



SLOVENIAN SOVEREIGN HOLDING

ANNUAL ASSET MANAGEMENT PLAN FOR 2026

2026



The State is an important owner of enterprises in Slovenia.

SSH has a significant responsibility to actively and professionally manage assets in state-owned enterprises (SOEs).

The primary objective of these companies is to operate successfully, profitably, and efficiently, creating long-term value while, in many cases, also fulfilling strategic objectives, particularly within the scope of individual services of general economic interest.

This must be achieved in a sustainable manner, with a responsible approach to society and the environment, while upholding the highest ethical standards and ensuring compliance and integrity in all business operations.

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ABBREVIATIONS AND DEFINITIONS

AGENRS: is the Energy Agency.

AKOS: is the Agency for Communication Networks and Services of the Republic of Slovenia.

GDP: is gross domestic product.

BoS: is the Bank of Slovenia.

Borzen: is Borzen, operater trga z elektriko, d. o. o., or in English. the Power Market Operator.

CAGR: is Compound Annual Growth Rate.

CS3D: is the Corporate Sustainability Due Diligence Directive.

State-owned enterprise (SOE) or a company with capital assets of the State: is a company in which capital assets are directly held by SSH or the Republic of Slovenia, and which is managed by SSH.

DRSI: is the Slovenian Infrastructure Agency.

AHU: is affordable and accessible rental housing units.

VCC: is venture capital companies.

EBRD: is the European Bank for Reconstruction and Development.

ECB: is the European Central Bank.

EDC: is the electricity distribution company.

EE: is electricity.

ELES: is ELES, sistemski operater prenosnega elektroenergetskega omrežja, d. o. o., the Electricity Transmission System Operator.

EIB: is the European Investment Bank.

ESG: is Environmental, Social, and Governance factors, or sustainability factors.

ESRS: is the European Sustainability Reporting Standards.

EU: is the European Union.

FED: is the Federal Reserve Board – the American central bank.

SGEI: is a service of general economic interest.

HPP: is a hydropower plant.

IMF: is the International Monetary Fund.

KAD: is the Pension Fund Management.

Capital asset of the State: is the capital assets owned by RS, KAD and/or SSH.

SSH Code or CGCSOE: is the Corporate Governance Code for SOEs, most recently revised in December 2023.

AAMP: is the Annual Asset Management Plan developed every year by SSH in accordance with Article 30 of ZSDH-1.

SSH Criteria: is the Criteria for Measuring Performance of SOEs, the SSH's legal document which, as a rule, is updated every year simultaneously with AAMP. This document defines the criteria and the indicators for measuring the performance of SOEs.

MF: is the Ministry of Finance of the Republic of Slovenia.

METS: is the Ministry of the Economy, Tourism and Sport of the Republic of Slovenia.

MoC: is the Ministry of Culture of the Republic of Slovenia.

MAFF: is the Ministry of Agriculture, Forestry and Food of the Republic of Slovenia.

MNRSP: is the Ministry of Natural Resources and Spatial Planning of the Republic of Slovenia.

MECE: Ministry of the Environment, Climate and Energy of the Republic of Slovenia.

MoD: is the Ministry of Defence of the Republic of Slovenia.

SME: small and medium-sized enterprises.

IFRS: refers to the International Financial Reporting Standards.

MHESI: is the Ministry of Higher Education, Science and Innovation of the Republic of Slovenia.

MFEA: is the Ministry of Foreign and European Affairs of the Republic of Slovenia.

Mol: is the Ministry of Infrastructure of the Republic of Slovenia.

Investments: the term encompasses capital assets, claims and tangible assets.

NECP: is the National Energy Climate Plan.

NIS-2: is the directive on measures for a high common level of cybersecurity across the Union (Directive (EU) 2022/2555 of the European Parliament and of the Council of 14 December 2022).

p.p.: is a percentage point.

RES: is the renewable sources of energy.

SSH Asset Management Policy: is the SSH Assets Management Policy as adopted in June 2023.

Important assets: are assets whose development function should be kept within the Republic of Slovenia.

Portfolio of capital assets or capital assets portfolio: the term includes all capital assets held by SSH and RS and managed by SSH as well as the investment in Zavarovalnica Triglav, d. d., owned by ZPIZ, which is also managed by SSH.

Portfolio assets: are assets by means of which the Republic of Slovenia seeks to achieve solely economic goals. An exception is made for companies for persons with disabilities, as their purpose is not limited to the pursuit of economic objectives but also includes socially responsible governance of such companies by the asset manager.

SSH Recommendations and Expectations: refers to the SSH Recommendations and Expectations adopted in December 2024.

RS: Republic of Slovenia

State Asset Management Strategy: is the State Assets Management Strategy, adopted by the National Assembly of the Republic of Slovenia on 25 March 2025 as the Ordinance on the State Assets Management Strategy (OdsUND-1), and published in the Official Gazette of the Republic of Slovenia on 28 March 2025.

Strategic assets: are assets with which the Republic of Slovenia attains strategic goals.

SSH: is Slovenian Sovereign Holding (SSH).

SURS: is the Statistical Office of Republic of Slovenia.

TPP: is a thermal power plant.

TEU: is the twenty-foot equivalent unit, a unit for marking the capacity of container ships and container terminals.

IMAD: is the Institute of Macroeconomic Analysis and Development.

USD: is American Dollar.

ZD: is the Inheritance Act (Official Gazette of the Republic of Slovenia, No. 15/76, et seq.).

USA: refers to the United States of America.

ZFPPIPP: is the Financial Operations, Insolvency Proceedings, and Compulsory Dissolution Act (Official Gazette of the Republic of Slovenia, No. 13/14, et seq.).

ZKI-1: is the Critical Infrastructure Act (Official Gazette of the Republic of Slovenia, No. 102/24).

ZinfV-1: is the Information Security Act (Official Gazette of the Republic of Slovenia, No. 40/25).

ZGD-1: is the Companies Act (Official Gazette of the Republic of Slovenia, No. 42/06, et seq.).

ZPIZ: is Zavod za pokojninsko in invalidsko zavarovanje or, in English, Pension and Disability Insurance Institute of Slovenia.

ZPFPIIP: is the Act on Transitional Financing for an Accelerated and Just Coal Exit (Official Gazette of the Republic of Slovenia, No.109/24).

ZPKEPS-1: is the Conditions of the Concession for Exploitation of the Energy Potential of the Lower Sava River Act (Official Gazette of the Republic of Slovenia, No. 87/11 et seq.).

ZPPDFT-2: is the Prevention of Money Laundering and Terrorist Financing Act (Official Gazette of the Republic of Slovenia, No. 48/22, et. seq.).

ZSDH-1: is the Slovenian Sovereign Holding Act (Official Gazette of the Republic of Slovenia, No. 25/14, et seq.).

ZTFI: is the Financial Instruments Market Act (Official Gazette of the Republic of Slovenia, No. 77/18, et seq.).

INTRODUCTION



INTRODUCTION

The Annual Asset Management Plan (“AAMP”) is composed of the **General Section** and the **Special Section**. The Special Section mainly includes sensitive business data which is why the whole section has been classified as “CONFIDENTIAL”, and as such it is not disclosed publicly.

In the **General Section of the AAMP**, the fundamental documents on asset management are briefly introduced, together with the presentation of legal limitations on asset management, macroeconomic outlook, and industry-specific forecasts. The management of assets concisely details key aspects of the management of (i) capital assets, (ii) claims, and (iii) tangible assets. The chapter on asset management includes (i) the definition of the capital assets portfolio managed by SSH and (ii) a list of capital assets held in companies which are not included in the Special Section of the AAMP. The General Section also outlines (i) fundamental and general objectives for managing capital assets, (ii) a review of achieved and planned return on equity (ROE) of the capital assets managed by SSH, (iii) planned cash flows from dividends of capital assets under SSH’s management, and (iv) key projects, objectives in asset management, as well as development activities for 2026. As regards the management of claims and tangible assets, fundamental objectives, directions, and asset management activities are presented.

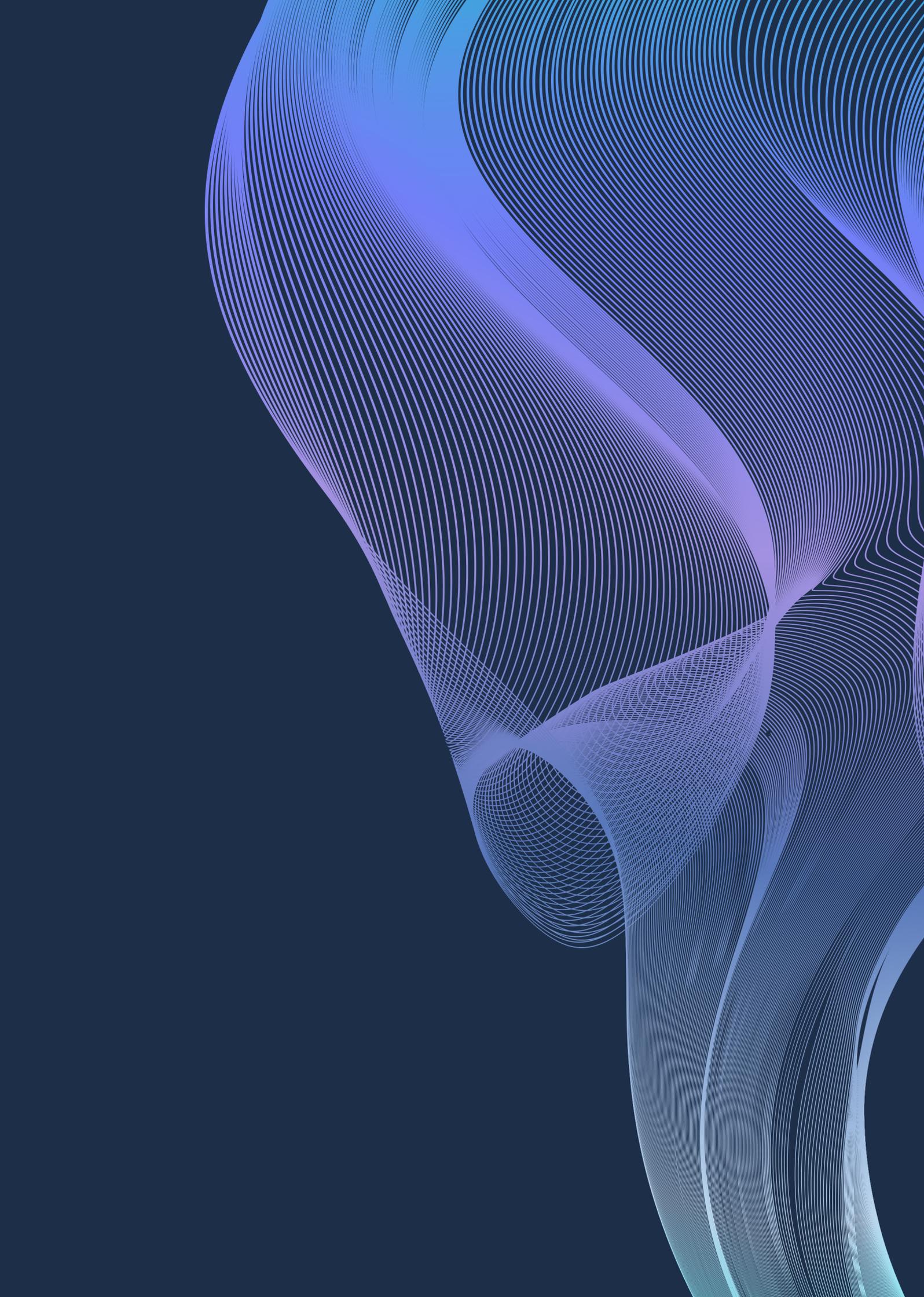
In the **Special Section of the AAMP**, objectives in asset management for 2026 and forecasts for 2027 are defined for selected companies with capital assets. Key criteria for measuring business performance and SSH’s expectations of companies/groups are identified. For all large companies, descriptions of the key risks to achieving the set objectives and their management, as well as the ESG objectives, are included. In the Special Section of the AAMP, a chapter entitled Strengthening Resilience was included for the selected companies for the first time, in which the companies set out the areas on which they will focus their activities in 2026 to strengthen their resilience. For certain companies, SSH is expected to undertake additional governance activities that fall outside the scope of regular management, such as those related to specific projects. The Special Section of the AAMP also contains information about planned cash flows from (i) managing capital assets, (ii) managing claims, and (iii) managing tangible assets.

Given the specific nature of the industries in which the companies operate, performance criteria for some companies are highly complex; therefore, the use of the Criteria for Measuring Performance of SOEs in conjunction with this AAMP is recommended for easier understanding.

LIMITATION OF LIABILITY

This Document has been prepared in accordance with the principle of the diligence of a conscientious and fair businessperson (in Slovene: “s skrbnostjo vestnega in poštenega gospodarstvenika”), and by applying the necessary professional knowledge and expertise. Forecasts included in this document are based on estimates and assumptions made by SSH about the operations of companies. During the preparation of this document, SSH did not have access to inside information of publicly listed companies.

I. GENERAL



1. KEY ASSET MANAGEMENT DOCUMENTS

The Slovenian Sovereign Holding Act (ZSDH-1) defines four key governance documents for the management of assets owned by SSH and for assets of RS which are managed by SSH. They are: (i) the State Assets Management Strategy; (ii) Annual Asset Management Plan; (iii) SSH Asset Management Policy and (iv) Code of Corporate Governance of SOEs (CGCSOE). In addition to the instruments of governance listed above, the following documents are also considered instruments of asset management, as they are connected with them in terms of their content: (v) the SSH Criteria and (vi) the SSH Recommendations and Expectations.

The **State Assets Management Strategy**, which was adopted by the National Assembly of the Republic of Slovenia on 25 March 2025 in accordance with Article 28 of ZSDH-1, sets out: (i) the definition and classification of assets into specific categories based on management objectives, (ii) the definition of the development orientations of the Republic of Slovenia in its capacity as a shareholder or company member in companies, (iii) the definition of sectoral strategies (covering the energy, transport, finance, economy and tourism sectors), and (iv) the specific strategic objectives that the Republic of Slovenia aims to achieve through each 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. When individual asset listed in the State Assets Management Strategy is not explicitly classified under any of the above mentioned categories, the asset is considered a portfolio asset. An exception, as outlined in Section 3.1 of the State Assets Management Strategy, applies to assets that are subsequently acquired or established. These may be classified as strategic based on the identification of aligned strategic objectives within the 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 becomes effective upon the approval by the SSH Supervisory Board (to be issued not later than by the end of November, for the following calendar year). The AAMP must then be approved by the Government of RS, upon the proposal given by the Ministry of Finance (MoF).

Another critical governance document within SSH, which is connected in terms of the content with AAMP, is **the Criteria for Measuring Performance of SOEs**. The said document defines a set of indicators used by SSH to monitor the performance of companies with state capital assets. These criteria are not quantified which is why they have to be applied in conjunction with each respective AAMP. As a matter of fact, in the AAMP, the performance criteria are selected and quantified as goals for individual companies and represent SSH's expectations from SOEs as regards their future business performance. Retrospectively, they serve as a quantified basis for measuring and evaluating past performance of companies against expectations set by SSH.

