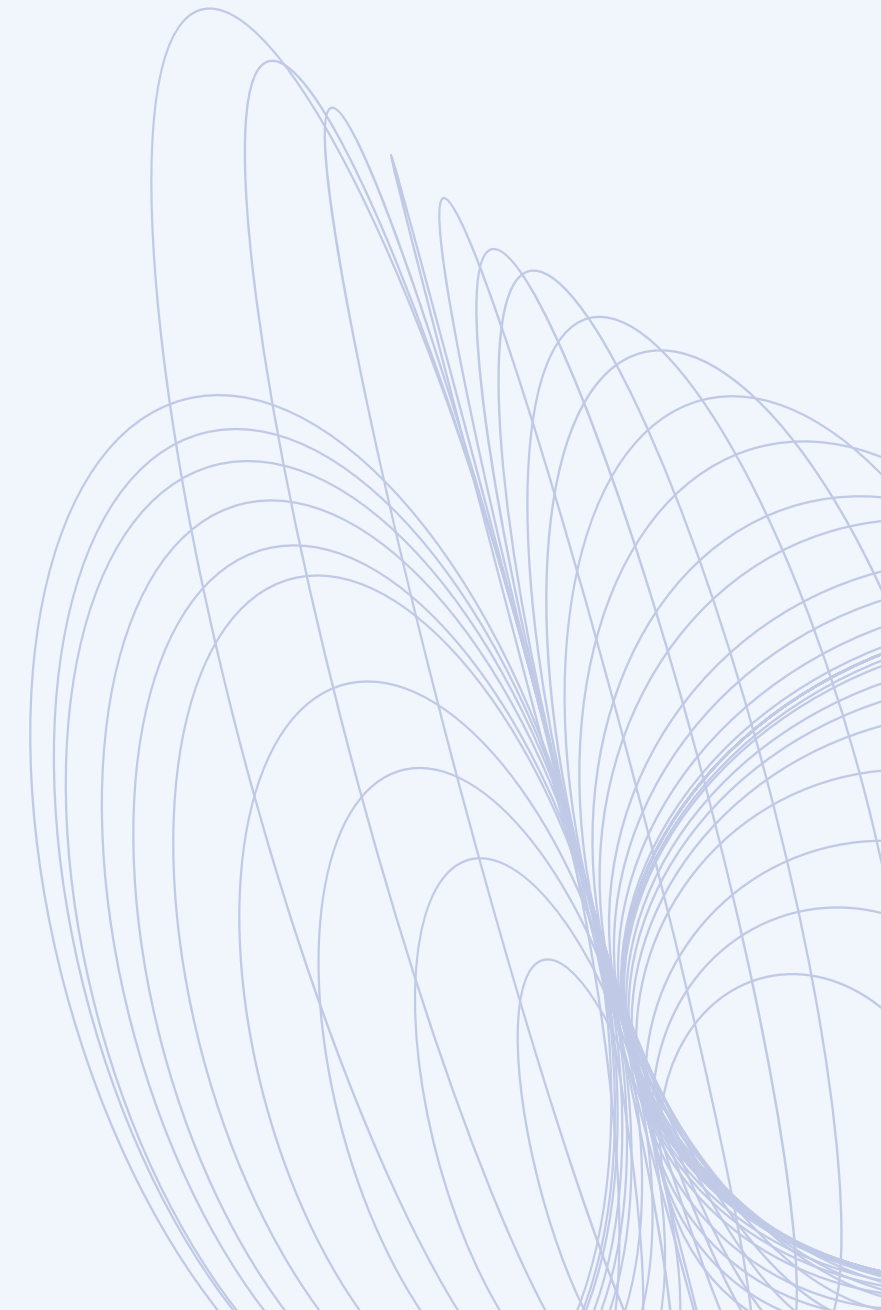
the own workforce. In 2024, four copyright agreements were signed for one-off intellectual services; one student was engaged for half of the year, working an average of 94 hours per month, equivalent to 0.5 FTE. No other forms of work performed by persons outside the own workforce were in place in 2024, or the data are not available (ESRS S1-7, 55–57; AR 64–65).

Metrics and targets for all the above topics were not defined in 2024, as SSH began developing its Corporate Strategy at the end of the year, to which activities in the relevant areas will be aligned in the coming years (ESRS S1, MDR 72).

4.5.1 Working Conditions

4.5.1.1 Workers' Rights

Several internal policies have been adopted regulating the rights and obligations of employees and the area of undesirable conduct in the workplace. All policies are available to employees on the Intranet and are presented in the table below. Due to oversight by public authorities, media exposure, and the need to preserve its reputation, SSH works with employees in a transparent and professional manner. Given the nature of its activities, SSH has not adopted additional policies explicitly addressing human trafficking, forced labour, or child labour (ESRS S1-1, 22).



Policy/Instrument	Description	Key topics	Responsible person/ department for policy implementation
Guidelines on the allocation of working time	Guidelines for employees on how working time and breaks are counted, recorded, and allocated when working in the office or from home.	• Definition of business hours and official office hours • Allocation of full working time, calculation of hours of presence at work, and provision of rest periods • Recording of attendance or absence, remote work, etc.	HR and General Affairs Department
Employment Relationships Rules	These Rules summarise certain provisions of the Employment Relationships Act and additionally set out the rules, rights, and obligations applicable from the start to the end of employment in SSH.	• Conclusion of employment (employment, remote work) • Termination of employment contract • Rights, obligations, and responsibilities arising from employment (working time, right to disconnect) • Breaks, leave, absences from work with and without wage compensation • Education • Mentoring	HR and General Affairs Department
Hybrid Work Guidelines	This document sets out instructions for employees and managers for agreeing on hybrid working arrangements. Based on these instructions, the relevance and frequency of remote work for a particular employee can be assessed.	• Guidelines for organising hybrid work (taking into account the position, competences, the individual, and the number of remote working days) • Planning hybrid work • Managing employees in hybrid work arrangements (measuring performance, cooperation and communication, safe and healthy home working)	HR and General Affairs Department
Code of Ethics	The Code of Ethics sets out the fundamental principles of acceptable conduct and behaviour for SSH employees. The observance of these principles strengthens the reputation of both employees and the company as a whole, promotes integrity, responsibility and accountability, and helps prevent corruption risks, unlawful acts and unethical conduct.	• Core values • Fundamental principles • Interpersonal relations	Chief Compliance and Integrity Officer
Rules on Handling Alleged Irregularities and Whistleblower Protection	These Rules set out in detail the procedures to be followed in the event of: • Alleged irregularities by employees, members of the bodies, and working bodies of SSH • Alleged irregularities in SOEs, reported by whistleblowers who became aware of them in the workplace or outside it • Unethical or unlawful conduct or influence	• Whistleblowers and the handling of reports • Conduct in the event of alleged irregularities by employees, members of the bodies, and consultation bodies of SSH • Handling irregularities in SOEs • Measures to eliminate identified irregularities	Chief Compliance and Integrity Officer
Rules on the Prohibition of Working under the Influence of Alcohol, Drugs, and Other Prohibited Substances	To ensure healthy and safe working conditions and a safe working environment, these Rules prohibit SSH employees from working under the influence of alcohol, drugs, or other prohibited substances, and lay down the procedures for carrying out internal checks and establishing violations.	• Definition of prohibited conduct • Procedure for determining employee intoxication and/or the presence of prohibited psychoactive substances	Authorised person of an external provider
Rules on the Prevention of Mobbing and Other Forms of Bullying and Harassment in the Workplace	These Rules govern the identification, prevention, and elimination of the consequences of mobbing.	• Definition and identification of mobbing • Preventive measures • Procedure for determining mobbing • Measures in the event of established mobbing	Advisor for Assistance to Victims of Mobbing

(ESRS S1-1, 19; MDR-P 65)

In cases of mobbing, employees have access to an Advisor for Assistance to Victims of Mobbing, who can provide support during the so-called pre-procedure stage. The Advisor periodically organises training sessions and publishes relevant materials on mobbing on the internal portal. If an employee decides to submit an official report of an unwanted act, it is sent to the SSH Management Board, which refers the case to the Ethics Committee for consideration. The Committee also examines any reported breaches of the Code of Ethics. In 2024, the Company did not handle any reports of mobbing, any form of discrimination, or any other breaches of the Code or the Rules. SSH is committed to building a fairer, more open, and inclusive society and to managing diversity, as demonstrated by its support for the “Inclusive World” project, which focuses on the active inclusion of persons with disabilities in the labour market (ESRS S1-1, 24(a–d)).

The Rules on the Prevention of Mobbing and Other Forms of Bullying and Harassment in the Workplace and the Rules on Handling Alleged Irregularities and Whistleblowers Protection stipulate that the employer must prevent the stigmatisation of victims of mobbing in the workplace and reintegrate them into the work process and work environment as soon as possible. The employer must also take all necessary measures to protect whistleblowers in accordance with the provisions of the Whistleblower Protection Act relating to the handling of internal and/or external reports (ESRS S1-3, 33).

In 2019, within the framework of the initiative of the Ministry of Foreign Affairs of the Republic of Slovenia, SSH signed a declaration on respecting human rights in business, undertook commitments, and issued recommendations for responsible business, which it requires of portfolio companies. A review of compliance with the UN Guiding Principles on Business and Human Rights has not yet been carried out (ESRS S1-1, 21; AR 12). SSH consistently complies with legislation in this field and, following the signing of the above declaration, also adopted an action plan, which it will update in the

future, including the planned measures. One of the strategic projects under the newly adopted Corporate Strategy is to ensure full compliance with the ESRS (ESRS S1-1, 20). No complaints relating to the own workforce in the area of human rights were recorded in 2024 (ESRS S1-17, 103(b); AR 103–106).

List of key measures (adopted during the reporting year or planned for the future)	Description of measures	Expected results:	Timeframes in which the Company intends to implement each key measure
Monitoring and implementation of changes in labour legislation	At the end of 2024, the Rules on Employment Relationships were amended to include the right to disconnect.	Active monitoring of changes in national and European Union labour legislation and alignment of the company's policies.	Detailed monitoring of developments in labour legislation, with continuous attention to all significant changes.
Organising training on mobbing	The Advisor for Assistance to Victims of Mobbing periodically organises training and publishes relevant materials on mobbing on the internal portal.	Raising employee awareness and refreshing knowledge regarding inappropriate conduct.	Periodically, as required.
Appointment of a Human Rights Officer	Following the transfer of employees to DSU, a new Human Rights Officer will need to be appointed within the company.	Appointment of a Human Rights Officer and adoption of an action plan in this area.	First half of 2025.
Implementation of activities under the Human Rights Action Plan	In the future, greater emphasis will be placed on implementing the activities of the action plan and carrying out due diligence to identify key human rights risks.	Filling any gaps and establishing a mechanism to address and mitigate the consequences of violations.	The timeline for activities will be determined by the Human Rights Officer.
Inclusion of contractual commitments on respect for human rights in public procurement and contracts with external contractors	In the future, the possibilities of adding a clause on respect for human rights to contracts with external contractors or consultants will be examined.	Cooperation with companies that respect human rights.	The timeline for activities will be determined by the Human Rights Officer.

(EESRS S1 MDR-A, 68)

4.5.1.2 Employee Health and Safety

Health and well-being are the foundations of a balanced life; therefore, an effective occupational health and safety management system and a culture that promotes a healthy lifestyle are of key importance for SSH. As at 31 December 2024, all SSH employees were included in the occupational health and safety management system. The policies are available to all employees on the Intranet.