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. These procedures are formalised in a government instrument adopted by the SSH Management Board, subject to approval by the SSH Supervisory Board. The SSH Asset Management Policy is continuously refined, improved, and adapted to evolving circumstances.

The SSH Code or the CGCSOE outlines principles and best practice recommendations for corporate governance in companies with state capital assets (SOEs). The primary objective of CGCSOE is to enhance the quality of corporate governance within these companies and within SSH itself, thereby fostering long-term improvements in their performance for the benefit of all stakeholders.

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.

STATUTORY LIMITATIONS IN ASSET MANAGEMENT

SSH manages assets in accordance with applicable laws and regulations and governance documents on asset management. Certain rules and statutory solutions may be viewed as limitations in managing assets, however, they also have their purpose, usually of a protective nature. In this regard, the following limitations apply to asset management:

- Independence of Company Bodies: The provision of Article 20, Paragraph 3 of ZSDH-1 stipulates that SSH must not interfere with the independence of the corporate bodies, and especially, it must not intervene with individual business and governance decisions.
- Shareholder Information Rights: Limitations in managing assets held in public limited companies are governed by provisions of ZGD-1 which limit the right of a shareholder to access information. Compliance with Public Company Regulations: In the case of publicly listed companies, SSH must adhere to the provisions of the Financial Instruments Market Act (ZTFI).
- Takeover Legislation Compliance: SSH is required to comply with takeover legislation, which obliges shareholders of public companies limited by shares and large public companies to publish a takeover bid for all remaining shares of the target company once they reach the takeover threshold or any additional takeover threshold. In other words, this means that SSH is prohibited from increasing the state's shareholding in a target company beyond the takeover threshold or additional takeover threshold unless there is a commitment to potentially acquire all remaining shares of the target company and such an action is explicitly provided for in the Asset Management Annual Plan (AAMP).
- Competition Law Compliance: SSH must adhere to the provisions of legislation governing the prevention of anti-competitive practices. Any concentration that meets both the legal and economic conditions must be notified to the relevant competition authority (or the European Commission), and its implementation must be suspended until a decision on its compliance with competition rules has been issued. Where SSH considers a concentration to be contentious under competition law, it must either refrain from proceeding with the transaction, propose corrective measures to the relevant regulatory authority, or adopt binding commitments.
- State Aid Regulations: SSH must comply with state aid regulations in relation to certain asset-management-related measures. These regulations must also be observed in the processes for the sale of state assets which generally means that, as a rule, a prospective buyer cannot be contractually obliged to satisfy non-financial commitments (only best-effort obligations are generally acceptable). SSH is required to adhere to state aid regulations when acquiring capital assets and engaging in other asset-management-related activities that could potentially constitute a breach of state aid rules, such as in the increases of share capital or in case of lending.
- Strategic Asset Management Compliance: SSH must act in accordance with the State Assets Management Strategy, on the basis of which the governance measures are defined each year in the AAMP.
- Customer Due Diligence and Beneficial Ownership Verification: In accordance with the provisions of the Prevention of Money Laundering and Terrorism Financing Act ("ZPPDFT-2"), SSH is required to conduct due diligence in respect of certain transactions and to establish the ultimate beneficial owner. This may impose restrictions on transactions with certain counterparties.
- Related Party Transactions: Article 60 of ZSDH-1 sets out limitations on transactions with related parties. The SSH Supervisory Board may authorise such transactions under specific conditions.

2. MACROECONOMIC OUTLOOK

TABLE 1: OVERVIEW OF PAST DATA AND FORECASTS FOR SLOVENIA, THE WORLD, RS, THE EURO AREA AND THE UNITED STATES

Indicator (in %)	2021	2022	2023	2024	Forecast 2025	Forecast 2026	Forecast 2027
Real GDP growth; Slovenia (Analysts)	8.4	2.7	2.1	1.7	1.5	2.3	2.5
IMAD					0.8	2.1	2.2
BS					1.3	2.4	2.4
EBRD					0.7	2.0	/
EC					2.0	2.4	/
Average CPI inflation; Slovenia (Analysts)	1.9	8.8	7.4	2.0	2.2	2.0	2.0
IMAD					2.5	2.4	2.2
BoS (HICP methodology ¹)	2.0	9.3	7.2	2.0	2.5	2.2	1.9
EBRD					/	/	/
EC					2.1	1.9	/
Real GDP growth; World (Analysts)	6.6	3.6	3.5	3.3	2.8	2.9	3.0
Real GDP growth; the Euro area (Analysts)	6.3	3.6	0.4	0.9	1.2	1.1	1.5
Real GDP growth; USA (Analysts)	6.1	2.5	2.9	2.8	1.6	1.7	2.0

Source: BoS, Bloomberg analysts, EBRD², EC³;SURS, IMAD, SURS.

Slovenia: Economic Outlook: Macroeconomic forecasts⁴ for Slovenia for 2025 and 2026 remain challenging due to the deterioration in economic conditions and heightened uncertainty in the European and international environment. IMAD has revised its GDP growth forecast for Slovenia for 2025 downward from 2.1% to 0.8%, which is below the projected GDP growth for the euro area. Slow growth will be driven by a decline in exports resulting from weak growth in Germany and other partner countries, corporate pessimism and global trade tensions. Growth will be supported by domestic consumption, particularly household spending amid high employment and rising wages. After stagnating in 2024, investment is expected to increase moderately, especially in construction and manufacturing. Government consumption will be more moderate, while nominal wage growth will exceed that of 2024: by around 10% in the public sector and approximately 6% in the private sector. A recovery in GDP is expected in 2026 and 2027 on the back of increasing foreign demand and export growth. Investment will grow moderately, mainly in export-oriented activities, while residential and government investment will also strengthen (flood protection, the Recovery Plan). Employment will stagnate due to demographic factors, with a growing share of workers coming from abroad. Wage growth in both the private and public sectors will remain high, albeit lower than in 2025. Real wage growth in both sectors is expected to exceed 2.5% annually, with public sector wage growth in 2026 slightly higher due to the wage reform, implying that wages will continue to rise faster than inflation. Inflation is projected at 2.5% in 2025 and at 2.9% by the end of the year, mainly due to rising food prices. A slight decline in inflation is expected in 2026 and 2027, although service price growth will remain an important driver of inflation (labour shortages, income growth). Movements in energy prices will depend on administrative measures and the new network charge calculation.

IMAD's assumptions for 2025, 2026 and 2027, respectively, are as follows: (i) real growth in foreign demand: 1.9%, 2.1%, 2.5%; (ii) real GDP growth in the euro area: 1.2%, 1.3%, 1.4%; (iii) Brent crude oil price per barrel: USD 69.8, USD 65.4, USD 65.2; (iv) growth in non-energy commodity prices: 4.5%, -0.5%, -0.5%; (v) EUR/USD exchange rate: 1.127, 1.160, 1.160.

¹ HICP: Harmonised Index of Consumer Prices.

² Source: EBRD, Regional Economic Prospects, September 2025.

³ Source: European Commission, Economic Forecast, May 2025.

⁴ Source: IMAD: Autumn Forecast of Economic Trends, September 2025; BoS: Economic Developments and Projections, June 2025

Risks that could adversely affect developments under the baseline scenario include trade tensions, a deterioration in confidence in financial markets, geopolitical risks and the inability to carry out planned investments. Higher defence expenditure, attracting highly skilled labour and the effective absorption of EU funds could increase the likelihood of the positive scenario materialising.

Global Economic Outlook: The global economy in 2025 is characterised by uncertainties arising from trade disputes and the threat of tariff increases. In its October forecast, the IMF estimates a 25% probability that global growth in 2026 will fall below 2%, and an equal probability that inflation will exceed 5%. Compared with April, the risk of lower growth has eased, while the inflation risk remains unchanged. Despite the reduction of certain tariffs, the IMF points to a volatile environment and a decline in practices that previously supported growth. The IMF's baseline scenario⁵ projects global growth of 3.2% in 2025 and 3.1% in 2026. In advanced economies, growth in both 2025 and 2026 is expected to reach only 1.6%, while in the euro area it is projected at 1.2% and 1.1%, respectively, signalling continued underperformance relative to the United States (2.0% and 2.1%) and China (4.8% and 4.2%). Emerging market economies are expected to record growth of 4.2% in 2025 and 4.0% in 2026. Global inflation is expected to ease, although in the United States it will remain above the target level.

Euro Area: Economic Outlook: For the euro area, the ECB⁶ projects GDP growth of 1.2% in 2025, 1.0% in 2026 and 1.3% in 2027. Growth in 2025 is constrained by trade disputes and heightened uncertainty, which was reflected in weak second-quarter growth (0.1%). The August agreement between the European Commission and the United States has reduced uncertainty to some extent, although volatility is expected to persist through the end of the year. Industry is losing competitiveness, while growth is supported by domestic consumption, investment, accommodative monetary policy and external demand. Unemployment is expected to increase in 2025 and then gradually decline. Exports will have a neutral impact only in 2027 (+2.5%), while their contribution will be negative in the preceding years. Investment is projected to grow due to reduced uncertainty, higher defence and infrastructure expenditure and the availability of funding under the NextGenerationEU programme. HICP inflation is forecast at 2.1% in 2025, 1.7% in 2026 and 1.9% in 2027, slightly below the ECB's target. General government debt is expected to reach 88% of GDP in 2025, 89.1% in 2026 and 89.8% in 2027. Risks to public debt arise from the fiscal framework, defence expenditure and Member State policies. Alternative ECB scenarios indicate that inflation developments are highly sensitive to energy prices and to the EUR/USD exchange rate, while the impact on growth is more limited.

United States of America: Economic Outlook: GDP growth in the United States is expected to exceed that of the euro area over 2025–2027: 1.6% in 2025, 1.8% in 2026 and 1.9% in 2027. The Federal Reserve began lowering interest rates in September 2025, with further reductions anticipated. Labour market conditions are weak (in August 2025 unemployment reached its highest level since October 2021), inflation is slightly higher, and uncertainty regarding the outlook is consequently increasing. Estimates for the federal funds rate range from 2.9% to 4.4% for 2025, from 2.6% to 3.9% for 2026 and from 2.4% to 3.9% for 2027. The unemployment rate is expected to stand at 4.5% in 2025, 4.4% in 2026 and 4.3% in 2027. Uncertainty surrounding GDP growth in 2026 persists. The US economy is currently showing solid growth, with consumption outperforming expectations, while the pace of new job creation is stagnating. Analysts estimate the probability of a recession in the United States at 30%, and Federal Reserve scenarios for US macroeconomic indicators span a wide range.

⁵ IMF; World Economic Outlook, October 2025.

⁶ Source: ECB, ECB staff macroeconomic projections for the euro area, September 2025

2.1. SIGNIFICANT DEVELOPMENTS IN ENERGY SECTOR IN 2025 AND OUTLOOK FOR 2026⁷

INTRODUCTORY PRESENTATION OF EVENTS SIGNIFICANT FOR SLOVENIAN ENERGY COMPANIES

In July 2025, the European Commission presented an ambitious climate target proposal to reduce net greenhouse gas emissions by 90% by 2040 compared with 1990, with the possibility of a limited use of emission credits after 2036 based on emission allowances from projects outside the EU. Slovenia supports the proposal, while several Member States oppose it.

The EU energy sector is continuing its transition towards carbon-free energy sources (the share of electricity generation from renewable sources in the EU reached 47% in the first half of 2025), while electricity prices depend on weather conditions, gas prices, emission allowance prices, market conditions and regulatory measures. Electricity consumption growth in the EU remains relatively low (1.1% growth is forecast for 2025). The EU is tightening sanctions against Russia, including the gradual phase-out of imports of Russian gas and oil by the end of 2027, a measure opposed by some Member States.

In Slovenia, the new network charge act triggered strong reactions, leading to partial adjustments to the act. Distribution system operators warn of the urgent need for investment in the distribution network to meet the requirements of the green transition. The ten-year development plan for Slovenia's electricity distribution system for 2025–2034 envisages almost EUR 4 billion of investment, but the available financial resources of the distribution system operators are insufficient for its implementation.

In the area of renewable energy investment, NGOs or local communities also frequently blocked projects in 2025, primarily the construction of wind farms. The state plans to expand nuclear capacity (a final investment decision on JEK2 will be taken by 2028), and a new operating regime for TEŠ 6 has entered into effect. The EU remains divided on nuclear energy – France supports it, while Austria opposes it. The European Commission estimates that at least EUR 241 billion will be required for nuclear investment programmes at the EU level by 2050. In the coming years, the energy sector will need to accelerate the implementation of investments and secure additional sources of flexibility (battery storage facilities, pumped-storage power plants).

OVERVIEW OF THE EMISSIONS ALLOWANCE MARKET AND THE ELECTRICITY MARKET

Emissions allowance prices fluctuated between EUR 60 and EUR 82 per tonne in the first half of 2025, and Bloomberg's forecasts indicate further increases in the coming years (2026: EUR 85 per tonne; 2027: EUR 93 per tonne). A formal review of the EU ETS is expected in 2026, together with possible legislative amendments aimed at aligning the system with more ambitious climate targets, which would place additional upward pressure on emissions allowance prices. Electricity prices differ across EU Member States due to market factors, the composition of energy sources, legislation and transmission capacities. In the German market, average prices for 2026 are forecast at around EUR 81/MWh and for 2027 at EUR 76/MWh, while the average price in the first half of 2025 amounted to EUR 91.45/MWh.

OVERVIEW OF THE COMMODITIES MARKET

The average gas price at the Dutch TTF gas hub in the first half of 2025 was EUR 41.23/MWh (compared with EUR 29.67/MWh in the same period of 2024). This increase was driven by the interruption of Russian gas supplies via Ukraine, cold weather and higher consumption. In June 2025, the EU relaxed its gas storage rules (requiring storage facilities to reach 90% capacity at any point between 1 October and 1 December, with the possibility of a deviation of up to 10% from the target in the event of unfavourable market conditions or speculative pressures). Analysts estimate⁸ that the gas price will reach EUR 31.00/MWh in 2026 and EUR 26.50/MWh in 2027.

⁷ Source: Bloomberg.

⁸ Bloomberg, September 2025.

The average Brent crude oil price in the first half of 2025 was USD 70.81 per barrel (compared with USD 83.42 per barrel in the same period of 2024). For 2026, analysts forecast a Brent price of USD 64.63 per barrel, and USD 65.00 per barrel for 2027. Final fuel prices are also affected by taxes, excise duties and regulatory requirements.

In 2024, coal demand in the EU fell by more than 10%, while global demand increased by 1.4%. In the EU, consumption is declining due to the closure of thermal power plants and the green transition. The average ARA-delivered coal price⁹ was USD 108.27 per tonne in 2024 and USD 101.51 per tonne in the first half of 2025. Coal prices are expected to reach USD 100.49 per tonne in 2026 and USD 102.00 per tonne in 2027.