Policy/Instrument	Description	Key topics	Responsible person/department for policy implementation
Safety Statement and Risk Assessment	This document sets out the occupational health and safety policy and specifies the measures for its effective implementation. The purpose of this statement is to reduce the risk of injuries and health impairments, while also serving as a proposal for preventive activities in accordance with the provisions of the Health and Safety at Work Act (ZVZD).	- Information on work premises and risk assessment - Risk assessment and measures for individual job categories - Review of the assessment and record keeping	HR and General Affairs Department
Family-Friendly Enterprise Protocol (FFE Protocol)	The purpose of the Family-Friendly Enterprise Protocol is to inform employees of the FFE measures selected to support work-life balance, as well as the purpose and method of using each individual measure.	- Presentation and purpose of measures * - Activities relating to each individual measure	Human Resources and General Affairs Department/Family-Friendly Enterprise Group
Socially Responsible Employer Certificate (SRE Certificate)	The purpose of the SRE Certificate is to inform employees of the measures under the core and certified areas selected to support work-life balance and to improve occupational health and safety.	- List of measures in the certificate's areas - Activities in the certificate's areas will be published after the revision of the Family-Friendly Enterprise Protocol	Corporate Social Responsibility Officer
Workplace Health Promotion Plan	The Workplace Health Promotion Plan includes the implementation of measures required to ensure the safety and health of employees and other persons present in the work process, as well as the communication and training of employees on the principles of a healthy lifestyle.	- Key areas of health promotion - Content of health promotion activities and employee surveys - Communication and training - Annual reporting on implemented activities	Health Promotion Group

(ESRS S1-1, 19; MDR-P 65)

The Company has adopted a Safety Statement and Risk Assessment and has in place a robust occupational health and safety system, as well as measures to prevent work-related injuries for all employees. It works effectively with an external provider of occupational health and safety and occupational medicine services, which prepares audits and recommendations in this area.

Several employees are trained in the first aid and the initial fire extinguishing, and notices are posted at various locations in the business premises on how to act in the event of natural disasters or accidents involving employees, as well as whom to contact when a situation becomes unmanageable. All employees receive periodic training, and evacuation drills are carried

out regularly (ESRS S1-1, 23). In 2024, no work-related accidents were recorded among the company's own workforce (ESRS S1-14, 88(c); AR 89–91).

Hybrid work has become a best practice in recent years and was also implemented in 2024. The analysis showed that employees comply with occupational health and safety regulations when working from home. Therefore, the established hybrid work model will be maintained in the future, provided that work processes allow (ESRS S1-1, 23).

After a decade of holding the Family-Friendly Enterprise certificate, SSH obtained, at the end of 2024, the extended Socially Responsible Employer certificate, which incorporated the area of work-life balance. This area includes measures such as a child time bonus; reduced working hours due to family obligations; additional days of paid leave for urgent family reasons; flexible work breaks; and reintegration of employees into work after a longer absence (ESRS S1-1, 23). The newly certified area of occupational health and safety, to which SSH has committed through continuous improvements and upgrades, includes measures such as adequate workplace lighting; ensuring thermal comfort; training in the psychosocial aspects of work; and an operational workplace health promotion plan (ESRS S1-14, 88(a); AR 80).

For several years, SSH has operated a health promotion group which, through various activities (e.g. healthy breakfast; weekly fruit in the office; company bicycle; bonus hours for preventive medical check-ups; etc.), encourages healthy eating and supports good mental and physical well-being. To ensure that the adopted measures under the certificate are continuously implemented, maintained, and upgraded, responsibility rests with the Corporate Social Responsibility Officer and an external provider, which conducts regular audits (ESRS S1-1, 23). Employees' satisfaction with the implementation of the measures, as well as suggestions for updates or for the introduction of new measures, are monitored (ESRS S1-4, 38(c); AR 42).

List of key measures (adopted during the reporting year or planned for the future)	Description of measures	Expected results:	Timeframes in which the Company intends to implement each key measure
Assessment of Hybrid Working	In 2024, an analysis of remote work was carried out, and the continuation of this arrangement was approved, taking into account the distance between the employee's place of residence and the workplace.	Effective management of hybrid working, delivering equal or improved performance and increased job satisfaction.	Annually
Occupational Health and Safety Measures under the Socially Responsible Employer Certificate	At the end of 2024, occupational health and safety measures were adopted, to be implemented and further enhanced over the next three years: - adequate workplace lighting, - ensuring thermal comfort in the working environment, - achieving a safe working environment in cooperation with experts, - training of employee representatives, - training on the psychosocial aspects of work for all employees, - promotion of healthy eating through various activities, - fresh fruit, - active breaks with stretching exercises, etc.	Implementation or enhancement of measures to improve working conditions and employee satisfaction.	Annually
Workplace Health Promotion Plan	In 2024, a survey was conducted on the employee satisfaction with the measures in place, and a plan for the current year was prepared, taking into account certain proposals for updating measures relating to employees' mental and physical health.	Planned workplace health promotion activities implemented.	Annually

(ESRS S1, MDR-A)

4.5.1.3 Employee Engagement

No collective agreement applies to SSH; therefore, the provisions of the Employment Relationship Act and internal rules are applied. All employees are represented by the five-member Employees' Council which, on the basis of the Agreement on Employee Participation in Management, submits propos-

als, opinions and consents to the SSH Management Board and participates in decision-making on certain human resources and corporate matters. The policy is available to all employees on the Intranet (ESRS S1-8, 63(a); AR 69).

Policy/Instrument	Description	Key topics	Responsible person/department for policy implementation
Agreement on Employee Participation in Management	The employer and the Employees' Council regulate, by concluding the agreement, the rights and method of employee participation in the Company's management.	- Cooperation between the company's Management Board and the works council - Joint consultation - Co-decision-making by the Employees' Council - Suspension of the employer's decision - Conditions for work and provision of resources for the Employees' Council - Rights and obligations of the works council and the Company's Management Board	President of the Employees' Council and the Company's Management Board

(ESRS S1-1, 19; MDR-P 65)

The Employees' Council informs employees, collects and communicates their positions to the executive management, organises employee assemblies, and participates in preparing internal policies, rules and regulations and in resolving potential disputes. Elected for a four-year term, representatives of the Employees' Council act in the interest of employees, ensure compliance with legislation, and implement agreements. The Company co-operates with the Employees' Council in preparing and adopting important decisions and, in certain cases, is obliged to take its opinion into account, as the Employees' Council may, in some instances, suspend decisions and initiate dispute resolution procedures. The Employees' Council also publishes an annual report on its activities (ESRS S1-2, 27(a–e)). In 2024, a significant impact resulted from the transfer of a large number of employees to another company, which was addressed by initiating timely coordination of the transfer of work and employees, together with joint consultations between the two Management Boards and employee representatives of both companies (ESRS S1-3, 32(a); AR 27).

Employees may submit proposals, requests, and initiatives, depending on their content, to the relevant departments or designated persons (Advisor for Assistance to Victims of Mobbing, Human Rights Officer, Corporate Social Responsibility Officer, Human Resources Department, Compliance and Integrity Department) through various communication channels (ESRS S1-3, 32(b); AR 28). Proposals or complaints related to the rights and obligations of employees are generally handled by the human resources department or by one of the above-mentioned authorised persons, and, if necessary, by the Ethics Committee (ESRS S1-3, 32(c)). Each department or authorised person is obliged to respond to and treat employee proposals confidentially, regardless of the channel through which they are submitted (ESRS S1-3, 32(e)).

No measures or targets have been set in this area, as constructive cooperation between the Employees' Council and the Company's Management Board takes place under the existing policy (ESRS S1, MDR 62).

4.5.2 Human Resource Management

SSH has several internal instruments, listed under working conditions, that directly or indirectly have a positive impact on its own workforce, prevent or mitigate negative impacts and risks, and make use of opportunities identified in the field of human resource management. This material topic relating to the own workforce encompasses training and the development of knowledge and skills, employee satisfaction and retention, and workforce renewal, which are described in more detail below.

Material IROs in the area of human resource management are addressed through policies that are available to all employees on the Intranet and are listed in the table below.

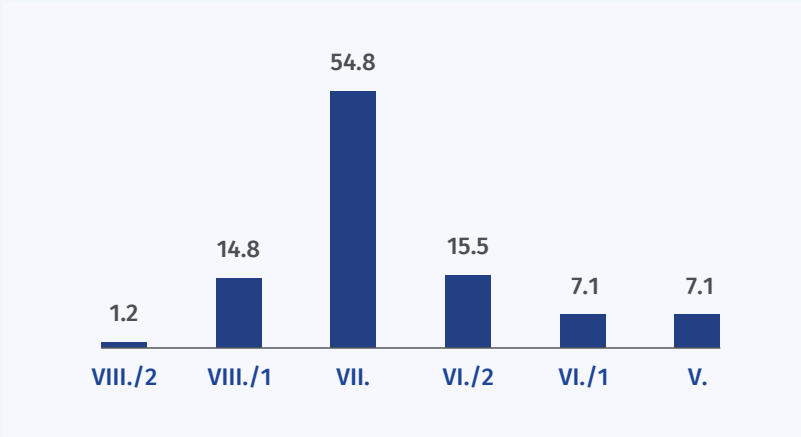
HUMAN RESOURCES MANAGEMENT				
Policy/Instrument	Description	Key topics	Material impacts, opportunities and risks related to policies	Responsible person/department for policy implementation
SSH Human Resources Strategy	The purpose of SSH's Human Resources Strategy for the period 2024–2026 is to plan and implement effective and appropriate human resource management in order to support the Company's objectives with empowered employees and to define key directions that will help address staffing needs within the company. The Human Resources Strategy 2024–2026 is a continuation and upgrade of the activities under the previous strategy and is based on the progress achieved in the HR field.	• Analysis of activities in previous years • Demographic and educational structure of employees • Trends in the HR field • SSH strategic HR directions	• Low employee interest in training and, consequently, slower development • Insufficiently developed competences (including leadership competences) • Organisational changes that may result in adjustments to employee development plans • Effective human resource management	HR and General Affairs Department
TRAINING AND DEVELOPMENT OF KNOWLEDGE AND SKILLS				
Rules on Professional Development and Employee Training	The Rules on Professional Development and Employee Training at SSH set out the rights and obligations of employees in relation to professional development – training in the interest of the company or the employee. They include the preparation of the annual training cost plan for each organisational unit and instructions for submitting training applications.	• Annual training plan • Training opportunities • Procedure for submitting proposals for training and approving requests • Training Contract	• Low employee interest in training and, consequently, slower development • Insufficiently developed competences (including leadership competences)	HR and General Affairs Department
EMPLOYEE SATISFACTION, RETENTION, AND WORKFORCE RENEWAL				
Policy on the Management of Key Talent, High-Potential Employees, and Successors	The Policy on the Management of Key Talent, High-Potential Employees, and Successors defines the rules and procedures for identifying and managing three categories of employees: key employees, high-potential employees, and successors.	• Definition of employee categories (key employees, high-potential employees, and successors) • Definition of key positions • Assessment process and selection of employees • Development and retention of key and high-potential employees and successors	• Effective human resource management	HR and General Affairs Department
Rules on Wages, Other Remuneration, and Variable Pay	The Rules on Wages, Other Remuneration, and Variable Pay at SSH set out the remuneration framework for employees.	• Basic and variable components of wages (assessment of regular work and specific objectives) • Company performance • Regular and extraordinary promotions • Wage supplements and allowances • Reimbursement of expenses • Severance pay • Collective voluntary supplementary pension insurance • Solidarity assistance • Jubilee awards	• Effective human resource management	Human Resources and General Affairs Department and Finance and Accounting Department
Strategy for the Effective Management of Older Employees	The purpose of this strategy is to plan and implement effective and appropriate management of older employees, supporting the company's objectives through empowered staff, and to define key directions to address staffing needs.	• Situation analysis (demographics, HR challenges, and needs in the area of active ageing) • Action plan for the effective management of older employees (development, intergenerational cooperation, engagement, and inclusion)	• Effective human resource management	HR and General Affairs Department

The Human Resources Strategy, which sets out measures addressing identified material negative impacts, risks, and opportunities, also contains a review of activities already carried out in the HR area, an analysis of the demographic situation and educational structure of employees, an overview of HR trends, and the main HR directions. The SSH Corporate Strategy, adopted in March 2025, places particular emphasis on developing employee competencies, which will also be appropriately and additionally incorporated into the Human Resources Strategy (ESRS S1-4, 38(b), 40(a–b); –AR 44–45, AR 47). In 2024, no specific targets were set in this document, as work had commenced on drafting the Corporate Strategy, to which all HR activities, including their implementation timeline, will be aligned in accordance with the company’s needs (ESRS S1-5, 81; MDR 72).