PIPELINE INFRASTRUCTURE, NATURAL GAS AND RENEWABLE GASES

In Europe, gas supply routes have changed since 2022 due to the war in Ukraine. As the EU moves away from Russian gas, supplies from Africa have increased, alongside a greater share of LNG and alternative sources (biomethane, hydrogen). A key project for the future is the North Adriatic Hydrogen Valley, which supports the development of hydrogen infrastructure and the decarbonisation of industry. Natural gas consumption in the EU is declining due to energy efficiency, prices, mild winters and the transition to renewable energy sources; however, natural gas remains a transitional energy source in the green transition and an important contributor to electricity system flexibility. Opportunities are emerging for alternative gases (biomethane, hydrogen), making it essential that infrastructure enables their transmission.

2.2. SIGNIFICANT DEVELOPMENTS IN TRANSPORT SECTOR IN 2025 AND OUTLOOK FOR 2026¹⁰

Transport infrastructure is essential for economic and social development, enabling connectivity within and between countries and influencing quality of life and the competitiveness of the economy. The largest investments relate to railway and motorway infrastructure. Extensive construction works (new construction, renovation and reconstruction) are under way in 2025, and this trend will continue in 2026 and 2027. Frequent delays arise due to unforeseen factors (geological conditions, increases in material prices, annulments of permits, discrepancies between estimated project values and bids received in public tenders, etc.), which affect progress in various areas (financial impact, project completion delays, contractor-related issues, etc.). As with energy infrastructure, transport infrastructure also faces permit annulments triggered by civil initiatives, resulting in multi-year delays in project implementation. One such example in the transport sector is the construction of the southern section of the Third Development Axis. Investment and the implementation of individual activities will also be influenced by the application of specific EU regulations aimed at reducing the carbon footprint in maritime, aviation, road and rail transport.

Key projects and trends in the transport sector include:

- the Third Development Axis – the completion deadline is being pushed beyond 2028, as the Velenje–Slovenj Gradec section alone is scheduled for completion in autumn 2029;
- the second tube of the Karavanke Tunnel – opening is planned for March 2026;
- the second track of the Divača–Koper railway line – testing is scheduled to begin in March 2026, with commercial operation planned for the end of 2026 in line with the timetable. In June 2025, 2TDK published a tender on the public procurement portal for the preparation of project and environmental documentation for the parallel left track of the second track, which will enable the new railway line to become double-tracked by 2030;
- maritime transport and logistics – the sector is seeing a trend towards consolidation and the construction of increasingly large container vessels, which requires upgrades to port infrastructure;

⁹ The reference price for coal delivered to the ARA region refers to deliveries to the northern European ports of Amsterdam, Rotterdam and Antwerp.

¹⁰ Source: Annual and Interim Reports of companies in the SSH portfolio.

- the programme to improve Slovenia’s air connectivity (2023–2025) – by September 2025, the Ministry of Infrastructure had conducted nine tenders. In 2025, EUR 1.35 million is available, and EUR 1.2 million per year is available in each of the following two years. Slovenia’s air connectivity increased by 23% in 2025.

RAIL TRANSPORT AND INFRASTRUCTURE¹¹

In 2025, extensive works on Slovenia’s railway infrastructure continue, including new construction and renovation projects. Among the most important projects are the start of construction of the Ljubljana Passenger Centre and the completion of the renovation of Nova Gorica station. Despite progress, challenges remain with respect to line capacity and train punctuality. Only 41% of trains reach their destination on time due to construction works, extraordinary events and the ageing network. Significant improvements are expected after 2026, when projects such as the second track of the Divača–Koper railway line and the Ljubljana Passenger Centre are completed. More than 70% of lines are single-track, most trains pass through Ljubljana, and line occupancy reaches almost 100% on the busiest sections and between 70% and 90% on others. To shorten travel times, the state is adopting national spatial plans for double-track lines on the Ljubljana–Kranj, Ljubljana–Kamnik and Ljubljana–Ivančna Gorica routes. Passenger numbers are increasing, making it necessary to improve the integration of rail and bus transport, simplify ticket purchasing and consider the construction of a double-track line in the Gorenjska region. Further investments in the Ljubljana hub, electrification, signalling and renovation works will enhance mobility, logistics and sustainability objectives. Following completion of the second track, it will be necessary to increase the share of container transport from the Port of Koper by rail and to monitor the impact on throughput in neighbouring countries, which are also investing in infrastructure.

MOTORWAY INFRASTRUCTURE¹²

Motorway management in Europe is organised in different ways: in some countries a single operator manages the motorway network, while in others responsibility is shared among several entities (e.g. Italy). Different models of road construction, management and maintenance exist, reflecting geographical factors (the transit role of the country for traffic to final destinations) and economic factors (freight transport serving multiple hinterland countries). Traffic on Slovenian motorways is growing moderately and varies by section. The highest growth is recorded on the Dolenjska section due to the rerouting of freight traffic following Croatia’s entry into the Schengen area. Experts warn of capacity constraints in the road network caused by congestion. Ensuring traffic flow and safety remains DARS’s core mission. In 2026, section-based speed control will be introduced on four motorway sections. For long-term improvements in flow and safety, the development of ITS systems, lane expansion on arterial routes and the upgrading of the Ljubljana ring road are key, although expansion is not possible on certain viaducts. Extensive renovation works are planned for 2026, with particular emphasis on accelerating projects under the Third Development Axis.

POSTAL, PARCEL AND LOGISTICS SERVICES

Across Europe, the volume of letter mail has been steadily declining for several years due to digitalisation. The pace of decline varies between countries, prompting national postal operators to shift their focus to new areas: parcel logistics, specialised logistics services, financial and document services, and services for public administration. Parcel logistics remains the key growth segment, driven by e-commerce. Automation and digitalisation are advancing rapidly, leading to increased investment in sorting lines and the expansion of parcel locker networks. National postal operators are losing competitiveness to specialised delivery providers with global support. The closure of traditional branches and the move towards contractual models highlight the limited scope for smaller postal operators operating under outdated business models. Strategic positioning within a value-added logistics chain is essential for competitiveness. Alongside global logistics companies, major e-commerce platforms with their own logistics operations also represent significant competition. In the B2C segment, success will depend on understanding consumer preferences (price, delivery time, accuracy, reliability, location, traceability and flexibility). By 2026, process optimisation will be essential to ensure efficiency and reduce costs in an increasingly competitive environment. Logistics companies are making greater use of electric vehicles to meet sustainability objectives and to support last-mile delivery, particularly in low-emission zones.

¹¹ Source: Annual and Interim Reports of SŽ, d. o. o.

¹² Source: Annual and Interim Reports of DARS, d. d.

AIR TRANSPORT¹³

In Slovenia, air connectivity has been improving following the bankruptcy of the national carrier. The Ministry of Infrastructure is conducting tenders to subsidise new routes under the air connectivity enhancement programme. In 2025, connectivity increased by 23%, the highest growth among countries in the wider EU region, although it remains 12% below the 2019 level. In June 2025, Slovenia ranked 20th in terms of connectivity (compared with 30th in 2024). Ljubljana Airport faces challenges due to its small size and the loss of its role as a regional hub for the Balkans. The airport operator and the Ministry of Infrastructure are working to increase the number of connections, with the aim of reaching and surpassing the 2019 level. Air traffic control is a key component of the aviation sector. In addition to ensuring safety and high-quality international cooperation, it plays an important role in sustainability by guiding aircraft along optimal flight paths to reduce their carbon footprint. In 2026, air traffic control will mainly invest in the modernisation of digital infrastructure, data analytics (for weather forecasting and predicting traffic congestion) and technologies that enable systemic reductions in aircraft carbon emissions. In 2026, Eurocontrol forecasts a 2.5% increase in traffic compared with 2025, amounting to 11.3 million flights across Europe. Traffic is expected to continue growing after 2026 and, under the baseline scenario, to exceed 12 million flights by 2031.

MARITIME TRANSPORT¹⁴

Luka Koper is the only Slovenian port integrated into international flows of goods and passengers and plays a key role in logistics and the wider economy. It receives around 80 cruise ships per year, and with the opening of a new terminal in 2025 it is clearly targeting further growth and development. Despite weak economic conditions in Europe, cargo throughput is increasing overall, although trends differ between segments. Vehicle throughput declined in 2024 due to the crisis in the automotive industry. Luka Koper is the leading port in the Northern Adriatic in terms of container throughput and one of the leading Mediterranean ports for vehicle throughput. In the first half of 2025, total throughput increased slightly, while some segments recorded declines. Northern Adriatic ports have a competitive advantage due to their location, which enables the supply of central and eastern European markets when navigation conditions through the Suez Canal are normal. In 2025, attacks on vessels in the Gulf of Aden were less frequent than in 2024 owing to the increased presence of military vessels. Container freight rates from Asia to Europe fell sharply in 2025 due to excess capacity, fewer bottlenecks, lower demand and stronger competition. Future price developments will depend on the state of the global economy, US tariffs and navigation conditions through the Suez Canal (in 2025, vessels were avoiding the canal). Normalisation would shorten transit times and lower prices. Future business performance will depend on infrastructure (railways, logistics terminals), links with shipping companies and overall economic conditions. Despite its geostrategic advantage, the port must continue to invest in order to maintain its position as the leading port in the Northern Adriatic.

2.3. SIGNIFICANT DEVELOPMENTS IN FINANCIAL SECTOR IN 2025 AND OUTLOOK FOR 2026

BANKING SECTOR¹⁵

The banking sector in the euro area continued to deliver solid results in 2024, primarily due to high interest rates, which increased net interest income. In previous years, the ECB gradually raised key interest rates in response to elevated inflation, which supported bank profitability. Signs of a slowdown began to appear in the second half of 2024. In the first half of 2025, the ECB began to lower interest rates. Bank profitability has declined, and net interest income has come under pressure as lower interest rates have been reflected more quickly in reduced loan income than in lower deposit costs. Banks have therefore increased their focus on non-interest income. Capital adequacy remains strong. The share of non-performing loans is rising slightly, mainly in the SME and commer-

¹³ Source: Annual report of Slovenia Control (KZPS), Forecast of Traffic Volume by Eurocontrol.

¹⁴ Source: Annual and Interim Report of the Port of Koper

¹⁵ Source: Bloomberg.

cial real estate segments. Due to excess capital stemming from strong performance in previous years, banks have the potential for further acquisitions, which will also depend on regulatory approvals and investor expectations. For banks in the Stoxx Europe 600 index, total revenue growth of 1% is forecast for 2025 and 3% for 2026. Provisions for non-performing loans are projected to increase by 11% in 2025 and by 5% in 2026. Operating costs are expected to rise slightly in 2026. Net profit is projected to grow by 2% in 2025 and by 6% in 2026. Regulatory priorities in 2026 will focus on assessing the impact of Basel III, new guidelines on liquidity risks, climate stress tests and the development of digital finance regulation (digital euro, crypto-assets).

INSURANCE SECTOR¹⁶

The year 2024 represented the peak of the business cycle for the European insurance and reinsurance sector, marked by exceptional profitability and financial stability. The outlook for 2025 remains positive. According to Swiss Re estimates, global insurance sector growth is expected to reach 2.0% in 2025 and 2.3% in 2026, in line with anticipated GDP growth. Life insurance premiums are forecast to increase by 1% in 2025 and by 2.4% in 2026. In the property and casualty segment, global premium growth is expected to slow to 2.6% in 2025 and 2.3% in 2026, primarily due to intensified competition and pressure on premium rates. A key challenge in the coming years will be managing claims inflation and improving cost efficiency. Capital adequacy remains stable; however, the combined ratio in property and casualty insurance may deteriorate due to slower premium growth and high claims costs. The sector will increasingly rely on internal adjustments, such as digitalisation, the use of artificial intelligence, stricter underwriting discipline and more innovative asset management. Regulatory pressures relating to sustainability are expected to persist.

2.4. SIGNIFICANT DEVELOPMENTS IN TOURISM IN 2025 AND OUTLOOK FOR 2026

TOURISM¹⁷

In 2025, tourism recorded moderate growth based on sustainable development and improved service quality. Slovenia achieved around a 6% increase in tourist arrivals and overnight stays in the first eight months of the year, supported by a successful summer season and greater visibility of lesser-known destinations. Key priorities included developing year-round tourism offerings, digitalising tourism flows and strengthening the Slovenia Green scheme. In the first eight months of 2025, Slovenian tourism recorded more than 5 million tourist arrivals and 13.2 million overnight stays, largely driven by foreign guests (an 8% increase compared with the same period of the previous year), while domestic arrivals declined. August 2025 saw a record 1.2 million arrivals and 3.3 million overnight stays (a 2% increase compared with 2024), with foreign guests accounting for 76%, mainly from Germany, Italy and Austria. Globally, tourism reached nearly 690 million international trips in the first half of the year, indicating continued post-pandemic recovery, although revenue growth has been somewhat slower (around 4.4% worldwide) due to economic uncertainty and geopolitical challenges. Forecasts for 2026 suggest continued demand for authentic and sustainable travel experiences. Travellers are expected to seek deeper connections with local environments, with greater emphasis on local experiences, visits to markets and cultural events.

¹⁶ Source: Swiss Re Institute SIGMA analyses.

¹⁷ Source: Slovenian Tourist Board website; www.slovenia.info/sl/poslovne-strani.

2.5. SIGNIFICANT DEVELOPMENTS IN ECONOMY SECTOR IN 2025 AND OUTLOOK FOR 2026

AUTOMOTIVE INDUSTRY

The European automotive industry is in a challenging position due to uncertainty surrounding the future of component suppliers. In the development of electric vehicles, Europe continues to lag behind China and the United States; the launch of new models is being delayed, and consumer interest is weakening. In 2024, the European market grew by only 0.8% (compared with 2.5% globally), while EU production declined by 6.2%. By contrast, production in China increased by 5.2%. Lower production has resulted in reduced demand for components, higher costs and lower margins for suppliers. Manufacturers are demanding price reductions and the sharing of development costs. In 2025, pressure on supply chain costs is intensifying; manufacturers are announcing cost-saving programmes and expect suppliers to monitor their sub-suppliers as well. Despite stagnation, demand is rising for electric-vehicle batteries and advanced driver-assistance systems (ADAS), although this growth is accompanied by high investment costs, which do not guarantee rapid profitability. Macroeconomic conditions (inflation, interest rates) and trade tensions (including the threat of tariffs on Chinese electric vehicles) further increase risks. The outlook for 2026 and 2027 is cautiously pessimistic: linear growth is unlikely to return, and the market is expected to remain volatile with low growth. Global production is projected to exceed the pre-pandemic peak (93 million vehicles) only around 2028, with growth concentrated in Asia and partly North America, while Europe is expected to recover the slowest. Electrification will continue, although the share of electric vehicles in Europe is not expected to exceed 50% before 2030. Suppliers will need to pursue opportunities in segments with stronger growth prospects: electric vehicles in specific niches, markets in Asia (excluding China) and North America, autonomous driving, connectivity and green technologies (such as hydrogen fuel cells for trucks).