4.5.2.1 Training and development of knowledge and skills

Considering the nature of work carried out in SSH, mostly highly qualified staff is employed. The proportion of employees by education level as at 31 December 2024 is shown in the graph below.

QUALIFICATION STRUCTURE OF SSH EMPLOYEES AS AT 31 DEC 2024, IN %



The Company actively promotes employee training. In 2024, particular emphasis was placed on improving the communication and digital competences of all employees, as well as leadership competences for managerial and executive staff. On average, each employee completed 49.4 hours of training, primarily focused on acquiring or refreshing professional knowledge, with a smaller proportion dedicated to the development of soft skills (ESRS S1, SBM-3, 14(c)).

THE AVERAGE NUMBER OF TRAINING HOURS PER EMPLOYEE BY GENDER IS PRESENTED IN THE TABLE BELOW (ESRS S1-13, 83(B); AR 78):

Employees as at 31 Dec 2024		Average hours TOTAL	Average hours/gender
Men	26	1,182.5	45.5
Female	58	2,965.5	51.1
TOTAL		4,148.0	49.4

Organisational changes may influence employee development, potentially resulting in the restructuring of individual development plans. There is a clear need for the continued enhancement of managerial competences among managers and other leaders. Incompetent managers can lead to suboptimal team leadership, the loss of high-potential employees, burnout among overburdened staff, and tasks being completed unsuccessfully or delayed (ESRS S1, SBM-3, 14(b)). To address this, the Human Resources Department periodically organises mandatory training for managers, monitors satisfaction with the training content, and, where necessary, arranges (additional) individual training sessions. The SSH Corporate Strategy, adopted in March 2025, directly addresses the issue of underdeveloped competences by providing for the establishment of a competence model, which will serve as a tool for assessing gaps and developing employee competences. Competence enhancement will no longer be optional but expected (ESRS S1-4, 38(a); AR 42).

It is also important to address the low level of employee interest in training, as well as their growth and development in the workplace (ESRS S1, SBM-3, 14(b)). The Human Resources Department periodically organises mandatory training for employees, based on identified needs and preferences (in 2024, this included a series of modules on communication and the improvement of digital competences) (ESRS S1-4, 38(a); AR 42).

Measures to strengthen competences will be implemented under the SSH Corporate Strategy, whose strategic objective is the development of employee competences by 2028 (definition of target competences, assessment of competences and development gaps, competence development programme, and reassessment(ESRS S1-4, 37).

List of key measures (adopted during the reporting year or planned for the future)	Description of measures	Expected results:	Timeframes in which the Company intends to implement each key measure
Organisation of periodic personalised group training for employees	In 2024, training sessions were organised in the fields of communication and the enhancement of digital competences.	Improvement of employee competences.	Annually
Organisation of periodic personalised group training for managers	In 2024, training sessions on modern leadership skills were organised.	Improvement of leadership competences.	Annually
Competence model for employee development	A competence model will be established in the future to serve as a tool for assessing gaps and developing employee competences.	Competence model established for different groups of employees.	By 2028
Upgrade of the job catalogue	In the future, the job catalogue will be upgraded with expected behaviours and competences.	Clear requirements and expectations for holding a position.	To be defined following the adoption of the SSH Corporate Strategy

(ESRS S1-4, 37; MDR-A)

4.5.2.2 Employee Satisfaction and Retention

Open and regular communication with and among employees is the foundation for a positive, agile organisational culture and climate, the maintenance of good relationships, and the achievement of strong business results. The objectives of employee relations at SSH are to ensure that employees are well-informed, raise awareness of the company’s mission, strategy, and values, encourage team integration, promote the exchange of knowledge, ideas, and experience, and foster engagement by recognising both team and individual achievements. The communication channels, purposes of cooperation, and effects are presented in the table in Section [SBM-2](#) (ESRS 2, SBM-2, 45(a)(i–v)).

The internal portal is accessible to all employees at all times and provides information on all areas relevant to the company’s operations. In addition, employees are informed of current matters, including notifications of newly adopted or amended internal acts, also via e-mail (ESRS S1-3, 33; AR 31).

SSH organises an annual employee gathering, which is generally socially beneficial. In 2024, more than one hundred employees, in cooperation with SiDG, participated in tree planting. Informal gatherings and SSH’s participation in such projects help strengthen employee cooperation, support desired values and behaviours, and build employee loyalty and satisfaction with the employer (ESRS S1, SBM-3, 14(c)).

In general, a risk has been identified in human resource management, particularly regarding the transfer of knowledge, retention of key staff, and timely succession planning (ESRS S1, SBM-3, 14(d); AR 44). The company is building its reputation as an employer of choice and seeks to positively influence its workforce through measures under the Family-Friendly Enterprise and Socially Responsible Employer certificates. Activities aimed at improving the reconciliation of professional, private, and family life, occupational safety and health, and health promotion groups that encourage

employees’ mental and physical well-being have been described in the section on [employee safety and health](#). These activities are intended to improve working conditions, the working environment climate, and overall employee satisfaction with the employer.

According to the latest employee satisfaction survey, satisfaction has been rated as good. Surveys are conducted at least once a year, usually internally. At the end of 2024, engagement was measured for the first time using the Gallup methodology, showing comparable results for SSH employee engagement with those of other companies in Slovenia. This measurement serves as a baseline for strategic directions under the SSH Business Strategy, which will monitor the effects of activities in the coming years (ESRS S1-4, 37).

List of key measures (adopted during the reporting year or planned for the future)	Description of measures	Expected results:	Timeframes in which the Company intends to implement each key measure
Organising employee events with a focus on connection and cooperation	In 2024, more than one hundred employees, in cooperation with SiDG, participated in tree planting. An autumn picnic and a pre-Christmas gathering were also organised.	Improved cooperation and connection among employees, and greater engagement.	Annually
Building a reputable employer brand	In 2024, the company upgraded the Family-Friendly Enterprise certificate to the Socially Responsible Employer (SRE) certificate, which combines the areas of work–life balance, including family life, with occupational safety and health.	SSH as an employer of choice.	Further enhancement of the SRE certificate areas in the coming years.
Measuring engagement using the Gallup methodology	In 2024, employee engagement was measured for the first time.	Greater employee engagement (monitoring the results of measurements) through activities aimed at increasing the proportion of actively engaged employees.	Periodic measurement
Identification of high-potential staff and successors for specific positions	In the future, high-potential staff and successors for specific positions will be identified based on defined characteristics and competences required for each position.	Identified staff who can, within a few years, replace employees in key positions and managers.	To be defined following the adoption of the SSH Corporate Strategy
Development plans for employees	In the future, opportunities for the development of each employee in terms of knowledge, gaining experience, and mentoring will be defined.	A structured plan for enhancing the competences of each employee for a clear development path.	To be defined after the competence model is established.

(ESRS S1-4, 37; MDR-A 68)

4.5.2.3 Workforce Renewal

The average age of employees at SSH is 48, with 42% of employees over the age of 50, and the average length of service with the employer is 13.8 years. Due to the higher average age of employees in the company, rejuvenating the workforce structure and planning for staffing needs and succession in the event of employee departures, particularly of key staff, are important, as such departures could affect SSH’s operations due to the loss of important knowledge. It will also be necessary to systematically address the transfer of experience and knowledge to ensure high-quality work in the future.

In 2021, SSH adopted the Policy on the Management of Key Talent, High-Potential Employees and Successors, but due to several corporate changes – in 2022 (integration of a large number of employees following the merger with DUTB) and in 2024 (carve-out of the real estate function and a significant reduction in the number of employees) – the formal identification of key positions and staff has not yet been carried out, and activities in this area are still ongoing (ESRS S1, SBM-3, 14(d); AR 44).

As part of the HR strategy, the timely strategic development of employees is planned to ensure the transfer of knowledge and the assumption of key roles and succession in the event of planned or unplanned departures (ESRS S1, SBM-3, 14(c)). The employment of young people and developmental mentoring are encouraged, as intergenerational cooperation and two-way learning between younger, less experienced employees and older, more experienced employees are important, regardless of their position (ESRS S1, SBM-3, 16; AR 9).

Given the demographic situation in Slovenia and Europe, the Company recognises the importance of further developing the competences of older employees so that they can adapt more easily to continuous changes in work processes and participate more actively in the workplace. In 2021, SSH adopted the Strategy for the Effective Management of Older Employees,

which promotes motivation through various measures and aims to further train older employees with valuable experience and knowledge, enabling them to remain in active employment for as long as possible.

List of key measures (adopted during the reporting year or planned for the future)	Description of measures	Expected results:	Timeframes in which the Company intends to implement each key measure
Identification and Development of High-Potential Employees and Successors for Key Roles within the Company	Based on the defined characteristics and competences required of high-potential employees and successors, individuals will be identified for development in a specific direction.	Identified individuals developed in a defined direction.	To be defined following the adoption of the SSH Corporate Strategy
Mentoring System for (New) Employees as Part of Onboarding and Knowledge Transfer	Adoption of a mentoring policy introducing a structured, two-way transfer of knowledge between (new) employees.	The established mentoring system.	To be defined following the adoption of the SSH Corporate Strategy
Effective Management of Older Employees	Update of the Strategy for the Effective Management of Older Employees, with a primary focus on developing their competences.	Improved competences of older employees.	To be defined following the adoption of the SSH Corporate Strategy.

(ESRS S1-4, 37; MDR-A 68)

4.5.3 Data on Own Employees

As at 31 December 2024, SSH employed 84 staff members, or 82.85 full-time equivalents (FTE). In 2024, the average number of employees was 87, or 85.62 FTE. All but two employees work at the company’s headquarters in Ljubljana, with two employees working in the archive facilities in Maribor.

INFORMATION ON THE NUMBER OF EMPLOYEES BY GENDER AS AT 31 DECEMBER 2024

Gender	Number of Employees
Men	26
Women	58
Other	0
Not reported	0
Total	84

INFORMATION ON EMPLOYEES BY TYPE OF CONTRACT, DISAGGREGATED BY GENDER AS AT 31 DECEMBER 2024

[Reporting date: 31 Dec 2024]				
Women	Men	Others	No data available	TOTAL
Number of Employees				
58	26	0	0	84
Permanent employees				
58	24	0	0	82
Temporary employees				
0	2	0	0	2
Non-guaranteed hours employees				
0	0	0	0	0
Full-time employees				
55	26	0	0	81
Part-time employees				
3	0	0	0	3

The two members of the Management Board – the President and the Member – are employed on fixed-term contracts for a four-year mandate. Part-time employees include workers with recognised disability status and those who work part-time at their own request (ESRS S1, SBM-3, 14(a); ESRS S1-6, 50(a); AR 57)).

In 2024, seven employees left the Company for various reasons. Due to an extraordinary event – the carve-out and transfer of real estate operations to D. S. U. at the end of September 2024 – a further 34 employees were transferred, which means that a total of 41 people left the Company. As the transfer of employees (completed on 1 October 2024) was effective after 31 December 2023, these 34 employees were excluded from all average calculations, turnover rates, and FTE data (ESRS S1-6, 50(c–e) and AR 58–60).

The employee turnover rate was 8.05% in 2024. In accordance with AR 59, the turnover calculation included all employees who voluntarily left the Company or whose employment was terminated for reasons attributable to the employer – i.e. seven employees (ESRS S1-6, 50(c)).