PHARMACEUTICAL INDUSTRY

The pharmaceutical industry comprises several market segments in which high sales growth and margins can be achieved through appropriate specialisation and a well-balanced product mix. Originator companies are focusing on complex medicines for severe diseases, while generic manufacturers offer more affordable medicines that are attractive for public procurement. Government pressure to reduce prices negatively affects all companies, making an appropriate product life-cycle structure essential to mitigate these effects. The global generics market is expected to grow from USD 457 billion in 2024 to USD 492 billion in 2025 and to USD 666 billion by 2029, representing a compound annual growth rate (CAGR) of 7.9%. Growth is driven by chronic diseases, regulatory support, advances in research, population ageing and the expiry of patents for originator medicines. A significant number of patents in Europe and the United States will expire between 2025 and 2030, potentially shifting up to USD 137 billion in revenue from large companies to generic manufacturers. Biopharmaceuticals (biologics) will account for the largest share of this shift, while small-molecule medicines face the greatest revenue risk. In 2025, the Council of the EU agreed its position on new rules aimed at creating a fairer and more competitive pharmaceutical sector and initiated negotiations with the European Parliament. The proposed regulation and directive, which is referred to as the pharmaceutical package, represent the most significant reform of EU medicines legislation in more than 20 years.

STEEL AND ALUMINUM INDUSTRY¹⁸

The European steel industry, following a difficult 2024, continues to face uncertainty driven by low profitability, tariff developments, weakness in the automotive and machinery sectors and unfair imports from third countries. The completion of steel destocking may be pushed into 2026, as demand remains subdued. Ongoing tariff negotiations between the United States and the EU, together with protective measures, will have a significant impact on future profitability. While protective measures may offer short-term relief, a sustainable recovery will require a rebound in demand and better alignment of production capacity. Efforts to maintain production capacity remain ineffective due to high import volumes. Production in the EU27 fell by 3.3% in the first half of 2025, highlighting challenging conditions. The European Steel Association forecasts a 0.2% decline in steel consumption in 2025, followed by 3.1% growth in

¹⁸ Source: Bloomberg analytical reports; European Steel Association.

2026, assuming trade tensions ease. Imported steel accounts for 18% of European demand, and pressure may increase if the United States tightens its tariff regime. Prospects are particularly weak for producers supplying heavily affected sectors such as automotive. Bloomberg forecasts hot-rolled coil prices of USD 696.05/t in 2025, USD 673.54/t in 2026 and USD 632.70/t in 2027. Global aluminium demand is expected to exceed supply in 2025 due to constraints in China, while growth elsewhere will be more moderate. In the second half of 2025, the supply of recycled aluminium is expected to be limited owing to strong domestic demand in the United States. Key structural factors include the share of renewable energy and ownership of bauxite mines. Global aluminium demand growth is projected to slow by 3% in 2025 due to pricing trends and uncertainty surrounding clean-energy policies. European demand is expected to remain fragile given weak conditions in key downstream sectors. The global aluminium deficit is forecast at 3.15 million tonnes in 2025, 3.7 million tonnes in 2026 and 5.6 million tonnes in 2027. China accounts for 60% of global demand. Reactivation of capacity in Europe remains uncertain due to volatile gas prices and new capacity developments in third countries. Bloomberg forecasts aluminium prices at USD 2,548.56/t in 2025, USD 2,605.45/t in 2026 and USD 2,649.71/t in 2027.

PIG FARMING AND MEAT-PROCESSING INDUSTRY

In 2024, the pig herd in the EU declined by 0.5% to 132 million head, with a further 1–2% decrease in the first half of 2025. Compared with 2014, the herd is 8.1% smaller. At the end of 2024, the number of breeding sows fell by 3%, resulting in fewer piglets. For 2026, stagnation or a slight decline is expected due to consolidation and the closure of smaller farms driven by low profitability, stricter regulatory requirements and a lack of successors. In 2024, the EU produced 21.0 million tonnes of meat (up 2% on 2023), supported by an increase in slaughter numbers (up 0.8%) and higher slaughter weights (up 1.8%). Spain (up 6%), Germany (up 4%), and Denmark and Poland (up 4%) made the strongest contributions to growth. Margins remain positive, and the upward trend continued in the first quarter of 2025 (up 3.2%). For the second half of 2025, the European Commission forecasts a slight reduction in production, which, despite a strong start to the year, is expected to end around 0.4% below 2024 levels. The EU slaughter sector is consolidating, with larger and more efficient facilities expected to remain in operation. Major exporters highlight higher costs in the EU (energy, labour, environmental compliance) compared with Brazil and the United States. In Slovenia, the industry is small but important, with consolidation driven by acquisitions by foreign companies. The EU's Farm-to-Fork Strategy promotes a reduction in environmental impact through green energy, recycling and carbon-neutral slaughterhouses. In 2025, the sector is at a crossroads: fewer pigs, stable demand and opportunities to expand exports of higher-value products. Some slaughterhouses—particularly in northern Europe—are expected to close, while others, especially in Spain and central Europe, will expand. To maintain at least partial independence within the meat value chain, Slovenia will need to consider modernisation, support for pig farmers and the preservation of key elements of the domestic agri-food value chain.

GAMING AND GAMBLING INDUSTRY

In 2024, the European gambling market generated EUR 123.4 billion in gross gaming revenue (GGR), a 5% increase on the previous year. The online segment expanded more rapidly (by 11.7%), reaching EUR 47.9 billion (39% of the market), while land-based casinos grew by 1.3% to EUR 75.5 billion (61% of the market). Within online gambling, casino games accounted for the largest share of revenue (45%), followed by sports betting (29%) and lotteries (15%). Mobile devices generated 58% of online revenues. In the land-based segment, lotteries were the largest category (41%), followed by slot machines (33%), table games (11%) and betting shops (13%). In the first half of 2025, land-based casinos continued to strengthen, while growth in online gambling began to level off. According to the European Gaming and Betting Association (EGBA), gross gaming revenue is expected to reach EUR 127.7 billion in 2025 (up 3.5%), with the online channel projected to reach a 40% market share. Annual growth of 3–5% is expected through 2027, with gross gaming revenue (GGR) projected to reach EUR 149 billion by 2029 and the online segment accounting for 45% of the total. The industry also faces demographic challenges, prompting operators to introduce sports and entertainment content, such as dedicated sports areas and live match screenings, to attract younger customers. This approach, originating in the United States, is spreading across Europe. In Slovenia, online betting is tied to Športna Loterija, while land-based casinos increasingly host sports-related events. Looking ahead, understanding player preferences, ensuring regulatory compliance and implementing sustainable practices will remain essential, particularly given the sector's broader social sensitivities.

TIMBER INDUSTRY

The outlook for the forestry sector is shaped by macroeconomic conditions and force majeure, as timber supply is strongly influenced by extraordinary events. Sanitary felling, required due to extreme weather conditions and bark beetle infestations, increases supply and exerts downward pressure on prices. Timber prices vary according to quality and degree of processing. In 2024, high volumes of sanitary felling resulted in the lowest timber prices in a decade, exacerbated by recession in the construction sector. At the beginning of 2025, conifer prices stabilised owing to reduced stocks of sanitary timber and a modest recovery in construction. By May, the market had stabilised further: sawmill demand remained strong, and prices either stabilised or increased in some regions. A similar trend was observed in Slovenia, where prices for beech and pulpwood recovered slightly in spring 2025 due to foreign demand (supported by the stabilisation of global pulp prices, which boosted paper production). Meanwhile, prices of wood chips and firewood normalised following the peaks recorded in 2022 and remained moderate in 2025. Future developments in the forestry sector will also depend on conditions in the construction and furniture industries, both of which are expected to gradually improve, supporting timber demand. Euroconstruct forecasts European construction activity to grow by 1–2% annually in 2025 and 2026. According to EECFA, after declines in 2024 and 2025, Slovenian construction output is expected to start growing again in 2026 and 2027, leading to stronger demand for sawn timber and logs. Provided no new natural disasters occur, the supply of high-quality logs is expected to be balanced in 2026 and 2027, with conifer prices gradually returning to sustainable levels.

TELECOMMUNICATIONS

European telecommunications operators continue to face operational and financial pressures amid strong competition and rapid technological change. The sector has struggled to attract investors: telecom operators included in the STOXX Europe 600 index delivered a negative return of –6.7% between 2020 and 2024. With inflation easing, revenue growth of between 1.5% and 2% is expected in 2025. Forecasts for 2023–2029 suggest an average annual growth rate of 1.9% for Western Europe and 1.1% for Eastern Europe.¹⁹ Bloomberg projects free cash flow to grow by 3% in 2025 (following 6% in 2024), before returning to 6% in 2026 and 2027. Profitability will depend on the integration of artificial intelligence, the retirement of legacy technologies and efficiency programmes. Market consolidation is continuing through acquisitions and joint ventures, especially in fibre-network infrastructure. With four operators active in Slovenia, further consolidation is expected. Large internet companies with their own networks and satellite systems, alternative service providers and increasing EU regulatory pressures, such as lower price caps for SMS, roaming, data and calls, are contributing to downward pressure on prices. Telecom operators must therefore expand into growth areas such as 5G, B2B services, edge computing and artificial intelligence. The average weighted EBITDA margin of major European telecom operators is forecast at 34.22% in 2025 and 34.66% in 2026.

WATER UTILITY COMPANIES

Water management companies provide public water management services on the basis of a concession awarded for the 2019–2026 concession period. In Slovenia, water management is structured and organised in the following manner: the Ministry of Natural Resources and Spatial Planning (MNVP) grants concessions to eligible companies through a public tender process, based on predefined criteria. The concession is divided into two parts, the first is related to the provision of services of general economic interest, and the second part covers additional services. Activities carried out under the concession contract include maintenance, safeguarding, cleaning, mowing, felling, the rehabilitation of dams, embankments and sills, the construction of stone-and-concrete barriers, retaining walls and ground sills, as well as the cleaning and maintenance of swallow holes and sediment traps, and the removal of sandbanks and deposits. Water management companies derive part of their revenue from fulfilling concession obligations and part from market-oriented activities related to the construction of municipal infrastructure, environmental protection facilities, agricultural works, geotechnical services and similar activities. The concession period will conclude in 2026, and Government decisions indicate that changes to the regulatory framework governing water management are anticipated. On 11 September 2025, the Government of the Republic of Slovenia adopted resolutions confirming its intention to establish a new state-owned company that would perform the service of general economic interest in the field of water and water infrastructure.

¹⁹ Analysys Mason, Central & Eastern and Western Europe telecoms market: trends and forecasts 2024–2029, February 2025 (based on data up to Q2 2024).

3. MANAGEMENT OF CAPITAL ASSETS

3.1. PORTFOLIO OF CAPITAL ASSETS

3.1.1. LIST OF CAPITAL ASSETS UNDER SSH'S MANAGEMENT

SSH manages capital assets which are owned by SSH as well as those under SSH's management but owned by the Republic of Slovenia (RS), along with the capital assets in Zavarovalnica Triglav, d. d., which is owned by Pension and Disability Insurance of Slovenia (ZPIZ).

As at 30 September 2025, SSH managed assets held in 82 companies, of which capital assets held in 44 companies were solely owned by RS, while in the remaining 17 companies, assets were jointly owned by RS and SSH.

TABLE 2: LIST OF COMPANIES WITH CAPITAL ASSETS MANAGED BY SSH AS AT 30 SEPTEMBER 2025

No.	Company	Asset type	RS ownership stake (in %)	SSH ownership stake (in %)
ENERGY SECTOR				
1	ELEKTRO CELJE, D. D.	STRATEGIC	79.50	0.41
2	ELEKTRO GORENJSKA D. D.	STRATEGIC	79.48	1.51
3	ELEKTRO LJUBLJANA, D. D.	STRATEGIC	79.50	0.77
4	ELEKTRO MARIBOR D. D.	STRATEGIC	79.86	
5	ELEKTRO PRIMORSKA, D. D.	STRATEGIC	79.68	0.36
6	EGS- RI, d. o. o. O.	PORTFOLIO	100.00	
7	GEN ENERGIJA, D. O. O.	STRATEGIC	100.00	
8	HSE, D. O. O.	STRATEGIC	100.00	
9	INFRA, D. O. O.	STRATEGIC	100.00	
10	PETROL, D. D.	IMPORTANT	10.82	12.70
11	PLINHOLD D. O. O.	STRATEGIC	77.08	0.05
12	PREMOGOVNIK VELENJE, D. O. O.	STRATEGIC	100.00	
13	RUDNIK KANIŽARICA V ZAPIRANJU, D. O. O., ČRNOMELJ – IN LIQUIDATION	PORTFOLIO	100.00	
14	RŽV , D. O. O.	STRATEGIC	100.00	
15	TEŠ, D. O. O.	STRATEGIC	100.00	

No.	Company	Asset type	RS ownership stake (in %)	SSH ownership stake (in %)
FINANCIAL SECTOR				
16	D. S. U., D. O. O.	STRATEGIC	50.40	49.60
17	DOVOS, D. O. O.	STRATEGIC	100.00	
18	KB 1909, D. D.	PORTFOLIO		0.30
19	KOMPAS RAC, D. D., LJUBLJANA –IN LIQUIDATION	PORTFOLIO	0.01	0.02
20	LP INVEST, D. D.	PORTFOLIO	0.01	
21	NLB, D. D.	IMPORTANT	25.00	
22	PRVI SKLAD, DRUŽBA TVEGANEGA KAPITALA, D. O. O. – IN LIQUIDATION	PORTFOLIO	48.90	
23	SAVA RE, d. d.	IMPORTANT	13.89	17.68
24	SID BANKA, D. D., LJUBLJANA	STRATEGIC	99.41	
25	STH VENTURES, DRUŽBA TVEGANEGA KAPITALA – IN LIQUIDATION	PORTFOLIO	49.00	
26	ZAVAROVALNICA TRIGLAV, D. D.	STRATEGIC	34.48*	28.09
ECONOMY				
27	A. L. P. PECA, D. O. O.	PORTFOLIO	9.09	
28	ADRIAFIN, D. O. O.	PORTFOLIO		50.00
29	BODOČNOST MARIBOR, D. O. O.	PORTFOLIO	77.51	
30	CETIS, D. D., CELJE	PORTFOLIO		7.47
31	CINKARNA CELJE, D. D.	PORTFOLIO		24.44
32	CSS, D. O. O.	PORTFOLIO	99.19	
33	ELEKTROOPTIKA, D. D.	PORTFOLIO	0.01	70.48
34	FARME IHAN – KPM, D. O. O.	STRATEGIC		100.00
35	KOTO , D. O. O.	STRATEGIC	66.23	4.42
36	KRKA, D. D.	IMPORTANT	7.22	9.00
37	LOTERIJA SLOVENIJE D. D.	STRATEGIC		15.00
38	MEJA ŠENTJUR, D. D.	PORTFOLIO		100.00
39	MK ZALOŽBA, D. D.	IMPORTANT		83.47
40	POMGRAD– VGP D. D.	PORTFOLIO	25.01	
41	PS ZA AVTO, D. O. O., LJUBLJANA	PORTFOLIO		90.00
42	SAVAPROJEKT, D. D.	PORTFOLIO	3.47	
43	SIDG, D. O. O.	STRATEGIC		100.00
44	SIJ, D. D.	PORTFOLIO	25.00	
45	STNA, D. O. O.	PORTFOLIO		100.00
46	STUDENTENHEIM KOROTAN, GMBH	STRATEGIC	100.00	
47	TALUM, D. D., KIDRIČEVO	PORTFOLIO	86.25	5.21
48	TELEKOM SLOVENIJE, D. D.	IMPORTANT	62.54	4.25
49	UNIOR, D. D.	PORTFOLIO		39.43
50	URADNI LIST REPUBLIKE SLOVENIJE, D. O. O.	STRATEGIC	100.00	
51	VGP, D. D.	PORTFOLIO	25.00	
52	VGP DRAVA PTUJ, D. O. O.	PORTFOLIO	25.00	
53	VGP NOVO MESTO, D. D.	PORTFOLIO	25.00	