For the calculation of the average number of employees in 2024, the headcount for each month was totalled and divided by the number of months. For consistency with the annual report, which states numerical data as at the year-end, the sustainability report and the employee carbon footprint calculation also use the number of employees as at 31 December 2024 (ESRS S1-6, 50(d)(ii)).

4.5.4 Diversity Metrics

Gender representation at senior management level, i.e. one and two levels below the administrative and supervisory bodies, is shown in absolute numbers and percentages in the table below. The calculation includes Ex-

ecutive Directors as well as Heads of Departments and Divisions (ESRS S1-9, 66(a–b); AR 71).

	Men	Women	Total
Number	5	10	15
Share	33%	67%	100%

The distribution of employees by age group, in both number and percentage, as at 31 December 2024 is shown below.

	Under 30		From 30 to 50 years		Older than 50 years of age	
	Women	Men	Women	Men	Women	Ženske
Number	0	16	30	7	28	28
Share	0%	35%	65%	20%	80%	80%
Total	3		46		35	
Share	4%		55%		42%	
Total			84			

4.5.5 Social Protection and Employees with Disabilities

In accordance with the Employment Relationship Act and SSH’s internal rules, all employees are covered by social protection in case of income loss due to illness, unemployment for reasons beyond the employee’s control, work-related injury or disability, parental leave, and retirement. SSH provides all employees with additional post-retirement social security by paying premiums into a voluntary supplementary pension plan with the MKPS Pension Fund, managed by Modra zavarovalnica (ESRS S1-11, 74(a–e); AR 75).

Two employees (2% of the workforce) have recognised disabilities and work part-time (ESRS S1-12, 79). The data on the share of employees with disabil-

ities is based on official decisions recognising disability status and reduced working hours (ESRS S1-12, AR 76). All employees are entitled to family leave as provided for under applicable legislation (ESRS S1-15, 93(a); AR 96–97). In 2024, two female employees (2% of the workforce) took family leave (ESRS S1-15, 93(b)).

4.5.6 Decent Wages and Gender Pay Gap

All employees receive a decent wage. In 2024, the statutory minimum wage in Slovenia amounted to EUR 1,253.90 gross. All SSH employees received remuneration above this threshold.(ESRS S1-10, 69; AR 72–74). The gender pay gap is 22.44% in favour of men, including senior staff receiving the highest remuneration (Executive Director, Member, and President of the Management Board). The calculation followed the formula specified in ESRS.

Wages for different positions are determined for all employees according to the same principles, based on their experience, level of responsibility, and the scarcity of the profession; therefore, there are no differences between employees in comparable positions. Employees working part-time, and therefore receiving proportionally lower pay, were excluded from the gender pay gap calculation(ESRS S1-16, 97(a); AR 98–100).

The ratio of total annual remuneration in 2024 was 4.28, which means that the highest total remuneration in the organisation was 4.28 times greater than the lowest total remuneration. This indicates a relatively equitable distribution of remuneration, which includes base gross salary, various allowances, bonuses, and other monetary incentives. The remuneration ratio was calculated in accordance with the ESRS formula (ESRS S1-16, 97(b); AR 101).

4.6 INFORMATION ON GOVERNANCE

4.6.1 Business Conduct

The business conduct and corporate culture of SSH are primarily defined by the provisions of the Slovenian Sovereign Holding Act (ZSDH-1), which are further complemented by the provisions of internal policies, rules and regulations in individual areas.

In its operations, SSH fully complies with applicable legislation in the field of business conduct (ZSDH-1, ZGD-1, ZZPri, ZIntPK, ZVOP-2) and promotes corporate culture also by following the guidelines of the Commission for the Prevention of Corruption (hereinafter referred to as: the “CPC”), the provisions of which are, where relevant, incorporated into the company’s internal policies, rules and regulations.

Chapter Six of ZSDH-1 sets out detailed measures for strengthening integrity and accountability and for mitigating the risks of corruption, conflicts of interest and misuse of inside information in the management of state assets. It imposes on SSH and on SOEs in which SSH, in its role as asset manager, holds a majority shareholding or controlling influence, numerous requirements concerning the proper risk management (SPI), the protection of data and inside information, the required action in cases of unethical or unlawful conduct or undue influence, whistleblower protection in the handling of reports of suspected irregularities within SSH, the prevention of conflicts of interest, restrictions on transactions with related parties, restrictions relat-

ing to the acceptance of gifts, and the obligation to report the assets of the management board, the compliance and integrity officer, and members of the supervisory board.

The Integrity Plan, as the basic instrument in the field of CIS, the preparation and procedure for consideration of which are prescribed in ZSDH-1, provides a detailed assessment of risks in the areas of corruption, unlawful and unethical conduct, and sets out measures to manage these risks. The Integrity Plan is a tool of internal control for identifying and limiting the risks of corruption, conflicts of interest, unauthorised disclosure of inside information and protected data or trading therein, and other unlawful and unethical conduct within SSH, in relation to companies in which SSH holds a majority shareholding or controlling influence, and towards external stakeholders. The Integrity Plan is publicly available on the Company’s website and all SSH employees are informed of its content (ESRS G1-1, 7; MDR-P).



Policy/Instrument	Description	Key topics	Responsible person/department for policy implementation
Integrity Plan	The Integrity Plan is an internal control tool for identifying and mitigating all types of risk, ,	including the unauthorised disclosure of inside information and protected data or trading therein, as well as other unlawful and unethical conduct within SSH, in relation to companies in which SSH holds a majority shareholding or controlling influence, and towards external stakeholders.	The Chief Compliance and Integrity Officer is responsible for monitoring the implementation of the Integrity Plan, while the Management Board is responsible for executing the measures set out therein
Compliance Policy	PThe Compliance Policy sets out in more detail the principles of business compliance, the key areas and the functioning of the compliance and integrity system (CIS).	• Mitigation of corruption risks • Conflicts of interest • Misuse of inside information • Responsibility for ensuring business compliance • Comprehensive risk management system and the role of CIS • Reporting by the Chief Compliance Officer to the competent authorities • Ensuring continuous improvement of the compliance and integrity system	Chief Compliance and Integrity Officer
SSH Code of Ethics	The Code of Ethics sets out the fundamental principles of acceptable conduct and behaviour for SSH employees.	Compliance with the provisions of the SSH Code of Ethics serves to: • Strengthen integrity • Strengthen responsibility and accountability • Mitigate corruption risks • Prevent unlawful and unethical conduct • Conduct business in accordance with the highest ethical standards • Uphold core values	The SSH Management Board and all SSH employees
Code of Ethics of the Supervisory Board of Slovenian Sovereign Holding	The Code of Ethics of the Supervisory Board sets out the basic principles of acceptable conduct and behaviour for members of the Supervisory Board.	In accordance with ZSDH-1 and the specificities relating to the status and operation of SSH, it highlights the core values as well as individual principles and measures relating to business compliance, integrity and ethical conduct	The President and members of the Supervisory Board
Guide for Governing Corporate Culture	The Guide for Managing Corporate Culture provides Supervisory Boards with key guidelines, questions and tools for their work in governing corporate culture. Its indirect aim is to ensure the success and efficiency of company operations by ensuring that corporate culture is given an appropriate place within corporate governance practices.	• Understanding corporate culture and its importance • Aligning corporate culture and strategy • Models and instruments for assessing corporate culture • Governing and developing corporate culture	Members of Supervisory Boards
Rules on Handling Alleged Irregularities and Whistleblower Protection	UThese Rules govern conduct in cases of suspected irregularities by employees, members of management bodies, working bodies, and in SOEs, as reported by whistleblowers who became aware of them in the work environment or elsewhere, and inappropriate conduct referred to in Article 57, Paragraph 1 of ZSDH-1.	• Procedure for reporting and handling suspected irregularities • Internal reporting • External reporting (in SOEs) • Reporting non-ethical or illegal conduct or influence • Confidentiality and protection of whistleblowers	Chief Compliance and Integrity Officer
Conflict of Interest Policy	The Conflict of Interest Policy (Rules on Conduct in Relation to Avoiding Conflicts of Interest) governs procedures, measures and conduct for preventing and resolving conflicts of interest within SSH.	• Persons bound by the Policy and circumstances constituting a conflict of interest • Procedure in the event of circumstances that may give rise to a conflict of interest • Duty of disclosure and assessment of the existence of a conflict of interest	Chief Compliance and Integrity Officer
Guidelines on Reporting Non-public Contacts and Maintaining the Register of Non-public Contacts	These Guidelines set out the manner of informing the Chief Compliance and Integrity Officer of non-public contacts and maintaining the register of non-public contacts.	• Persons required to report • Subject of reporting • Content of the notification • Keeping of the register	Chief Compliance and Integrity Officer

Policy/Instrument	Description	Key topics	Responsible person/department for policy implementation
Guidelines on Reporting to the Compliance and Integrity Officer on Gifts Received and Maintaining the Gift Register	These Guidelines set out the procedure for reporting to the Chief Compliance and Integrity Officer on gifts received and for maintaining the gift register.	• Prohibition and restrictions regarding the acceptance of gifts • Persons bound by the Guidelines • Reporting • Maintenance of the gift register	Chief Compliance and Integrity Officer
Rules on Protection of Trade Secrets and Confidential Information	These Rules govern the protection of SSH's trade secrets.	• Definition of SSH trade secrets • Procedure for determining and marking documents containing SSH trade secrets • Persons obliged to protect SSH trade secrets and their liability in the event of a breach of this obligation • Procedures for handling SSH trade secrets • Protection, duration and conditions for lifting the trade secret designation • Storage and archiving of documents containing SSH trade secrets	Legal Affairs and Corporate Support Departments
Rules on Procedures and Measures for the Protection of Personal Data	These Rules set out the fundamental principles relating to the collection and processing of personal data, as well as the organisational, technical and logical-technical procedures and measures for the protection of personal data.	• Personal data filing systems • Responsibility of the data controller • Data Protection Officer • Legal basis and purpose of processing • Rights of individuals • Protection of premises • Information system security • Video surveillance • Retention and deletion of data • Handling breaches of these Rules	Data Protection Officer
Rules on the Prevention of Money Laundering and Terrorist Financing	These Rules summarise and give practical effect to the provisions of the Prevention of Money Laundering and Terrorist Financing Act. Employees engaged in the sale of receivables, equity investments, or other activities connected with a business relationship with a client or the execution of a transaction must incorporate client due diligence, in accordance with the Act, into their work processes.	• Types of client due diligence and responsibilities • Procedures prior to due diligence and the establishment of a business relationship • Client risk assessment • Monitoring of client transactions • Storage and protection of data and documentation	The Anti-Money Laundering and Terrorist Financing Officer
Guidelines on Maintaining the List of SOEs	These Guidelines set out the procedure for maintaining the list of SOEs in relation to which confidential information or information of an inside nature has been obtained. They also set out the procedure for notifying the fact of becoming acquainted with inside information, the method for reporting transactions involving SOEs, and the procedure for maintaining the register of such transactions.	• Restrictions on transactions involving financial instruments and company investments • Maintenance of the list of SOEs • Reporting on transactions and maintaining the register of transactions involving SOEs	Controlling, Risks management and Valuations Department

The legal instruments governing the conduct of companies with state capital investments (downstream value chain) are listed in the table in the Section [GOV-1](#).

The adopted policies/instruments have been implemented and are already in operation; therefore, no additional measures or investments are planned to achieve the objectives. (MDR-A 67-69).

Internal training in the area of business conduct is provided by SSH on a regular basis and whenever any internal instrument in this area is amended, as well as following any changes in the relevant legislation, thereby ensuring that employees are regularly informed of updates and can incorporate them into their work processes.

SSH also organises numerous training activities in this area for representatives of SOEs.