No.	Company	Asset type	RS ownership stake (in %)	SSH ownership stake (in %)
TOURISM				
54	ADRIA, D. O. O.	PORTFOLIO		11.74
55	CASINO BLEDE D. D.	PORTFOLIO		33.75
56	CASINO PORTOROŽ D. D.	PORTFOLIO		9.46
57	HIT, D. D., NOVA GORICA	PORTFOLIO		28.54
58	ISTRABENZ TURIZEM, D. D.	IMPORTANT		100.00
59	SAVA, D. D.	IMPORTANT		64.13
60	TERME OLIMIA, D. D.	PORTFOLIO	67.13	8.08
61	THERMANA, D. D.	PORTFOLIO		100.00
TRANSPORT				
62	DARS, D. D.	STRATEGIC	100.00	
63	DRI UPRAVLJANJE INVESTICIJ D. O. O.	STRATEGIC	100.00	
64	KOPP, D. O. O.	STRATEGIC	100.00	
65	KZPS, D. O. O.	STRATEGIC	100.00	
66	LUKA KOPER, D. D.	STRATEGIC	51.00	11.13
67	POŠTA SLOVENIJE, D. O. O.	STRATEGIC	100.00	
68	SŽ, D. O. O.	STRATEGIC	100.00	
CLAIMS				
69	AVTOTEHNA ZAGREB, D. O. O.	PORTFOLIO		100.00
70	BATRIŠ, D. O. O., UKRAINE	PORTFOLIO		18.00
71	CONSTANT LEADER XXI, UKRAINE	PORTFOLIO		18.00

Note * The ownership stake in Zavarovalnica Triglav is not directly owned by the Republic of Slovenia (RS) but by ZPIZ.

TABLE 3: LIST OF COMPANIES WITH CAPITAL ASSET OWNED BY RS AND ACQUIRED UNDER ZD, AS AT 30 SEPTEMBER 2025

No.	Company	Ownership - RS's shareholding (in %)
1	BIO PRIMA, D. O. O.	100.00
2	ELBEKO, D. O. O. SEŽANA - IN LIQUIDATION	100.00
3	IBI KRANJ, D. D. - IN LIQUIDATION*	0.00
4	IBT TRBOVLJE, D. D.	0.04
5	LENSAR INC.*	0.00
6	MD-ASPEKTA, D. O. O.	100.00
7	MEKOTNJAK AGRO, Mekotnjak, D. O. O.	100.00
8	NTV24.SI, D. D.	0.01
9	PDL BIOPHARMA INC. - IN LIQUIDATION	0.00
10	TERMO BOŽIČ, D. O. O.	100.00
11	ZHEJIANG DASHANG MEDIA CO., LTD.*	0.00

Note: * When a holding of 0.00% is indicated, it means that there is an ownership stake in the company, but it has been rounded up to 0.005%.

COMPANIES WITH CAPITAL ASSETS NOT COVERED BY THIS AAMP OR ITS SPECIAL SECTION

The classification of state capital assets in the State Asset Management Strategy also apply to companies with capital assets which are not managed by SSH and not covered by this AAMP. They include the following companies with capital assets owned by RS:

- **for which SSH does not have general management authority** (for example, KAD, STA, Kobilarna Lipica), preventing SSH from exercising shareholder's entitlements;
- **for which special legislation stipulates that they remain under the direct management of RS** (for example, ELES, Borzen, 2TDK).

All companies with capital assets managed by SSH are included in the special section of the AAMP, except in cases where, due to specific circumstances, preparing a special section would not be justified. These typically include:

- **capital assets in companies in liquidation**, where the primary management objective is the successful completion of the liquidation process;
- **capital assets in companies for which SSH has already signed a sale and purchase agreement for the full stake held by SSH and/or RS, or another binding agreement**, which has not yet been fully executed. The governance activities undertaken in these companies are minimal. SSH's objective in managing these companies is to successfully complete all activities required between the contract signing and transaction closure, ensuring a successful sale completion.
- **capital assets in companies where RS and/or SSH hold only a minor equity holding**; given the equity holding is small, SSH has a very limited influence over the corporate governance of these companies. Considering the principle of efficiency and its voting influence SSH will strive to act in the best interest of the RS and/or SSH in managing these assets. The primary goal pursued by SSH in the management of these assets is to ensure appropriate conditions for the sale of these assets, in accordance with ZSDH-1.
- **capital assets in companies acquired under ZD**;
- **capital assets in companies for which SSH does not set economic-financial and strategic objectives**, for reasons such as: the funding structures, varied management competencies, inactive business operations, a sole objective of divestment, a primary focus on claims management, or the majority of assets being tangible property. These conditions apply to most companies in the claims management sector.

TABLE 4: LIST OF ASSETS MANAGED BY SSH THAT ARE NOT INCLUDED IN THE SPECIAL SECTION OF AAMP, AS AT 30 SEPTEMBER 2025

No.	Company	Asset type	RS ownership stake (in %)	SSH ownership stake* (%)	TOTAL ownership stake (in %)
1	A. L. P. PECA, D. O. O.	PORTFOLIO	9.09		9.09
2	AVTOTEHNA ZAGREB, D. O. O.	PORTFOLIO		100.00	100.00
3	BATRIS, LLC, UKRAINE	PORTFOLIO		18.00	18.00
4	BIO PRIMA, D. O. O.	PORTFOLIO	100.00		100.00
5	CASINO BLEDE D. D.	PORTFOLIO		33.75	33.75
6	CONSTANT LEADER XXI, LLC, UKRAINE	PORTFOLIO		18.00	18.00
7	ELBEKO, D. O. O., SEŽANA	PORTFOLIO	100.00		100.00
8	ELEKTROOPTIKA, D. D.	PORTFOLIO	0.01	70.48	70.49
9	IBT KRANJ, D. D. - IN LIQUIDATION	PORTFOLIO	0.00		0.00
10	IBT TRBOVLJE, D. D.	PORTFOLIO	0.04		0.04
11	KB 1909, D. D.	PORTFOLIO		0.30	0.30
12	KOMPAS RAC, D. D., LJUBLJANA -IN LIQUIDATION	PORTFOLIO	0.01	0.02	0.03
13	LENSAR INC.	PORTFOLIO	0.00		0.00
14	LP INVEST, D. D.	PORTFOLIO	0.01		0.01
15	MD-ASPEKTA, D. O. O.	PORTFOLIO	100.00		100.00
16	MEKOTNJAK AGRO, Mekotnjak, D. O. O.	PORTFOLIO	100.00		100.00
17	NTV24.si, D. D.	PORTFOLIO	0.01		0.01
18	PDL BIOPHARMA INC. – in liquidation,	PORTFOLIO	0.00		0.00
19	PRVI SKLAD, naložbe, D. O. O. – in liquidation,	PORTFOLIO	48.90		48.90
20	RUDNIK KANIŽARICA V ZAPIRANJU, D. O. O., ČRNOMELJ – IN LIQUIDATION	PORTFOLIO	100.00		100.00
21	STNA, D. O. O.	PORTFOLIO		100.00	100.00
22	SAVAPROJEKT, D. D.	PORTFOLIO	3.47		3.47
23	TERMO BOŽIČ, D. O. O.	PORTFOLIO	100.00		100.00
24	ZHEJIANG DASHANG MEDIA CO., LTD.	PORTFOLIO	0.00		0.00

Note: * When a holding of 0.00% is indicated, it means that there is an ownership stake in the company, but it has been rounded up to 0.005%.

3.1.2. STRUCTURE OF CAPITAL ASSET PORTFOLIO

Over time, the capital assets portfolio managed by SSH has been gradually concentrated.

Currently, the two largest asset management pillars, measured by the book value of equity, are Energy and Transport, which together account for slightly more than 70% of the portfolio. Four largest portfolio companies (DARS, GEN, SŽ and HSE) collectively represent just under 52% of the capital asset portfolio, based on the book value of the ownership interests under management.

FIGURE 1: SHARES OF MANAGEMENT PILLARS IN THE CAPITAL ASSETS PORTFOLIO BY BOOK VALUE OF EQUITY, IN THE PERIOD FROM 2020 TO 2025

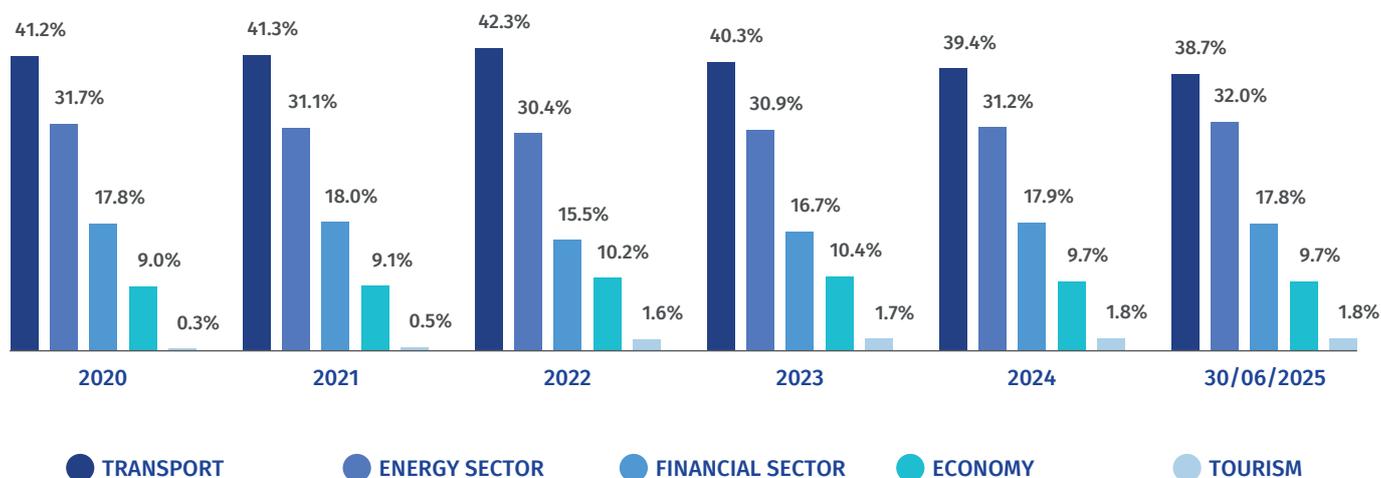
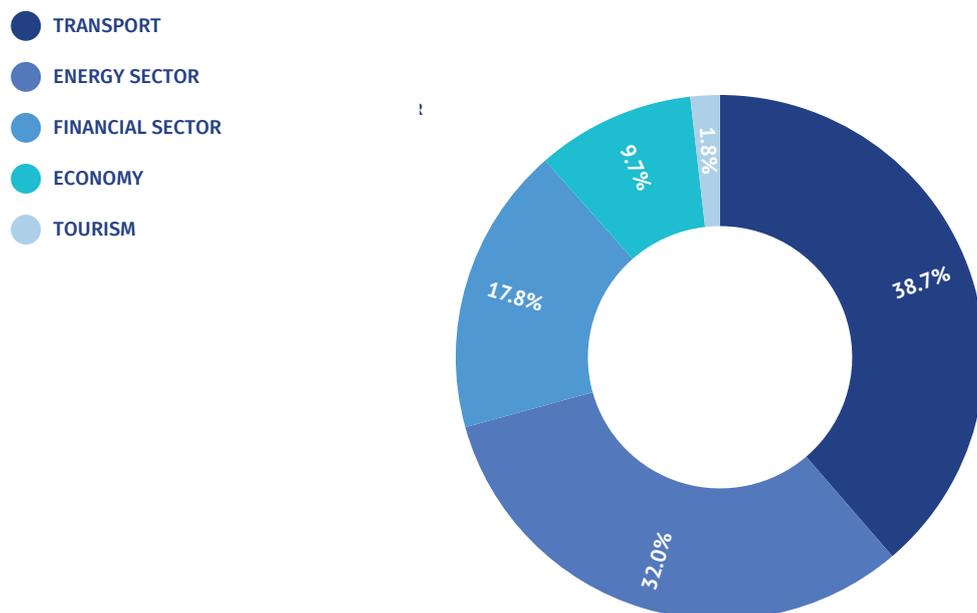


FIGURE 2: SHARE OF MANAGEMENT PILLARS IN THE CAPITAL ASSETS PORTFOLIO BY BOOK-VALUE OF EQUITY, AS AT 30 JUNE 2025



As a result of past divestments of portfolio assets, the capital asset portfolio has become increasingly homogeneous, including in terms of the classification of capital assets. Strategic assets now account for nearly 79% of the managed portfolio. The TOP 10 portfolio companies, which in total represent 76.5% of the portfolio, include seven companies with strategic assets, holding a share of 63.8 %.

FIGURE 3: SHARE OF CLASSIFICATION GROUPS IN THE CAPITAL ASSETS PORTFOLIO BY BOOK VALUE OF EQUITY, IN THE PERIOD FROM 2020 TO 2025

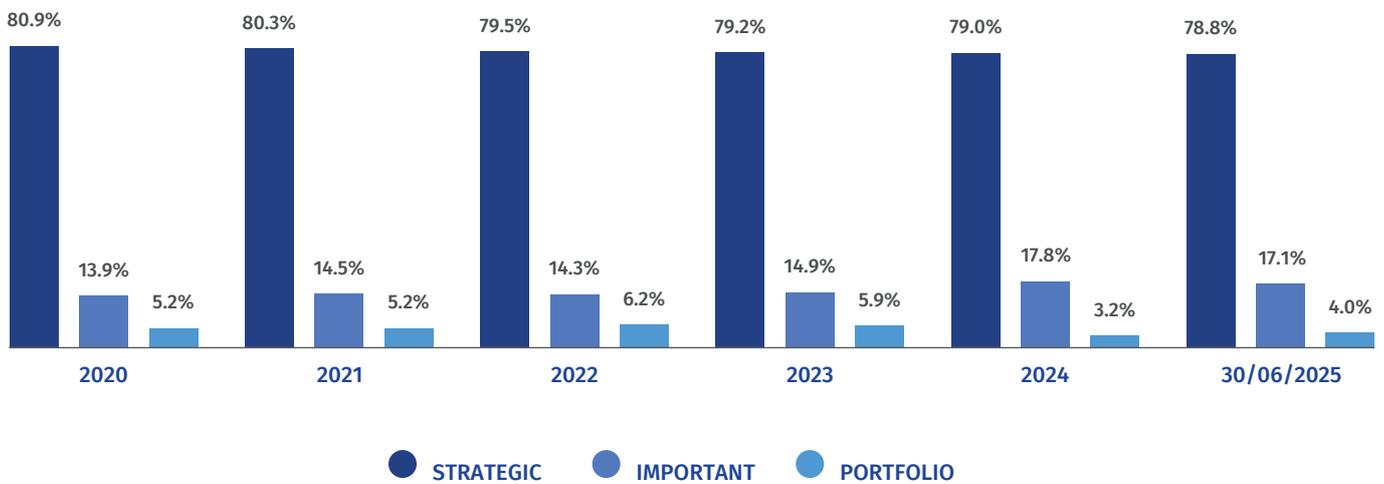
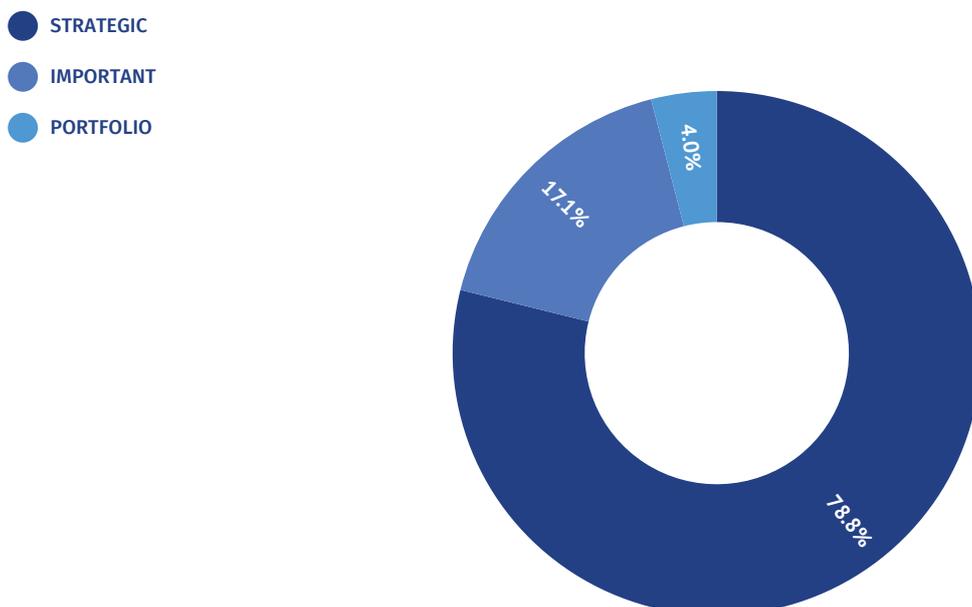


FIGURE 4: SHARE OF CLASSIFICATION GROUPS IN PORTFOLIO OF CAPITAL ASSETS UNDER SSH’S MANAGEMENT BY BOOK VALUE OF EQUITY, AS AT 30 JUNE 2025



The table below present the largest companies with state capital assets by pillars in relation to the share in total portfolio

TABLE 5: SHARE OF THE FIVE LARGEST STATE-OWNED COMPANIES WITHIN EACH ASSET MANAGEMENT PILLAR (BASED ON BOOK VALUE) IN THE TOTAL SSH PORTFOLIO UNDER MANAGEMENT, AS AT 30 JUNE 2025

TRANSPORT	
DARS, D. D.	26.1%
SŽ GROUP	6.8%
POŠTA SLOVENIJE GROUP	2.6%
LUKA KOPER GROUP	2.8%
DRI, D. O. O.	0.2%
TOTAL	38.6%
ENERGY SECTOR	
GEN GROUP	10.3%
HSE GROUP	9.3%
ELEKTRO LJUBLJANA, D. D.	2.1%
ELEKTRO MARIBOR D. D.	1.9%
PETROL GROUP	1.6%
TOTAL	25.2%
FINANCIAL SECTOR	
NLB GROUP	6.3%
ZAVAROVALNICA TRIGLAV GROUP	4.7%
SID BANKA, D. D., LJUBLJANA	3.8%
SAVA INSURANCE GROUP	1.6%
D. S. U., D. O. O.	1.4%
TOTAL	17.8%
ECONOMY	
TELEKOM SLOVENIJE GROUP	3.3%
KRKA GROUP	3.0%
TALUM GROUP	0.8%
SIJ GROUP	0.6%
UNIOR GROUP	0.3%
TOTAL	8.1%
SAVA GROUP	0.8%
ISTRABENZ TURIZEM, D. D.	0.3%
TERME OLIMIA GROUP	0.3%
THERMANA, D. D.	0.2%
HIT GROUP	0.2%
TOTAL	1.8%
TOTAL TOP 5 ALL PILLARS	91.5%

3.2. OBJECTIVES OF CAPITAL ASSETS MANAGEMENT

3.2.1. FUNDAMENTAL OBJECTIVES OF STATE CAPITAL ASSETS MANAGEMENT

The fundamental objectives of managing state capital assets serve as the basis for categorising state investments into three groups, in accordance with the provisions of the Slovenian Sovereign Holding Act (ZSDH-1). They are divided into three groups:

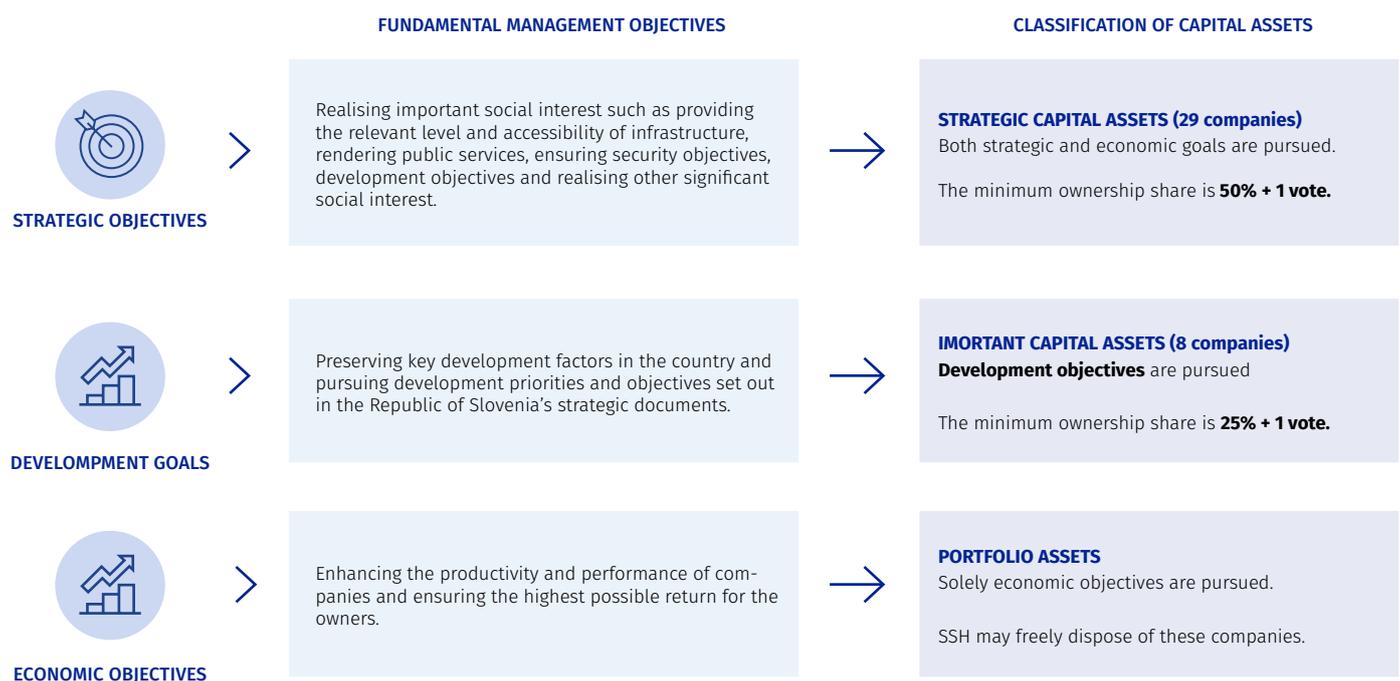
- the first group – **STRATEGIC OBJECTIVES:** ownership and management of capital assets aim to achieve significant public interest goals, such as ensuring the appropriate infrastructure and access to it, delivering public services, fulfilling security and development objectives, and supporting other significant societal interest;
- The second group – **THE OBJECTIVE OF PRESERVING KEY DEVELOPMENT FACTORS:** the ownership and management of capital assets aim to sustain and enhance critical drivers of growth within the country;
- The third group – **ECONOMIC OBJECTIVES:** asset management in this category aims to maximise investment value and deliver the highest possible returns for owners.

Based on these fundamental objectives, the State Asset Management Strategy classifies capital assets into three categories:

- Strategic assets, where the primary objective is achieving strategic goals, alongside economic objectives.
- Important assets, which serve the goal of preserving key development factors while also pursuing economic objectives.
- portfolio assets are assets in regard to which solely economic objectives are pursued. An exception is made for companies for persons with disabilities, as their purpose is not limited to the pursuit of economic objectives but also includes socially responsible governance of such companies by the asset manager.

For all companies with state capital assets classified as strategic and important, the State Assets Management Strategy sets out in detail the strategic objectives and the objectives for preserving the key development factors that warranted the inclusion of each investment in its respective group.

Below is a schematic representation of the fundamental objectives of capital asset management, as outlined in the ZSDH-1.



3.2.2. GENERAL OBJECTIVES AND GUIDELINES FOR CAPITAL ASSET MANAGEMENT

The general guidelines and overarching objectives for managing companies with state capital assets derive from the United Nations resolution Transforming Our World: The 2030 Agenda for Sustainable Development and from the Slovenian Development Strategy 2030, adopted by the Government of the Republic of Slovenia on 7 December 2017, together with other relevant national and international legislative and development frameworks. On this basis, the State Assets Management Strategy sets out the following general objectives and management guidelines: respect for human rights and corporate social responsibility; ensuring gender diversity; infrastructure development; sustainable management; risk management; increasing productivity; the (continued) strengthening of the corporate governance system; and the strengthening of the Slovenian capital market.

Slovenian Sovereign Holding ensures that capital assets are managed diligently, transparently, efficiently, and responsibly, in full compliance with ZSDH-1. This approach ensures that state-owned companies meet the objectives set out in the State Asset Management Strategy, as well as the goals and expectations outlined in each Annual Asset Management Plan (AAMP).

The AAMP 2026 reflects the guidelines of the State Assets Management Strategy in the form of management objectives and development activities for all companies in the General Section of the document, while the specific objectives and expectations for individual companies with state capital assets are presented in the Special Section.

Through its governance activities, SSH promotes and, within the scope of its competencies, contributes to improved corporate governance, regulatory compliance and enhanced integrity in the companies under its management, as well as to better operational efficiency and productivity. These improvements support growth in company value and in the return on equity (ROE). SSH also encourages portfolio companies to follow emerging business and societal trends, integrate them into their business models and manage change effectively.

The management objectives for individual assets presented in each AAMP must align with the current State Asset Management Strategy, which, in addition to general objectives and guidelines, also establishes sector-specific asset categories and objectives for managing individual assets. The specific asset management objectives for 2026 are outlined in the Special Section of this document.

When defining the asset management objectives, activities, and expectations in the Annual Asset Management Plan, SSH considers the following key factors:

- legislation, company statutes, and founding acts of individual companies,
- State Asset Management Strategy,
- Sectoral strategies defined by the State,
- macroeconomic forecasts and industry-specific projections,
- market conditions, business trends, opportunities, and key risks, along with appropriate risk mitigation measures,
- performance benchmarking, where possible, against comparable competitive enterprises.
- strategic and business plans of the companies under management, as approved by SSH or those requiring SSH's consent as a founder and shareholder.

3.2.3. PLANNED ROE FOR THE CAPITAL ASSETS PORTFOLIO

ROE OF THE CAPITAL ASSETS PORTFOLIO BY MANAGEMENT PILLARS

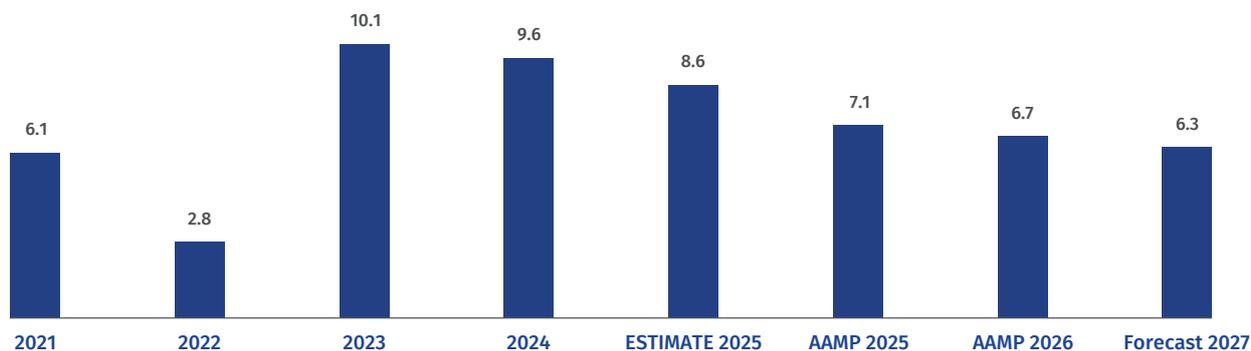
TABLE 6: ROE OF THE MANAGEMENT PILLARS OF THE CAPITAL ASSETS PORTFOLIO, BY YEAR, IN %

Pillar	2021	2022	2023	2024	ESTIMATE 2025	AAMP 2025	AAMP 2026	Forecast 2027
TRANSPORT	4.1	5.1	4.9	5.1	5.1	4.1	3.7	4.1
ENERGY SECTOR	5.1	-7.8	18.4	15.4	12.3	8.9	8.0	5.8
FINANCIAL SECTOR	10.2	9.7	9.9	11.5	10.1	9.4	9.8	9.8
ECONOMY	10.1	12.8	7.7	6.6	8.5	8.8	9.4	10.0
TOURISM	4.5	7.2	5.8	7.8	6.6	6.4	6.4	8.0
PORTFOLIO RS+SSH	6.1	2.8	10.1	9.6	8.6	7.1	6.7	6.3

TABLE 7: BOOK VALUE OF THE CAPITAL ASSET PORTFOLIO BY MANAGEMENT PILLAR (EUR MILLION), AS AT 30 JUNE 2025

Pillar	Book value of Shareholdings RS+ SSH in EUR million	Portfolio Share (in %)
TRANSPORT	5,278	38.7
ENERGY SECTOR	4,360	32.0
FINANCIAL SECTOR	2,427	17.8
ECONOMY	1,319	9.7
TOURISM	244	1.8
PORTFOLIO RS+SSH	13,629	100

FIGURE 5: ROE OF THE PORTFOLIO OF CAPITAL ASSET,%



ROE OF THE CAPITAL ASSETS PORTFOLIO BY CLASSIFICATION CRITERIA OF ASSETS UNDER MANAGEMENT

TABLE 8: ROE OF THE CAPITAL ASSETS PORTFOLIO UNDER SSH'S MANAGEMENT, BY CLASSIFICATION CRITERIA, BY YEAR, IN %

Classification	2021	2022	2023	2024	ESTIMATE 2025	AAMP 2025	AAMP 2026	Forecast 2027
STRATEGIC	4.9	0.9	9.6	8.2	8.0	6.1	5.7	5.0
IMPORTANT	12.7	11.3	14.5	13.5	12.9	12.0	12.5	12.7
PORTFOLIO	6.6	7.1	5.6	20.2	2.3	3.1	3.4	4.7
PORTFOLIO RS+SSH	6.1	2.8	10.1	9.6	8.6	7.1	6.7	6.3

The group of companies with important capital assets is expected to deliver the highest return on equity (ROE), with a projected ROE of 12.5% in 2026. Companies with strategic capital assets are forecast to achieve an ROE of 5.7% in 2026, while the lowest return is anticipated for the group of companies with portfolio capital assets, whose ROE is projected at 3.4% in 2026.