4.6.2 Corporate Culture

In the area of ensuring an appropriate corporate culture, SSH has adopted a Code of Ethics, defining its core values, principles of conduct and interpersonal relations, with the aim of fostering cooperation, inclusion and the exchange of information. SSH has also adopted a dedicated Code of Ethics of the Supervisory Board of SSH, which sets out in more detail the rules of conduct for members of the Supervisory Board. To address potential breaches of the SSH Code of Ethics, SSH has established an Ethics Committee, which examines serious or repeated violations of the Code. SSH also invests in the development and training of employees and, by obtaining and maintaining relevant certificates, creates the conditions for ensuring work-life balance.

SSH plays an important role in the Slovenian economy, as by implementing its corporate culture, it serves as an example to companies in which SSH holds a majority stake or exercises controlling influence. These companies are also required to adopt their own code of ethics and publish it publicly, which is essential for ensuring transparent operations. Transparency in SSH's operations is ensured through the implementation of the principle of transparency, as set out in Article 8 of ZSDH-1.

Governing corporate culture in portfolio companies is further promoted through the Guide for Supervisory Boards of State-Owned Enterprises, in which SSH provides guidance for developing and implementing good practices to further enhance corporate culture. (ESRS G1-1, 9; AR 1).

4.6.3 Handling of Reports of Irregularities and Whistleblower Protection

The manner and obligation to handle reports of alleged irregularities in SSH are defined by both ZSDH-1 and the Reporting Persons Protection Act (ZZPri). A specific feature of the ZZPri is that it assigns SSH a special status, as SSH is one of the twenty-five designated bodies for the external reporting of alleged irregularities and is therefore responsible for handling both internal and external reports of alleged irregularities.

SSH maintains a zero-tolerance policy towards corruption and any unlawful or unethical conduct by employees and business partners.

Based on the ZZPri, the provisions of ZSDH-1, and the company's internal instrument, the Rules on Handling Alleged Irregularities and Whistleblower Protection, which entered into force in 2015, set out in detail the procedures

for reporting and handling alleged irregularities. The internal instrument sets out in detail the procedures for reports submitted by:

- employees, members of SSH's governing bodies and working bodies;
- employees in SOEs, where the whistleblowers became aware of the irregularities in the work environment; this also includes alleged irregularities in SOEs that whistleblowers did not detect in the work environment, or that SSH employees became aware of in the course of fulfilling their work obligations in the management of state equity investments;
- employees and other obliged entities referred to in Article 57, Paragraph 1 of ZSDH-1, in respect of demands involving unlawful or unethical conduct or undue influence in connection with their job or position, or reports that they are subject to covert influence, pressure, mental or physical violence, or inappropriate offers from third parties in this context.

In line with the above, reports received by SSH are categorised, in accordance with internal procedures, into the following groups:

- alleged irregularities by employees, members of bodies and working bodies of SSH;
- alleged irregularities by companies with state capital assets;
- violations subject to oversight by other authorities or institutions: (referred for external handling);
- inappropriate conduct under Article 57 of ZSDH-1;
- expression of opinion by persons reporting non-ethical or illegal conduct;
- other issues not classified as reports.

The procedures for handling reports of irregularities are published on SSH's website and provide detailed information on the available reporting channels (post, e-mail, telephone), the authorised persons responsible for han-

ding reports, and other relevant information relating to the process. The Chief Compliance and Integrity Officer notifies the SSH Management Board of each report received. A recusal system is in place in cases of potential conflicts of interest involving persons to whom the report relates or persons handling the report.

The protection of whistleblowers who meet the conditions for protection under the Reporting Persons Protection Act (ZZPri) is ensured in accordance with the provisions of the ZZPri and limited to SSH's competences. Where a whistleblower requests protection under the ZZPri, coordinated cooperation with the Commission for the Prevention of Corruption (CPC) is ensured.

Irrespective of the above, SSH guarantees the anonymity of the whistleblower. If the whistleblower's wishes regarding disclosure are not entirely clear, it is assumed that the whistleblower does not wish to be identified. In the case of reports of irregularities concerning employees, members of advisory bodies, or members of SSH's governing bodies, in addition to safeguarding the confidentiality of the whistleblower's identity, the confidentiality of all third parties mentioned in the report is also ensured.

SSH regularly informs employees about the options for reporting irregularities, both through the internal newsletter and via e-mails and internal training sessions.

SSH also recommends the establishment of an effective reporting system to other SOEs. SSH encourages the companies under its management to establish employee training systems in this field (ESRS G1-1, 10(a)–(e); 10(g)–(h)).

4.6.4 Risk of Corruption or Bribery

SSH follows anti-corruption and anti-bribery guidelines based on compliance with Slovenian legislation and the provisions of the company's internal policies, rules and regulations. For this purpose, SSH has prepared its Integrity Plan.

In accordance with the ZSDH-1, SSH has established a dedicated Compliance and Integrity Department, headed by its Director, who also performs the duties of the Chief Compliance and Integrity Officer. The Officer coordinates activities and advises all obligated persons from SSH and SOEs, in line with the provisions of the ZSDH-1 (EESRS G1-3, 18(a); AR 5–6).

SSH has not separately assessed positions identified as being at the highest risk of corruption or bribery. The Integrity Plan defines the areas of highest risk, while preventive and detection measures are set out in the company's internal policies, rules and regulations (Conflict of Interest Policy, Guidelines on Reporting Non-public Contacts, Guidelines on Reporting to the Compliance and Integrity Officer on Gifts Received and Maintaining the Gift Register). All risks are duly assessed, regularly reviewed by the internal Risk Committees, and monitored by the Chief Compliance and Integrity Officer, who reports quarterly to the Company's Supervisory Board on the implementation of the Integrity Plan measures and activities carried out.

The most significant risks include undue influence and demands from third parties on SSH obligated persons, non-public and lobbying contacts, failure to ensure SSH's operational independence, misuse of inside information, withholding information from decision-makers, lack of transparency in investment disposal procedures, third-party influence on decision-makers, staffing processes and external influences, public procurement procedures,

and reputational risk to the Company. Permanent and, where necessary, ad hoc measures are in place to manage all risks.

The Chief Compliance and Integrity Officer prepares reports in accordance with applicable legislation or guidance issued by the Commission for the Prevention of Corruption.

The ongoing tasks of the Compliance and Integrity Department also include regularly raising employee awareness and publishing clarifications on the Intranet (ESRS G1-3, 18(a); AR 5–6).

4.6.5 Prevention and Detection of Corruption or Bribery

SSH actively participates in activities to combat corruption and bribery. Measures are defined in the Integrity Plan, which is linked to the Company's internal processes. Through recommendations and expectations, as well as by organising events for representatives of SOEs aimed at raising awareness and promoting integrity-based operations, SSH also operates in the wider economic sphere in cooperation with the Commission for the Prevention of Corruption.

Internally, the Company has established a system for the ongoing monitoring of contacts, non-public contacts, lobbying contacts, received gifts, identified circumstances of conflicts of interest, and transactions with related parties. This serves a preventive function and minimises the risks of corruption and bribery.

The internal instrument Rules on Handling Alleged Irregularities and Whistleblower Protection lays down detailed procedures for handling received or detected reports of irregularities and includes a section on procedures

for dealing with reports of unethical or unlawful conduct or influence. Pursuant to the provisions of these Rules, a confidential person for handling internal reports (Chief Compliance and Integrity Officer) and an official responsible for handling external reports are appointed. Reports of unethical or unlawful conduct or undue influence within the meaning of Article 57 of the ZSDH-1 are handled by the Chief Compliance and Integrity Officer, who, in accordance with Article 57 of the ZSDH-1, notifies the Commission for the Prevention of Corruption of such reports.

For repeated breaches or serious breaches of the SSH Code of Ethics, an Ethics Committee has been established, consisting of three members: one appointed by the company's Management Board, one by the Employees' Council, and the third being the Chief Compliance and Integrity Officer. The Committee handles breaches confidentially, examines them, and communicates its findings to the relevant line managers and the Company's executive management.

If a conflict of interest arises in respect of the Chief Compliance and Integrity Officer or the appointed official, a procedure for exclusion and replacement is in place.

In handling reports of irregularities or identified deviations from applicable rules, and in its advisory role, the Compliance and Integrity Department acts independently, preparing expert opinions and recommendations for decision-makers. It reports regularly (quarterly or as required) to the Company's management and supervisory bodies.

SSH ensures that information is accessible to employees via the Intranet, and that employees are informed of any changes or updates to internal acts by e-mail. In the event of significant changes, internal training is organised or additional instructions are provided. The Integrity Plan, which sets out all identified risks and measures, is publicly available.

SSH's transparent conduct and public communication on the unacceptability of corrupt practices by both employees and the executive management enhances its influence on all portfolio companies and raises the level of integrity in SOEs.

SSH organises internal training for its employees, as well as for the management and supervisory bodies of companies in full or majority ownership of the State or SSH, covering topics related to the fight against corruption and bribery. These topics are listed in the Section [GOV-1](#) (ESRS G1-3, 19–20(a), (c)).

4.6.6 Incidents of Corruption or Bribery

In 2024, SSH did not detect any incidents of corruption or bribery. The Compliance and Integrity Department received 60 reports of suspected irregularities, of which 48 concerned SOEs. The Compliance and Integrity Department processed the reports in accordance with its competences and the prescribed procedures.

The prevention and detection of corruption or bribery within SSH are addressed by the Risk Committee and the Compliance Officer's coordination body four to six times a year, and by the Supervisory Board at each instance reported by the Chief Compliance and Integrity Officer (four times a year) (ESRS G1-4, 24(b); AR 8; MDR-A).

4.6.7 Animal Welfare

SSH's operations do not involve contact with animals and have no impact on their welfare.

4.6.8 Political Influence and Lobbying Activities

SSH is a commercial company established under a specific law (ZSDH-1). It operates independently of instructions from state authorities or third parties (ESRS G1-5, AR 13).

Political influence over SSH is not permitted; however, communication with state authorities and other public law entities is allowed, primarily within the scope of their competences. Such communication between SSH and state authorities or other public law entities must be traceable.

SSH, as a commercial company, does not engage in political influence. In its capacity as an interest organisation, as defined by the Commission for the Prevention of Corruption (CPC), it may engage in lobbying activities in accordance with applicable legislation and the CPC's guidelines. Lobbying contacts may be made by the Company's legal representatives or persons authorised by them. SSH reports lobbying contacts to the CPC on an ongoing basis. In 2024, one lobbying contact was recorded, namely with the Agency for Communication Networks and Services of the Republic of Slovenia, concerning the regulation of electronic communications.

SSH neither gives nor receives direct or indirect political contributions or donations. A portion of SSH's revenue for its operations is received from the Republic of Slovenia under a concluded contract, which includes payment

for the management of state equity investments based on actual eligible costs related to the asset management.

In accordance with applicable legislation, SSH is prohibited from entering into sponsorship or donation agreements (G1-5, 29(a)).

The appointment of the Supervisory Board of SSH is regulated by the Slovenian Sovereign Holding Act (ZSDH-1), which in Article 40 stipulates that the members of the Supervisory Board of SSH are appointed by the National Assembly on the proposal of the Government. The National Assembly gives its consent to the Government's proposal in its entirety and may not amend it. The Minister responsible for finance, who prepares the proposal for the Government, must appoint an expert commission comprising experts with experience in corporate governance, human resource management, and the functioning of supervisory boards. This expert commission draws up the criteria for assessing the professional knowledge, experience, and skills required for the effective performance of the function of a member of the SSH Supervisory Board and prepares target professional profiles for individual members. The commission also carries out the process of sourcing candidates for members of the SSH Supervisory Board, evaluates them, and prepares the proposal of members for the Minister. Under ZSDH-1, the Supervisory Board of SSH consists of five members, who are presented in the Section Role of the Administrative, Management and Supervisory Bodies (GOV-1). The member of the SSH Supervisory Board, Mr Ivan Simič, MSc, served as the Director of the Financial Administration of the Republic of Slovenia from June 2021 to June 2022.