TABLE 9: BOOK VALUE OF THE CAPITAL ASSET PORTFOLIO IN EUR MILLION, BY INVESTMENT CLASSIFICATION CRITERION, AS AT 30 JUNE 2025

Classification	Book value of Shareholdings RS+ SSH in EUR million	Portfolio Share (in %)
STRATEGIC ASSETS	10,746	78.8
IMPORTANT	2,336	17.1
PORTFOLIO	546	4.0
PORTFOLIO RS+SSH	13,629	100.0

3.2.4. PLANNED VALUE ADDED PER EMPLOYEE BY MANAGEMENT PILLARS AND CLASSIFICATION CRITERIA

In the 2025 AAMP, productivity targets were set for the first time across the entire portfolio of capital assets, in accordance with the guidelines of the State Asset Management Strategy. The following section outlines the planned value added per employee by management pillar and by investment classification group.

TABLE 10: VALUE ADDED PER EMPLOYEE BY MANAGEMENT PILLARS, BY YEAR, IN THOUSAND EUR

Pillar	2023	2024	ESTIMATE 2025	AAMP 2025	AAMP 2026	Forecast 2027
TRANSPORT	79.1	83.5	81.1	79.6	81.7	86.9
ENERGY SECTOR	143.7	143.1	127.1	115.0	124.5	127.7
FINANCIAL SECTOR*	459.5	219.5	265.2	241.6	238.2	293.1
ECONOMY	77.2	80.4	81.9	79.6	84.2	87.4
TOURISM	55.3	57.0	59.4	56.7	61.8	65.2
PORTFOLIO* RS+SSH	91.2	93.7	89.5	86.0	90.4	93.4

Note: *The calculations include all non-financial companies; both insurance companies and both banks managed by SSH are excluded.

Current estimates indicate that all management pillars are expected to slightly exceed the value-added-per-employee targets set in the 2025 AAMP.

For 2026, targets are set marginally above the 2025 estimates across all management pillars, with the exception of the Energy pillar, where the target for 2026 is lower than the estimated 2025 result. Performance in the Energy pillar is largely influenced by: (i) electricity market prices, which are projected to be lower in 2026 than in 2025; and (ii) hydrological conditions. Hydrology in 2025 is favourable though weaker than in 2024, whereas for 2026 the assumptions reflect the long-term average, based on an 80% probability of average annual flow (70% for HESS), which is less favourable than the 2025 outlook. A small decline in value added per employee is also expected in the Finance pillar. However, since insurance companies and banks are excluded from the calculation, the indicator remains above average.

At portfolio level, value added per employee is projected to increase further in 2027, with growth anticipated across all management pillars and all capital asset classification groups.

TABLE 11: VALUE ADDED PER EMPLOYEE IN PORTFOLIO COMPANIES*, BY CLASSIFICATION CRITERIA, BY YEAR, IN EUR THOUSAND

Classification	2023	2024	ESTIMATE 2025	AAMP 2025	AAMP 2026	Forecast 2027
STRATEGIC	115.8	114.8	102.2	98.8	101.6	105.7
IMPORTANT	83.5	89.4	88.7	85.6	90.8	92.4
PORTFOLIO	61.3	55.5	60.1	57.5	62.0	66.9
PORTFOLIO RS+SSH	91.2	93.7	89.5	86.0	90.4	93.4

Note: *The calculations include all non-financial companies; both insurance companies and both banks managed by SSH are excluded.

3.2.5. FORECAST CASH FLOWS ARISING FROM DIVIDEND PAYOUTS BY COMPANIES WITH CAPITAL ASSETS UNDER SSH MANAGEMENT

In accordance with ZSDH-1, SSH also assumes all authorisations, responsibilities, rights, and obligations previously held by SOD before its transformation into SSH. In this context, SSH is obligated to: (i) on behalf of and for the account of SSH, ensure funds which are necessary for settling liabilities due to beneficiaries under regulations which regulate the denationalisation of property, and (ii) on behalf of and for the account of Republic of Slovenia, ensure funds which are necessary for settling liabilities due to beneficiaries under the following three Acts: firstly, the Reimbursement of Investments in Public Telecommunications Network Act (ZVJTO), secondly, the Act regulating the Issuing of Bonds in Compensations for Confiscated Property pursuant to the Abrogation of the Penalty of Confiscation of Property (ZIOOZP), and thirdly, the Act on Payment of Compensation to Victims of War and Post-War Violence (ZSPOZ).

Below are the expected cash flows of the RS and SSH arising from dividends paid out by companies with capital asset managed by SSH, while the expected cash flows arising from the management of (i) capital assets, (ii) claims, and (iii) tangible assets are presented separately in the Special Section of AAMP (in the Chapter "Forecast Cash Flows Arising from Asset Management").

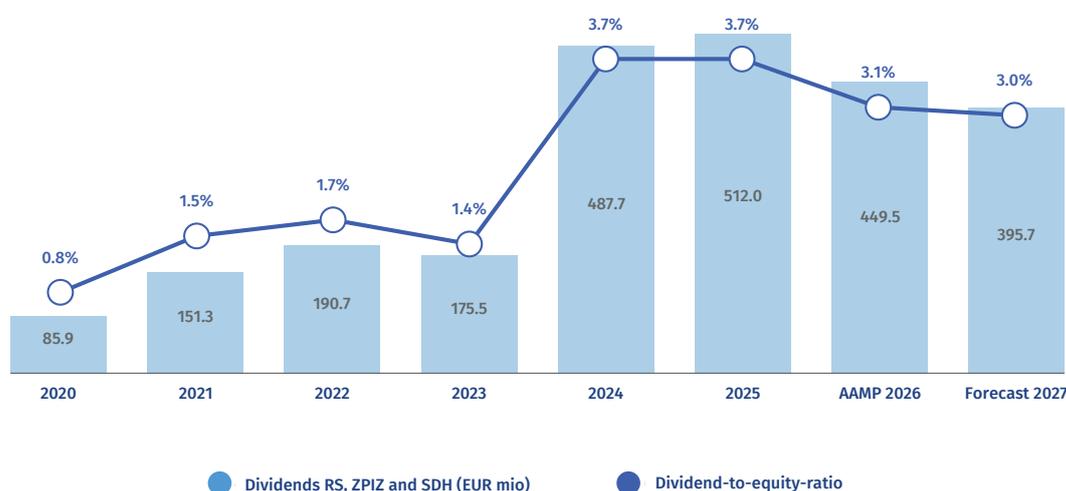
PLANNED CASH FLOWS FROM DIVIDENDS RECEIVED FROM COMPANIES WITH CAPITAL ASSETS UNDER SSH MANAGEMENT

SSH anticipates that total dividends received from companies with capital assets owned by the Republic of Slovenia, SSH and ZPIZ, and managed by SSH, will amount to EUR 512.0 million in 2025 and EUR 449.5 million in 2026.

TABLE 12: DIVIDEND INFLOWS TO RS, ZPIZ AND SSH PAID OUT BY PORTFOLIO COMPANIES IN THE PERIOD 2020–2027, IN EUR MILLION*

Year	2020	2021	2022	2023	2024	ESTIMATE 2025	AAMP 2026	ESTIMATE 2027
RS	62.7	98.2	101.7	102.7	408.5	417.1	354.3	296.1
ZPIZ	0	13.3	29.0	19.6	13.7	21.9	21.9	21.9
Total RS and ZPIZ**	62.7	111.5	130.7	122.3	422.2	437.3	376.3	318.0
SSH	23.2	39.8	59.9	53.2	65.5	72.9	73.3	77.7
TOTAL Dividends RS, SSH and ZPIZ(EUR mio)	85.9	151.3	190.7	175.5	487.7	512.0	449.5	395.7

Notes: *All values are presented in EUR million and rounded to one decimal place. Due to rounding, minor differences may occur between the totals shown in the columns and the actual aggregated amounts. **Dividends received from the management of capital assets owned by the Republic of Slovenia constitute inflows to the state budget, whereas dividends received from the management of ZPIZ's shareholding in Zavarovalnica Triglav constitute inflows to ZPIZ.

FIGURE 6: DIVIDEND INFLOWS TO RS, ZPIZ AND SSH, BY YEARS, IN EUR MIO

The projected decline in dividends in 2026 reflects lower dividend payments from companies in the Energy pillar, which anticipate weaker operating results than in 2025 due to falling electricity prices, less favourable hydrology, reduced production capacity (maintenance outages) and additional regulatory financial burdens. When excluding dividends from GEN and HSE, as well as the dividends received in 2025 from Elektro Celje for the 2021 financial year²⁰, a slight increase in dividend income is projected for 2026 compared with 2025 (EUR 0.2 million), followed by a further increase in 2027 (EUR 15.2 million).

3.2.6. KEY PROJECTS, MANAGEMENT OBJECTIVES, AND DEVELOPMENT ACTIVITIES FOR 2026

In 2026, SSH's project activities in the management of capital assets will focus on the following key initiatives:

- **Active participation in the restructuring processes of major companies** operating in cyclical industries and facing business and financial difficulties due to challenging market conditions.
- **Full operational launch of Dovos, d. o. o.**
- Preparation of a comprehensive financial, economic and legal analysis concerning the establishment of a **new company for water management**. Should the analyses confirm both the justification for establishing the new company and its alignment with

20 In 2025, the Republic of Slovenia received an additional EUR 1.82 million in dividends from Elektro Celje, relating to retained earnings as at 31 December 2021.

the strategic objectives of the Republic of Slovenia in the field of water and water infrastructure management, the company will be **established and its operations launched**.

- **Close cooperation in coordinating activities** among all key stakeholders and contributors to the planned transformation of the Savinja-Šaleška region (line ministries, municipalities, companies, etc.) **in connection with the planned closure of the Velenje Coal Mine and the development of the TEŠ energy site**.
- To ensure the Republic of Slovenia's food security and reduce dependence on food imports, **the preparation of all necessary expert bases and feasibility studies is envisaged for potential state investments and projects in agricultural production, the agri-food processing industry and the establishment of sustainable and regional supply chains**. The purpose of these activities is to support strategic decision-making on investments in infrastructure that will contribute to a stable supply of key agricultural products and enhance resilience to global disruptions.
- At the initiative of the Ministry of Infrastructure, preparation of expert bases and implementation of **a feasibility study on the establishment of a shipping company (a Slovenian shipowner) from a strategic, business-economic and regulatory perspective**.
- On the initiative of the Ministry of Finance, examination of the possibility of **acquiring an equity stake in the Ljubljana Stock Exchange** or undertaking a study to assess alternative options for ensuring the provision of stock-exchange services in the Republic of Slovenia.

In its **claims management activities**, SSH will pursue the objective of ensuring the fastest possible recovery, sale or restructuring of claims, with the aim of maximising value for SSH while reducing portfolio management costs. SSH will also examine alternative management models that could enhance efficiency in this area, taking into account expected declines in inflows and relatively high management costs. In the management of **tangible assets**, which is negligible following the transfer of the majority of the real-estate portfolio to D.S.U., d. o. o., SSH will aim to maximise value creation for SSH.

As part of its **regular governance activities**, SSH will give particular attention to: (i) implementing the strategies and strategic projects of companies; (ii) responding to developments in the international business environment that could significantly affect risk exposure, competitiveness and operating performance; (iii) risk management and strengthening resilience; (iv) ensuring the implementation of appropriate dividend policies in companies under SSH management; and (v) implementing financial and operational restructuring measures where necessary.

SSH has the full discretion to manage portfolio capital assets, which are defined in the State Asset Management Strategy as purely economic assets. An exception applies to companies employing persons with disabilities, as their objective is not solely the pursuit of economic goals but the socially responsible management of such companies by the asset manager. In managing these companies, SSH follows the strategic directions and objectives set out in Chapter 4, Section 4.1.8 of the State Assets Management Strategy. In 2026, one of the potential management measures for all portfolio capital assets, is divestment. Any such decision will be taken on the basis of an assessment of all relevant circumstances, including the company's operating performance, market conditions, available opportunities, the evaluation of alternative scenarios and the potential for strategic consolidation.

Improving productivity at the company level is, in line with the State Assets Management Strategy, one of the key economic objectives. Companies within the SSH portfolio should, given their characteristics and market position, direct investment towards core business activities, invest in research and development, foster innovation, advance digital transformation, develop their workforce in accordance with their needs, attract talent and adapt to a low-carbon and circular economy. To support achievement of the complex objective of increasing productivity, SSH promotes progress through the monitoring of various productivity indicators and the setting of concrete target values, through training activities, and through the formulation of specific expectations for each company, as outlined in the Special Section of the AAMP.

In 2026, SSH will place particular emphasis on **the management priorities and development activities** set out in the following section, which are essential for enhancing the resilience of companies, creating long-term value and improving productivity and profitability. SSH will monitor and support these areas by: (i) addressing these topics at periodic meetings with management and supervisory bodies and through other communication with companies; (ii) applying the SSH Code and the SSH Recommendations and Expectations; (iii) organising training sessions for members of supervisory boards and management; and (iv) monitoring companies' business performance reports.

MANAGEMENT PRIORITIES AND DEVELOPMENT ACTIVITIES FOR 2026

Heightened geopolitical tensions, security risks, accelerated energy and digital transitions, new national and EU regulatory frameworks, technological risks and socio-demographic and climate-related risks require companies in the SSH portfolio to significantly adjust their business models and strategic priorities. The role of state-owned enterprises (SOEs) in ensuring national security, economic stability and overall societal resilience is becoming increasingly pronounced. Effective risk management and the strengthening of resilience have become more important than ever, as companies are increasingly confronted with complex operating conditions.

While the objectives for 2025 were largely focused on individual sectoral projects, the management framework for 2026 prioritises the strengthening of the resilience of key systems, strategic autonomy in critical areas and sustainable value creation. The concept of strategic resilience is based on the interconnected and interdependent resilience of the state, societal structures and individuals, which together form an integrated and indivisible whole. Strengthening the resilience of companies in the SSH portfolio, particularly those operating in critical infrastructure, makes an important contribution to enhancing the resilience of the state. Ensuring uninterrupted supply chains, maintaining strategic reserves, establishing additional stationary and mobile infrastructure, and investing in knowledge, talent management and employee competence development are key drivers of corporate resilience. These measures also strengthen the state's capacity to respond effectively to potential disruptions, extraordinary events or crises at the regional or global level.