The SSH Management Board consists of the President and up to two members, appointed by the SSH Supervisory Board on the basis of a public call for applications. The SSH Management Board is responsible for all management decisions of SSH (ESRS G1-5, 30; AR 11).

4.6.9 Relations with Suppliers and Payment Practices

SSH carries out procurement centrally in accordance with the Rules on Procurement and the Award of Public Contracts. These Rules set out in detail the procedures for preparing and awarding low-value contracts, for which the procedural requirements of the applicable Public Procurement Act (Official Gazette of the Republic of Slovenia, No. 91/15, as amended; hereinafter referred to as: the ZJN-3). For higher-value contracts, where the relevant public procurement procedure under ZJN-3 must be conducted, SSH, as a contracting authority under ZJN-3, awards contracts in accordance with the procedural rules set out in ZJN-3. In all cases, SSH ensures compliance with the fundamental principles of public procurement in the purchase of goods, services, or works required for its operations, including an appropriate level of transparency, equal treatment, and compliance with secondary legislation, as well as, where relevant to the subject of procurement, the Decree on Green Public Procurement (Official Gazette of the Republic of Slovenia, No. 51/17, as amended).

All relevant stakeholders are involved in the preparation and award of contracts, ensuring that each procurement process is supported from the perspective of the subject matter, compliance, integrity, and the overall business objectives of SSH. As part of the process of verifying suppliers or contractors, the risks of corrupt practices, conflicts of interest, and political exposure are assessed.

For each contract, a contract manager is appointed who, in accordance with the Rules on Contract Management, ensures proper and compliant performance of the contract and an appropriate relationship with suppliers.

In the future, the procurement process is expected to be supported by an IT solution that will ensure an even higher level of transparency and oversight in the preparation, award, and execution of contracts, as well as in monitoring their implementation, including supplier relations and supplier management.

SSH has not adopted specific policies or measures to prevent late payments to SMEs, as it operates successfully and, as a state-owned company, benefits from the financial support of the State, which ensures stability even in the event of potential financial difficulties (ESRS G1-2, 14–15(a), (b); MDR 62). SSH ensures strict compliance with contractual obligations and payment deadlines in accordance with statutory or agreed periods (ESRS G1-6, 33(a)–(d)).

The average time taken by SSH to pay an invoice, from the date on which the contractual or statutory payment period starts, is 0.01 days. Any delay in payment results from the invoice verification and reconciliation. Payment periods range between 15 and 60 days, are recorded in the accounting system, and are monitored. SSH has no ongoing court proceedings relating to payment delays (ESRS G1-6, 33(a)–(d)).

4.7 SPECIFIC TOPIC – BUSINESS CONDUCT

4.7.1 Long-term Portfolio Performance: Achieving Strategic, Financial and ESG Objectives

The principal activity of SSH is the management of assets, including equity investments that are predominantly owned by the Republic of Slovenia and partly by SSH. Consequently, the long-term performance of the asset portfolio is identified as a specific material topic for SSH.

The SSH business model is described in detail in the Section Strategy (SBM-1- Strategy, Business Model and Value Chain). Stakeholder interests and views are presented in the Section Stakeholder Interests and Views (SBM-2), while the Section Material Impacts, Risks and Opportunities and Their Interaction with Strategy and the Business Model (SBM-3) also presents this topic in detail as specific to SSH. The Section Role of the Administrative, Management and Supervisory Bodies (GOV-1) explains how sustainability matters are embedded in the procedures and content of SSH’s key documents and describes the areas of risk management and internal controls. The Section Information Provided to the Administrative, Management and Supervisory Bodies and Sustainability Matters Addressed by These Bodies (GOV-2) covers the information received and considered by the company’s governing bodies. The Section Incorporation of Sustainability-related Performance in Incentive Schemes (GOV-3) explains the integration of this

matter into the incentive system, while the Sections Statement on Due Diligence (GOV-4) and Management of Risks and Internal Controls for Sustainability Reporting (GOV-5) present the due diligence process, internal controls, and risk management in relation to this area. The procedures for identifying and assessing impacts, risks and opportunities are described in the Section Description of the Process to Identify and Assess Material Impacts, Risks and Opportunities (IRO-1).

Several subtopics have been identified that support the long-term performance of the investment portfolio, namely:

- achievement of strategic, financial and ESG objectives,
- dividends,
- green transition and decarbonisation of companies,
- geostrategic, country and business risks and resilience building,
- innovation, new technologies and digitalisation of business; big data,
- future skills and talent,
- cybersecurity and information security.

The specific objectives of SSH in managing each SOE, together with the measures and guidelines for achieving those objectives, are defined in each Annual Asset Management Plan. In the area of long-term portfolio performance, three key indicators are monitored:

- achieved ROE of the Republic of Slovenia and SSH portfolio,

- total amount of dividends received by SSH, the Republic of Slovenia and ZPIZ,
- value added per employee in the SSH portfolio.

The key indicators for monitoring management performance – ROE of the portfolio and the amount of dividends received – have been in use for several years, while productivity targets, measured through the value added per employee of the SSH portfolio, were introduced for the first time for 2025. This is also consistent with the general objectives and guidelines of the State Asset Management Strategy. The ROE of the portfolio, dividends and value added per employee are presented in detail in the business section of the Annual Report, specifically, in the chapter Management of Capital Assets. In accordance with ZSDH-1, SSH also reports on the results of its asset management activity in the Annual Asset Management Report. The criteria, objectives and results are also summarised in the table below (ESRS 2; MDR-P; MDR-T; MDR-A; MDR-M).

Financial indicator	Achieved/ Estimated in 2024	Target value in 2024	Target value in 2025
ROE of state assets managed (RS and SSH) in %	9.7	6.7	7.1
Dividend income paid by companies with capital assets managed by SSH, in EUR million	487.7	383.9	464.1
Value added per employee in the SSH portfolio EUR thousand*	94.0		86.0

*In 2024, no targets were defined for this category

The above criteria are consistent with the general objectives and guidelines set in the State Asset Management Strategy. They are defined each year in the Annual Asset Management Plan (AAMP) and the performance results are published in the annual report on the management of capital asset of the Republic of Slovenia and SSH.

SSH attaches particular importance to sustainable operations in its annual LNU. The 2024 AAMP emphasised that, taking into account the specific circumstances of individual companies and activities, SSH will focus its monitoring of the achievement of sustainable business objectives primarily on the following aspects:

- **environmental aspect (E):** carbon footprint, natural resource consumption, biodiversity, and ecosystems;
- **social aspect (S):** absenteeism, turnover, investment in employee development, employee safety, socially responsible practices;
- **governance aspect (G):** quality of corporate governance, diversity in management and supervisory bodies, gender pay equity, inclusion of sustainability indicators in the remuneration of the executive management.

Sustainability objectives and expectations are set for each individual company and are monitored accordingly.



4.8 APPENDICE

4.8.1 Schedule: List of Data Points, Included in the Sustainability Report

(ESRS E1-6, 51; AR 39(B), 46	192	ESRS 2, GOV-1, 23(A)–(B)	181	ESRS 2, SBM-1, 48(C)(IV); AR 18	165
(ESRS S1-1, 19; MDR-P 65	203	ESRS 2, GOV-1, 23; AR 5	181	ESRS 2, SBM-2, 12; AR 16	168
ESRS 2, ANNEX B	160	ESRS 2, GOV-2, 26(A)–(C)	182	ESRS 2, SBM-2, 43; AR 16	167
ESRS 2, BP-1, 5(A)	159	ESRS 2, GOV-3, 29(A)–(E); AR 7	182	ESRS 2, SBM-2, 45(A)(I–V)	207
ESRS 2, BP-1, 5(B)	159	ESRS 2, GOV-4, 30, 32; AR 8–10	183	ESRS 2, SBM-2, 45(A)(I–V); AR 16; GOV-5, 37(B)	168
ESRS 2, BP-1, 5(D)–(E)	159	ESRS 2, IRO-1, 51, 53(A); IRO-2, 59	175	ESRS 2, SBM-2, 45(B); AR 16	168
ESRS 2, BP-2, 9	159	ESRS 2, IRO-1, 53	183	ESRS 2, SBM-2, 45(C)(I–III); AR 16	168
ESRS 2, BP-2, 10(D)	160	ESRS 2, IRO-1, 53(A)–(C)	176	ESRS 2, SBM-2, 45(D); AR 16	168
ESRS 2, BP-2, 11	160	ESRS 2, IRO-1, 53(B)(I), 53(C)(III), 53(D)	175	ESRS 2, SBM-3, 46, 48; AR 16	170
ESRS 2, BP-2, 16	160	ESRS 2, IRO-1, 53(B)(III)	175	ESRS 2, SBM-3, 48(A)	170
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ESRS 2, GOV-1, 21(B)	177	ESRS 2, SBM-1, 38, 40 (E)–(G); GOV-5, 37	164	ESRS 2, SBM-3, 48(G)	170
ESRS 2, GOV-1, 21(C)	177	ESRS 2, SBM-1, 40(A)(I)–(II)	166	ESRS 2, SBM-3, 48 (H)	170
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ESRS 2, GOV-1, 21(C); AR 5	177	ESRS 2, SBM-1, 40(A)(IV)	167	ESRS 2, SBM-3, PARAGRAPH 48(C)(I)–(IV)	170
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ESRS 2, GOV-1, 22(A)	177, 178	ESRS 2, SBM-1, 40 (E) AND GOV-5, 37	165	ESRS E1-1, 14, 16 (I)	185
ESRS 2, GOV-1, 22(A), 23(A)–(B)	177	ESRS 2, SBM-1, 42(A)–(C)	167	ESRS E1-1, 16 (B)	186
ESRS 2, GOV-1, 22(A)–(B)	178	ESRS 2, SBM-1, 42(B); AR 14; GOV-5, 37(B)	166	ESRS E1-1, 16(B)	185
ESRS 2, GOV-1, 22(B); AR 3	178, 180	ESRS 2, SBM-1, 42(B)–(C); AR 14–15; GOV-5, 37(A)	166	ESRS E1-1, 16 (C)	186
ESRS 2, GOV-1, 22(C)–(D)	181	ESRS 2, SBM-1, 48 (C) (III), AR 18	165	ESRS E1-1, AR 4	186

ESRS E1-2, 22, 24, 25 (A)–(E), MDR-P 65	187	ESRS G1-1, 7; MDR-P	210	ESRS S1-6, 50(C)	209
ESRS E1-3, 29 (A); ESRS 2, MDR-A	187	ESRS G1-1, 9; AR 1)	213	ESRS S1-6, 50(C–E) AND AR 58–60	209
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ESRS E1-4, 30, 32; ESRS 2, MDR-T	187	ESRS G1-2, 14–15(A), (B); MDR 62	216	ESRS S1-7, 55–57; AR 64–65	199
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ESRS E1-4, 34(A)–(D); ESRS 2 MDR-T; AR 23–24, AR 27–29, AR 31	188	ESRS G1-3, 19–20(A), (C)	215	ESRS S1-9, 66(A–B); AR 71	209
ESRS E1-5, 35, 37	189	ESRS G1-4, 24(B); AR 8; MDR-A	215	ESRS S1-10, 69; AR 72–74	209
ESRS E1-5, 37(A); AR 32–33	190	ESRS G1-5, 30; AR 11	216	ESRS S1-11, 74(A–E); AR 75	209
ESRS E1-5, 37; AR 35	190	ESRS G1-5, AR 13	215	ESRS S1-12, 79	209
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ESRS E1-5, 37(C)	190	ESRS G1; MDR-P	212	ESRS S1-13, 83(B); AR 78	206
ESRS E1-5, 37(C)(II)	190	ESRS S1-1, 19; MDR 62, MDR-P 65	205	ESRS S1-14, 88(A); AR 80	202
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ESRS E1-5, AR 34	190	ESRS S1-1, 20	201	ESRS S1-15, 93(A); AR 96–97	209
ESRS E1-6, 44; 48(A)–(B); 49(A)–(B); 50–52(A)–(B); AR 39, 41, 43–47, 50, 52	191	ESRS S1-1, 21; AR 12	200	ESRS S1-15, 93(B)	209
ESRS E1-6, 44; 52(A)–(B); AR 47	192	ESRS S1-1, 22	199	ESRS S1-16, 97(A); AR 98–100	209
ESRS E1-6, 44; AR 39	191	ESRS S1-1, 23	202	ESRS S1-16, 97(B); AR 101	209
ESRS E1-6, 47; AR 39(B)	192	ESRS S1-1, 24(A–D)	200	ESRS S1-17, 103(B); AR 103–106	201
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ESRS E1-6, 48(B); AR 44	192	ESRS S1-3, 32(A); AR 27	204	ESRS S1, MDR 72	199
ESRS E1-6, 51; AR 46(D), 50, 52	192	ESRS S1-3, 32(B); AR 28	204	ESRS S1, MDR-A	203
ESRS E1-6, 52; AR 41	191	ESRS S1-3, 32(C)	204	ESRS S1 MDR-A, 68	201
ESRS E1-6, 55; AR 55	195	ESRS S1-3, 32(E)	204	ESRS S1, SBM-3, 14(A); ESRS S1-6, 50(A); AR 57	209
ESRS E1-6, AR 42(C).	194	ESRS S1-3, 33	200	ESRS S1, SBM-3, 14; AR 6–7	199
ESRS E1-6, AR 46(G)	194	ESRS S1-4, 37	206, 207	ESRS S1, SBM-3, 14(B)	206
ESRS E1-6, AR 46(H)	194	ESRS S1-4, 37; MDR-A	206	ESRS S1, SBM-3, 14(C)	206, 207, 208
ESRS E1-6, AR 46(I)	194	ESRS S1-4, 37; MDR-A 68	207, 208	ESRS S1, SBM-3, 14(D); AR 44	207, 208
ESRS E1, AR 8 (B); ESRS E1, IRO-1, 20 (B)–(C)	185	ESRS S1-4, 38(A); AR 42	206	ESRS S1, SBM-3, 16; AR 9	208
ESRS E1, IRO-1, 20	185	ESRS S1-4, 38(B), 40(A–B); –AR 44–45, AR 47	206	G1-5, 29(A)	216
ESRS E1, SBM-3, 18, 19(A)–(C)	185	ESRS S1-4, 38(C); AR 42	202	MDR-A 67-69	213
ESRS E1, SBM-3, 19(A)–(C)	170	ESRS S1-5, 81; MDR 72	206		
ESRS E2, GOV-3, 13	184	ESRS S1-6, 50(A); AR 57	209		

4.8.2 Annex B: List of Data Points in Cross-Cutting and Topical Standards that Derive from Other EU Legislation

Disclosure requirement and related data point	SFDR Reference	Pillar 3 Reference	Benchmarks Regulation Reference	EU Climate Law Reference	Material / not material	Page
ESRS 2 GOV-1 Board's gender diversity, Paragraph 21(d)	Indicator No. 13 of Table #1 of Annex I		Commission Delegated Regulation (EU) 2020/1816, Annex II		Not material	177
ESRS 2 GOV-1 Percentage of board members who are independent, Paragraph 21(e)			Delegated Regulation (EU) 2020/1816, Annex II		Not material	177
ESRS 2 GOV-4 Statement on due diligence, Paragraph 30	Indicator No. 10 of Table #3 of Annex 1				Not material	183
ESRS 3 SBM-1 Involvement in activities related to fossil fuels, Paragraph 40 (d) i	Indicator No. 4 of Table #1 of Annex 1	Article 449(a) of Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453, Table 1: Qualitative information on Environmental risk and Table 2: Qualitative information on Social risk			Not material	/
ESRS 2 SBM 1 Involvement in activities related to the chemical production, Paragraph 40 (d) ii	Indicator No. 9 of Table #2 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II		Not material	/
ESRS 2 SBM 1 Involvement in activities related to controversial weapons, Paragraph 40(d) iii	Indicator No. 14 of Table #1 of Annex 1		Delegated Regulation (EU) 2020/1818, Article 12(1); Commission Delegated Regulation (EU) 2020/1816, Annex II		Not material	/
ESRS 2 SBM 1 Involvement in activities related to cultivation and production of tobacco, Paragraph 40(d) iv			Delegated Regulation (EU) 2020/1818, Article 12(1); Delegated Regulation (EU) 2020/1816, Annex II		Not material	/
ESRS E1-1 Transition plan to reach climate neutrality by 2050, Paragraph 14				Regulation (EU) 2021/1119, Article 2(1)	Not material	185
ESRS E1-1 Undertakings excluded from Paris-aligned Benchmarks, Paragraph 16(g)			Article 449(a) of Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453, Template 1: Banking book– Climate Change Transition Risk: Credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Article 12.1 (d) to (g), and Article 12(2)	Not material	/
ESRS E1-4 GHG emission reduction targets, Paragraph 34	Indicator No. 4 of Table #2 of Annex 1	Article 449(a) of Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453, Template 3: Banking book – Climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 6		Not material	187

Disclosure requirement and related data point	SFDR Reference	Pillar 3 Reference	Benchmarks Regulation Reference	EU Climate Law Reference	Material / not material	Page
ESRS E1-5 Consumption of energy from fossil sources disaggregated by sources (only high climate impact sectors)	Indicator No. 5 of Table #1 and Indicator No. 5 of Table #2, Annex I				Not material	189
ESRS E1-5 Energy consumption and mix, Paragraph 37	Indicator No. 5 of Table #1 of Annex 1				Not material	190
ESRS E1-5 Energy intensity associated with activities in high climate impact sectors, Paragraphs 40 to 43	Indicator No. 6 of Table #1 of Annex 1				Not material	190
ESRS E1-6 Gross Scope 1, 2, 3 and Total GHG emissions, Paragraph 44	Indicator No. 1 and 2 of Table #1 of Annex 1	Article 449(a) of Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453, Template 1: Banking book – Climate Change Transition Risk: Credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Article 5(1), 6 and 8(1)		Not material	191
ESRS E1-6 Gross GHG emissions intensity, Paragraphs 53 to 55	Indicator No. 3 of Table #1 of Annex 1	Article 449(a) of Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453, Template 3: Banking book – Climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 8(1)		Not material	194
ESRS E1-7 GHG removals and carbon credits, Paragraph 56				Regulation (EU) 2021/1119, Article 2(1)	Not material	/
ESRS E1-9 Exposure of the benchmark portfolio to climate-related physical risks, Paragraph 66			Delegated Regulation (EU) 2020/1818, Annex II Delegated Regulation (EU) 2020/1816, Annex II		Not material	/
ESRS E1-9 Disaggregation of monetary amounts by acute and chronic physical risk, Paragraph 66(a)		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453, Paragraphs 46 and 47; Template 5: Banking book - Climate change physical risk: Exposures subject to physical risk			Not material	/
ESRS E1-9 Location of significant assets at material physical risk, Paragraph 66 (c)						
ESRS E1-9 Breakdown of the carrying value of its real estate assets by energy-efficiency classes, Paragraph 67 (c)		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453, Paragraph 34; Template 2: Banking book - Climate change transition risk: Loans collateralised by immovable property - Energy efficiency of the collateral			Not material	/
ESRS E1-9 Degree of exposure of the portfolio to climate-related opportunities, Paragraph 69			Delegated Regulation (EU) 2020/1818, Annex II		Not material	/
ESRS E2-4 Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil, Paragraph 28	Indicator No. 8 of Table #1 of Annex 1 Indicator No. 2 of Table #2 of Annex 1 Indicator No. 1 of Table #2 of Annex 1 Indicator No. 3 of Table #2 of Annex 1				Not material	/

Disclosure requirement and related data point	SFDR Reference	Pillar 3 Reference	Benchmarks Regulation Reference	EU Climate Law Reference	Material / not material	Page
ESRS E3-1 Water and marine resources, Paragraph 9	Indicator No. 7 of Table #2 of Annex 1				Not material	/
ESRS E3-1 Dedicated policy, Paragraph 13	Indicator No. 8 of Table #2 of Annex 1				Not material	/
ESRS E3-1 Sustainable oceans and seas, Paragraph 14	Indicator No. 12 of Table #2 of Annex 1				Not material	/
ESRS E3-4 Total water recycled and reused, Paragraph 28(c)	Indicator No. 6.2 of Table #2 of Annex 1				Not material	/
ESRS E3-4 Total water consumption in m3 per net revenue on own operations, Paragraph 29	Indicator No. 6.1 of Table #2 of Annex 1				Not material	/
ESRS 2 – IRO-1 – E4, Paragraph 16(a) i	Indicator No. 7 of Table #1 of Annex 1				Not material	/
ESRS 2 – IRO-1 – E4, Paragraph 16(b)	Indicator No. 10 of Table #2 of Annex 1				Not material	/
ESRS 2 – IRO-1 – E4, Paragraph 16(c)	Indicator No. 14 of Table #2 of Annex 1				Not material	/
ESRS E4-2 Sustainable land / agriculture practices or policies, Paragraph 24(b)	Indicator No. 11 of Table #2 of Annex 1				Not material	/
ESRS E4-2 Sustainable oceans / Sea practices or policies, Paragraph 24(c)	Indicator No. 12 of Table #2 of Annex 1				Not material	/
ESRS E4-2 Policies to address deforestation, Paragraph 24(d)	Indicator No. 15 of Table #2 of Annex 1				Not material	/
ESRS E5-5 Non-recycled waste, Paragraph 37 (d)	Indicator No. 13 of Table #2 of Annex 1				Not material	/
ESRS E5-5 Hazardous waste and radioactive waste, Paragraph 39	Indicator No. 9 of Table #1 of Annex 1				Not material	/
ESRS 2 – SBM-3 – S1 Risk of incidents of forced labour, Paragraph 14(f)	Indicator No. 13 of Table #3 of Annex 1				Not material	/
ESRS 2 – SBM-3 – S1 Risk of incidents of child labour, Paragraph 14(g)	Indicator No. 12 of Table #3 of Annex 1				Not material	/

Disclosure requirement and related data point	SFDR Reference	Pillar 3 Reference	Benchmarks Regulation Reference	EU Climate Law Reference	Material / not material	Page
ESRS S1-1 Human rights policy commitments, Paragraph 20	Indicator No. 9 of Table #3 and Indicator No. 11 of Table #1, Annex I				Not material	200
ESRS S1-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, Paragraph 21			Delegated Regulation (EU) 2020/1816, Annex II		Not material	200
ESRS S1-1 Processes and measures for preventing trafficking in human beings, Paragraph 22	Indicator No. 11 of Table #3 of Annex 1				Not material	198
ESRS S1-1 Workplace accident prevention policy or management system, Paragraph 23	Indicator No. 1 of Table #3 of Annex 1				Not material	202
ESRS S1-3 Grievance/complaints handling mechanisms, Paragraph 32(c)	Indicator No. 5 of Table #3 of Annex 1				Not material	203
ESRS S1-14 Number of fatalities and number and rate of work-related accidents, Paragraph 88(b) and (c)	Indicator No. 2 of Table #3 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II		Not material	202
ESRS S1-14 Number of days lost to injuries, accidents, fatalities or illness, Paragraph 88(e)	Indicator No. 3 of Table #3 of Annex 1				Not material	202
ESRS S1-16 Unadjusted gender pay gap, Paragraph 97 (a)	Indicator No. 12 of Table #1 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II		Not material	208
ESRS S1-16 Excessive CEO pay ratio, Paragraph 97(b)	Indicator No. 8 of Table #3 of Annex 1				Not material	208
ESRS S1-17 Incidents of discrimination. Paragraph 103(a)	Indicator No. 7 of Table #3 of Annex 1				Not material	200
ESRS S1-17 Non-respect of UNGPs on Business and Human Rights and OECD, Paragraph 104(a)	Indicator No. 10 of Table #1 and Indicator No. 14 of Table #3, Annex I		Delegated Regulation (EU) 2020/1816, Annex II; Delegated Regulation (EU) 2020/1818, Art 12(1)		Not material	200
ESRS 2 – SBM-3 – S2 Significant risk of child labour or forced labour in the value chain, Paragraph 11(b)	Indicators No. 12 and 13 of Table #3 of Annex 1				Not material	198
ESRS S2-1 Human rights policy commitments, Paragraph 17	Indicator No. 9 of Table #3 and Indicator No. 11 of Table #1, Annex I				Not material	/
ESRS S2-1 Policies related to value chain workers, Paragraph 18	Indicators No. 11 and 4 of Table #3 of Annex 1				Not material	/
ESRS S2-1 Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines, Paragraph 19	Indicator No. 10 of Table #1 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II; Delegated Regulation (EU) 2020/1818, Art 12(1)		Not material	/

Disclosure requirement and related data point	SFDR Reference	Pillar 3 Reference	Benchmarks Regulation Reference	EU Climate Law Reference	Material / not material	Page
ESRS S2-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, Paragraph 19			Delegated Regulation (EU) 2020/1816, Annex II		Not material	/
ESRS S2-4 Human rights issues and incidents connected to its upstream and downstream value chain; Paragraph 36	Indicator No. 14 of Table #3 of Annex 1				Not material	/
ESRS S3-1 Human rights policy commitments, Paragraph 16	Indicator No. 9 of Table #3 of Annex I and Indicator No. 11 of Table #1 of Annex I				Not material	/
ESRS S3-1 Non-respect of UNGPs on Business and Human Rights, ILO principles and/or OECD guidelines, Paragraph 17	Indicator No. 10 of Table #1 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II; Delegated Regulation (EU) 2020/1818, Art 12(1)		Not material	/
ESRS S3-4 Human rights issues and incidents, Paragraph 36	Indicator No. 14 of Table #3 of Annex 1				Not material	/
ESRS S4-1 Policies related to consumers and end-users, Paragraph 16	Indicator No. 9 of Table #3 and Indicator No. 11 of Table #1, Annex I				Not material	/
ESRS S4-1 Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines, Paragraph 17			Annex II, Delegated Regulation (EU) 2020/1818, Article 12(1)		Not material	/
ESRS S4-4 Human rights issues and incidents, Paragraph 35	Indicator No. 14 of Table #3 of Annex 1				Not material	/
ESRS G1-1 United Nations Convention against Corruption, Paragraph 10(b)	Indicator No. 15 of Table #3 of Annex 1				Not material	212
ESRS G1-1 Protection of whistle- blowers, Paragraph 10(d)	Indicator No. 6 of Table #3 of Annex 1				Not material	212
ESRS G1-4 Fines for violation of anti-corruption and anti-bribery laws, Paragraph 24(a)	Indicator No. 17 of Table #3 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II		Not material	/
ESRS G1-4 Standards of anti- corruption and anti- bribery, Paragraph 24(b)	Indicator No. 16 of Table #3 of Annex 1				Not material	213

4.8.3 List of Acronyms and Glossary of Terms

ATX index – Austrian Traded Index - the most important index of Wiener Börse

AR – “Application Requirements” (refers to explanations in ESRS)

ARSO – Slovenian Environment Agency

GDP – Gross Domestic Product

BEIS – Department of Business, Energy and Industrial Strategy (United Kingdom of Great Britain and Northern Ireland)

BMVRO – Binomial Model for Real Option Valuation in Loan Valuation

BOPM – Binomial Option Pricing Model in the Calculation of Loans at Fair Value

BP-1 – General Basis for the Preparation of the Sustainability Report

BP-2 – Disclosures Relating to Specific Circumstances

CapEx – Capital Expenditure (refers to capital outflows)

CO₂ – Carbon Dioxide

CO₂e – Carbon Dioxide Equivalent

CSRD – Corporate Sustainability Reporting Directive

DARS – Motorway Company of Republic of Slovenia

DZ – National Assembly

DCF – Discounted Cash Flow Method

d. d. (PLC) – Public Limited Company

d.o.o. (Ltd.) – Limited liability company

DDPO – Corporate Income Tax

VAT – value added tax

SRE – Socially Responsible Employer Certificate

FFE – Family-Friendly Enterprise Certificate

DPS –Default Probability Scorecard (refers to a scoring system for assessing the probability of debt default)

D. S. U. – Družba za svetovanje in upravljanje

BAMC – Bad Asset Management Company

E-1 – ESRS Thematic Area: Climate Change

E1-6 – ESRS Section: Gross GHG Emissions for Scopes 1, 2 and 3 and Total GHG Emissions

E1-9 – ESRS Section: Anticipated Financial Effects of Material Physical and Transition Risks and Potential Climate-Related Opportunities

EBITDA – Earnings Before Interest, Taxes, Depreciation and Amortisation

ECB – European Central Bank

EDC – Electricity Distribution Company

EE – Electricity

EF – Emission Factor

EFrag – European Financial Reporting Advisory Group (refers to the organisation issuing sustainability reporting guidelines)

ESG – Environmental, Social and Governance (sustainability reporting acronym)

ESRS – European Sustainability Reporting Standards

ESRS 1 – General Requirements of the European Sustainability Reporting Standards

ESRS 2 – General Disclosure of the European Sustainability Reporting Standards

ECESA – Expert Committee for Economic and Social Affairs

EU – European Union

EUR – Euro currency

ETS – Emission Trading Scheme (EU scheme for trading emission allowances)

EV/EBITDA – Enterprise Value to EBITDA (financial ratio used to assess a company's valuation)

EEA – European Environment Agency

FTE – Full-Time Equivalent (refers to the equivalent of full-time working hours)

FVOCI – Fair Value Through Other Comprehensive Income

G-1 – ESRS Thematic Area: Business Conduct

GEN – GEN energija Group, d. o. o.

GHG – Greenhouse Gas (refers to greenhouse gas emissions)

GMBH – Gesellschaft mit beschränkter Haftung (d. o. o., limited liability company)

GOV – ESRS Thematic Area: Governance

GURS – Geodetska uprava Republike Slovenije (Surveying and Mapping Authority of the Republic of Slovenia)

HFC – Hydrofluorocarbons

HICP – Harmonised Index of Consumer Prices

HSE – Holding Slovenske elektrarne, d. o. o.

IFRS – International Financial Reporting Standards

IJS – Jožef Stefan Institute

IJS-CEU – Jožef Stefan Institute – Centre for Energy Efficiency

IKKN – Executive Committee for Capital Assets

ICT – Information and Communication Technology

IRO – Impacts, Risks and Opportunities

ISO – International Organization for Standardization (refers to quality system standards)

ICT – Information and Communication Technology

KAD – Kapitalska družba pokojninskega in invalidskega zavarovanja d. d. (Pension Fund Management)

Code – Corporate Governance Code for SOEs

KPK – Commission for the Prevention of Corruption

AAMP – Annual Asset Management Plan for Capital Assets of RS and SSH

MoF – Ministry of Finance

mio – Million

MKPS – Modri krovni pokojninski sklad

MLM – Mariborska livarna Maribor, d. d.

bn – Billion

IAS – International Accounting Standards

MSCI All Country World Index – The global equity index which measures the performance of stocks in developed and emerging markets

SME – Small and Medium-sized enterprise

IVS – International Valuation Standards

IFRS – International Financial Reporting Standards

MWh – Megawatt Hour

NECP – National Energy and Climate Plan

NLB – Nova Ljubljanska banka, d. d.

NCV – Net Calorific Value

SSH SB – Supervisory Board of SSH

NUSZ – a charge for the use of building land

OECD – Organisation for Economic Cooperation and Development

OKS – Olympic Committee of Slovenia

OpEx – Operational Expenditure (refers to operating expenses)

IFRIC – IFRS Interpretations Committee

p.p. – Percentage Point

RES – renewable sources of energy

VSPI – Voluntary Supplementary Pension Insurance

PMI – Purchasing Managers' Index (monthly index showing current trends in the manufacturing sector)

Policy – Asset Management Policy of SSH

AML/CFT – Prevention of Money Laundering and Terrorist Financing Reporting

ROE – Return on Equity

RS – Republic of Slovenia

RS21 – Bond issued by the Republic of Slovenia for the payment of compensation for confiscated property pursuant to the abrogation of the penalty of confiscation of property

S-1 – ESRS Topical Standard – Own Workforce

SBITOP– Slovenian Blue-Chip Index, a benchmark index, which tracks the performance of the most liquid shares on the Ljubljana Stock Exchange

SDE – Trade Union of Energy Sector Workers of Slovenia

SSH– Slovenian Sovereign Holding

SSH Group – Slovenian Sovereign Holding Group

SBM-1 – ESRS Section – Strategy, Business Model and Value Chain

SBM-2 – ESRS Section – Interests and Views of Stakeholders

SBM-3 – ESRS Section – Material Impacts, Risks and Opportunities and their Interaction with Strategy and the Business Model

SIDG – Slovenski državni gozdovi, d. o. o. (Slovenia Forest Service)

SIQ – Slovenian Institute of Quality and Metrology

SNG – Slovene National Theatre

SOD – Slovenska odškodninska družba, d. d. (Slovene Compensation Fund)

SOS2E – the symbol of a bond issued by Slovenian Sovereign Holding for the settlement of liabilities due to beneficiaries in denationalisation proceedings

CIS – Compliance and Integrity

SPPI – Solely Payments of Principal and Interest

SURS– Statistical Office of the Republic of Slovenia

SZ-1 – Housing Act of the Republic of Slovenia

S&P 500 – Standard & Poor’s 500 Index – a stock market index of 500 publicly traded companies in the United States

tCO₂e – Metric Tonnes of Carbon Dioxide Equivalent (tCO₂e)

GHG – Greenhouse Gas

UKC Ljubljana – Ljubljana University Medical Centre

IASB – International Accounting Standards Board

UK – United Kingdom

WACC – Weighted Average Cost of Capital

USA – United States of America

Zden – Denationalisation Act

ZDIJZ – Public Information Access Act

ZFPPIPP – Financial Operations, Insolvency Proceedings and Compulsory Dissolution – Act

ZGD-1 – Companies Act

ZGD-1M – Act Amending the Companies Act

ZIntPK – Integrity and Prevention of Corruption Act

ZIOOZP – Act Regulating the Issuing of Bonds in Compensation for Confiscated Property pursuant to the Abrogation of the Penalty of Confiscation of Property

ZIPRS2122 - Act Amending Implementation of the Republic of Slovenia’s Budget (2021 and 2022) Act

ZN-3 – Public Procurement Act

ZORZFS – Act on Reconstruction, Development and Provision of Financial Resources

ZPFPPIP – Act on the Transitional Financing of the Accelerated and Just Exit from Coal

ZPIZ – Zavod za pokojninsko in invalidsko zavarovanje or, in English, Pension and Disability Insurance Institute of Slovenia.

Zpkri – Redressing of Injustices Act

ZPPDFT-2 – prevention of Money Laundering and Terrorist Financing

ZPre-1 – Takeovers Act

ZSDH-1 – Slovenian Sovereign Holding Act

ZSOS – Slovenian Compensation Fund Act

ZSOS-C – Act Amending the Slovenian Compensation Fund Act

ZSPOZ – Act on Payment of Compensation to Victims of War and Post-War Violence

ZUP – General Administrative Procedure Act

ZVOP-2– Personal Data Protection Act

ZVJTO – Reimbursement of Investments in Public Telecommunications Network Act

ZZPri – Reporting Persons Protection Act

ZSPOZ – Act on Payment of Compensation to Victims of War and Post-War Violence



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