To achieve the objectives of the State Assets Management Strategy and strengthen the long-term value of state assets, SSH will **devote particular attention** in the coming period to **the following management themes:**

- I. risk management and strengthening resilience,**
- II. integrating generative artificial intelligence tools into business models,**
- III. talent management and development of employee competencies,**
- IV. managing climate-related risks and advancing sustainable business practices,**
- V. strengthening the quality of corporate governance and integrity.**

I. Risk Management and Strengthening Resilience

The increasing complexity of the global environment, characterised by deepening geopolitical tensions, heightened energy insecurity, more pronounced and unpredictable climate impacts, and increasingly frequent and sophisticated cyber threats, poses a significant challenge for companies. Strengthening corporate resilience, particularly for companies managing critical infrastructure, is therefore becoming a priority amid elevated security and economic risks. In this context, systematic, comprehensive and proactive management of all types of risks—operational, financial, strategic, technological and regulatory—is essential for ensuring the long-term stability and resilience of companies. Modern approaches to risk management require the integration of advanced methodologies for early risk identification and assessment, the establishment of robust mechanisms for monitoring and mitigating risks, and the development of an organisational culture that supports preparedness, innovation and rapid adaptation to unforeseen developments. Companies must systematically build and enhance their capabilities in crisis management, resource diversification and digital security, as comprehensive resilience is becoming a fundamental prerequisite for reliable and sustainable long-term performance in an increasingly dynamic and uncertain environment.

In the Republic of Slovenia, new legislation has been adopted to establish a national framework for the resilience of critical entities and for information and cyber security, emphasising the role of key economic undertakings in ensuring service continuity and the resilience of the state. This constitutes a legal and strategic obligation that companies within the SSH portfolio must fully integrate into their governance and operations.

The Critical Infrastructure Act (ZKI-1) sets out a comprehensive framework for ensuring the uninterrupted operation of essential services in Slovenia. For companies designated as critical entities by the Government of the Republic of Slovenia, the Act introduces a range of specific obligations. SSH expects these companies to comply with all legal requirements consistently and proactively.

The Information Security Act (ZInfV-1) positions information security at the centre of corporate decision-making and assigns direct responsibility to company management. It is no longer solely a technical matter but a strategic business issue requiring active risk management.

SSH expects the supervisory boards of companies managing critical infrastructure to actively oversee the implementation of ZKI-1 and ZInfV-1 and to incorporate resilience objectives into their strategic and business plans. SSH also expects companies to appropriately integrate corporate security and resilience considerations into their overall risk-management systems.

For the first time, SSH has included in the Special Section of the AAMP a chapter on Strengthening Resilience for selected companies, in which companies have identified the areas to which they will direct their resilience-building activities in 2026. In the coming year, SSH intends to establish a comprehensive system for monitoring and supporting resilience-related activities of companies managing critical infrastructure, with the aim of strengthening their contribution to the resilience of the state, key national systems and society as a whole. SSH also plans to prepare recommendations for companies addressing this objective.

II. Integrating Generative Artificial Intelligence Tools into Business Models

Generative artificial intelligence (GenAI) is one of the most significant technological breakthroughs of the modern era and is expected to profoundly reshape how companies operate, make decisions and generate added value in the years ahead. In this context, SSH underscores the need for companies to begin introducing GenAI tools in a systematic and deliberate manner, in full alignment with the highest ethical standards. It is essential that companies establish robust AI governance mechanisms that ensure data security, the protection of privacy and full compliance with European regulatory frameworks, including the EU Artificial Intelligence Act (AI Act) and the corresponding national regulations.

Beyond ensuring compliance and security, it is vital that companies **identify and take advantage** of the opportunities offered by GenAI. Key areas where GenAI enables substantial progress include the optimisation of business processes, enhanced decision-making and the development of innovative business models. These improvements not only increase operational efficiency but also strengthen companies' ability to adapt to rapidly changing market conditions and stakeholder expectations. Active engagement in technological development, investment in employees' digital competencies and the creation of an organisational culture that promotes innovation and the responsible use of artificial intelligence are fundamental prerequisites for the long-term competitiveness and digital resilience of Slovenian SOEs.

SSH therefore expects companies to incorporate objectives related to the introduction of AI tools into their strategic and business plans, and to establish and further develop internal policies and procedures for the responsible, secure and ethical use of these technologies. It is equally important to address proactively the challenges posed by new technologies, such as cyber and data security, and to ensure full compliance with European and national legislation.

A comprehensive and strategic integration of GenAI into business models will enable not only higher productivity and process optimisation but also the development of new services and business opportunities, thereby contributing to greater sustainable growth, competitiveness and resilience across the Slovenian economy.

III. Talent Management and the Development of Employee Competencies

In a rapidly changing business and technological environment, human capital is becoming a decisive determinant of corporate performance, particularly in the context of digital transformation and increasing operational complexity. As automation, artificial intelligence and digitalisation reshape the nature of work, the importance of talent management continues to grow. Companies face the challenge of maintaining sustainable competitiveness and resilience despite shortages of suitably qualified personnel and ongoing structural changes. It is therefore essential that they develop **comprehensive, long-term talent management strategies** that systematically identify, develop and retain key employees. These strategies must be grounded in an assessment of both corporate and market needs and enable **the proactive alignment of employee competencies** with future requirements. In addition, companies must establish mechanisms for continuous education and training, with a particular emphasis on developing digital, sustainability-related and cross-sectoral skills that enable employees to operate effectively in a dynamic business environment.

Equal attention must be devoted to creating an enabling organisational environment built on openness, innovation and collaboration. Only in such a setting can companies successfully attract and retain talent while fostering the development of new competencies and encouraging creative problem-solving. Corporate leadership plays a central role in this process: through example and strategic human-capital management, leadership must cultivate a culture of continuous learning, openness and innovation. In the context of enhancing corporate resilience and preparedness for unforeseen external developments, strategic management of talent and employee competencies is increasingly positioned at the core of long-term corporate success and sustainable growth.

IV. Climate Risk Management and the Development of Sustainable Business Practices

Climate change is exerting an increasingly significant influence on the business environment, financial stability, long-term viability and social responsibility of companies. Changing climate patterns, more frequent extreme weather events and rising costs arising from the degradation of natural resources require companies to **identify and systematically manage climate risks within their business models.**

Effective climate-risk management is becoming a central element of strategic planning and decision-making. It must rest on the comprehensive integration of sustainability principles into all stages of corporate planning and decision processes—from risk assessment, target setting and investment planning to product and service development, reporting and stakeholder engagement. Based on companies' disclosures, SSH will monitor material climate risks, the measures taken to mitigate their impacts and the extent to which companies are capitalising on opportunities arising from the transition to a more sustainable, low-carbon economy.

SSH encourages companies under its management to develop and implement comprehensive decarbonisation strategies, enhance energy and material efficiency, ensure the sustainable use of natural resources, and adapt to climate change and increasingly frequent extreme weather events. This includes setting ambitious, time-bound and measurable greenhouse-gas reduction targets aligned with national and EU climate objectives, preparing decarbonisation plans, and systematically monitoring and reporting progress.

Companies must disclose their climate-mitigation plans and explain how their strategy and business model support the transition to a sustainable economy. They must also demonstrate their contribution to the objectives of the NECP, while companies in carbon-intensive sectors must additionally assess their alignment with sector-specific decarbonisation pathways.

Taking into account the specific characteristics of individual companies and their activities, SSH will systematically monitor progress in achieving environmental objectives, including the calculation of greenhouse-gas emissions under Scopes 1, 2 and 3 in line with the GHG Protocol, the adoption of decarbonisation targets at least for 2030 and 2045, and the preparation of comprehensive decarbonisation plans.

Balanced and integrated achievement of environmental, social and economic objectives forms the foundation for long-term value creation and corporate resilience. In doing so, companies not only meet regulatory requirements but also recognise sustainability

as a strategic opportunity for innovation, cost optimisation, the development of new business models and services, enhanced operational efficiency and strengthened stakeholder trust and reputation.

V. Strengthening the Quality of Corporate Governance and Integrity

This management area encompasses clear delineation of responsibilities, the independence of supervisory functions, effective reporting, and a zero-tolerance approach to corruption and unethical conduct. The emphasis must be on reinforcing integrity, upholding the rule of law, and ensuring alignment with leading international practices. Only through such an approach can effective management, stable returns, and sustained confidence in the governance of state assets be secured.

Transparent, accountable and ethical corporate governance forms the basis of public trust and is a key determinant of the legitimacy and societal acceptance of SOEs. Amid contemporary challenges, the importance of high standards of corporate governance has become even more pronounced. In its role as the manager of state capital assets, SSH therefore strives to ensure that the principles of good corporate governance are consistently upheld at every level of decision-making and throughout all business processes.

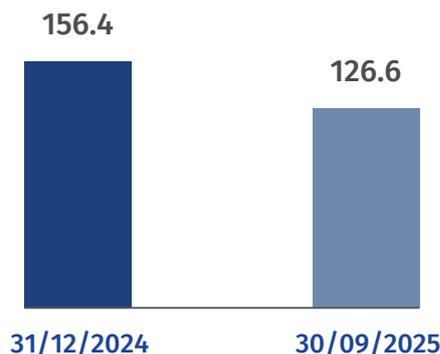
This includes clear and transparent delineation of responsibilities between management and supervisory bodies, safeguarding the independence of supervisory functions, and ensuring effective, regular and comprehensive reporting on all key aspects of operations. Particular importance is placed on strengthening integrity and establishing and maintaining zero tolerance for corruption, conflicts of interest and all forms of unethical conduct. A culture of integrity and accountability must be promoted—one that is grounded in respect for the rule of law, compliance with legislation, and adherence to the highest international standards and practices in corporate governance.

SSH expects companies under its management to comply fully with the SSH Code and the SSH Recommendations and Expectations, and to continuously develop all internal control functions: internal audit, compliance and integrity functions, and risk management.

4. MANAGEMENT OF CLAIMS

As at 30 September 2025, the book value of claims managed by SSH amounted to EUR 126.6 million.

FIGURE 7: BOOK VALUE OF CLAIMS UNDER MANAGEMENT (IN EUR MILLION)



The primary objective in the management of claims is to maximise the value to SSH, whereby, in case when SSH is both a creditor and an owner of the debtor (has an ownership interest in the debtor), the aim is to maximise the combined value of claims held by the debtor and the creditor. The claims management also covers the management of certain companies with capital assets where the primary management objective is the repayment of SSH's claims. Claims are managed individually at the level of each debtor or, where appropriate, at the level of a business group as a whole.

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, and (v) other circumstances that may affect repayment. Based on the analysis of the situation, an appropriate 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.

A restructuring strategy is implemented when it is reasonably expected that a debtor will be able to repay more claims than the creditor would be able to recover through the recovery (realisation) of the collateral. As a general rule, the restructuring strategies provide for a higher claim recovery rate than the collateral realisation or sale strategies. Therefore, where economically viable, SSH will strive for the restructuring of as many companies/business groups as possible, as, in addition to higher repayment, this also has a positive impact on the broader socio- economic environment. Not only does this result in a higher recovery rate, but it also preserves or even increases the number of jobs, it can preserve and even strengthen Slovenian brands, and it allows for the further development of the environment in which the debtor/company operates. Certainly, the decision on restructuring must take into account the EU rules on state aid.

The objective in restructuring a company is to ensure the debtor's long-term operational efficiency, liquidity and competitiveness, and to achieve the highest possible repayment of debt through operating cash flows and the divestment of non-core assets. Financial restructuring measures are often carried out in cooperation with other financial creditors. Financial restructuring measures may

include extending debt repayment deadlines, reducing interest rates, partial debt write-offs (primarily through the identification and sale of non-core assets), improving the capital structure and providing additional liquidity. Claims may also be converted into equity and other claims may be taken over or purchased.

Where a debtor is loss-making entity and it is assessed that financial and operational restructuring measures would not ensure to generate more value in the future than the value which can be obtained through recovery and realisation of collateral, a creditor opts for a strategy of realising pledged assets and foreclosures on the debtor's free assets. This strategy is also basically applied to companies which are already subject to insolvency proceedings, or on 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.

The following policies will be observed in the management of claims:

- maximising the value of claims through restructuring, where this strategy is assessed to be economically viable;
- providing liquidity to debtors or companies undergoing restructuring process that are not yet in a position to restructure themselves in the market, where this is economically and commercially viable and does not mean unlawful state aid;
- The repayment in full or in part of a debtor's claim where the restructuring, recovery or sale of the claim will not result in the highest economic value;
- the pursuit of a strategy to realise the collateral in companies where restructuring is not possible due to the debtor's non-cooperation or inability to cooperate;
- initiating insolvency proceedings against the debtor if the debtor cannot survive as a going concern on the market and if there is no commercially viable offer to purchase or (partially) repay the claims of SSH;
- the sale of a claim or a block of claims in such a way that they are offered for purchase to commercial banks and other interested investors in a competitive and transparent sales procedure;
- taking over the collateral securing the claims (real estate, movable property, receivables, equity investments, rights, etc.), if this is deemed economically viable;
- active management by SSH of collateral for securing claims in the insolvency proceedings of debtors with the aim of ensuring their protection and increasing the value of this collateral (in particular real estate given as collateral for claims);
- charging above-market interest rates in a way that encourages debtors to refinance at least part of their debt with cheaper funding on the banking market.

claims management will be implemented on the basis of credit decisions relating to debtors' receivables. The basis for each credit decision is the claim management plan prepared by the claim manager. Such plan shall set out the strategies for maximising the value of each claim, as well as present the details of the debtor, the amount of exposure to the debtor and the reasons that led to the debtor's potential illiquidity or insolvency, and a clear rationale for the proposal to take a credit decision.

As the volume of claims continues to decline and future inflows are therefore expected to diminish, while management of these assets remains associated with significant costs, SSH will, with the aim to preserve management efficiency, also assess alternative approaches in this area. These include the potential accelerated divestment of claim portfolios or the outsourcing of recovery activities to external service providers.

SSH's projected cash flows arising from claims management in 2026 are shown in the Special Section of the AAMP (in the Chapter entitled Cash Flow from Claims Management).

5. MANAGEMENT OF TANGIBLE ASSET

As part of its management of tangible assets, SSH oversees the disposal of real estate and other assets that it owns or safeguards. The majority of operational tasks in this area are performed by D. S. U., d. o. o., under a contractual arrangement, covering the management, maintenance and sale of assets on SSH's behalf.

As at 30 September 2025, SSH held nineteen groups of real-estate units with a total book value of just under EUR 6 million. Most of this value relates to parking spaces in GH Metelkova, followed by residential and commercial buildings and land.

The fundamental objective in tangible asset management is to maximize value for SSH. To achieve this objective, SSH defines measures to enhance value and ensure effective marketing for each individual property or real estate portfolio within its asset management plan. The majority of tangible assets are intended for sale, while a portion is also designated for (long-term) leasing or lending, such as artworks.

ACTIVITIES PURSUED IN MANAGEMENT OF TANGIBLE ASSETS

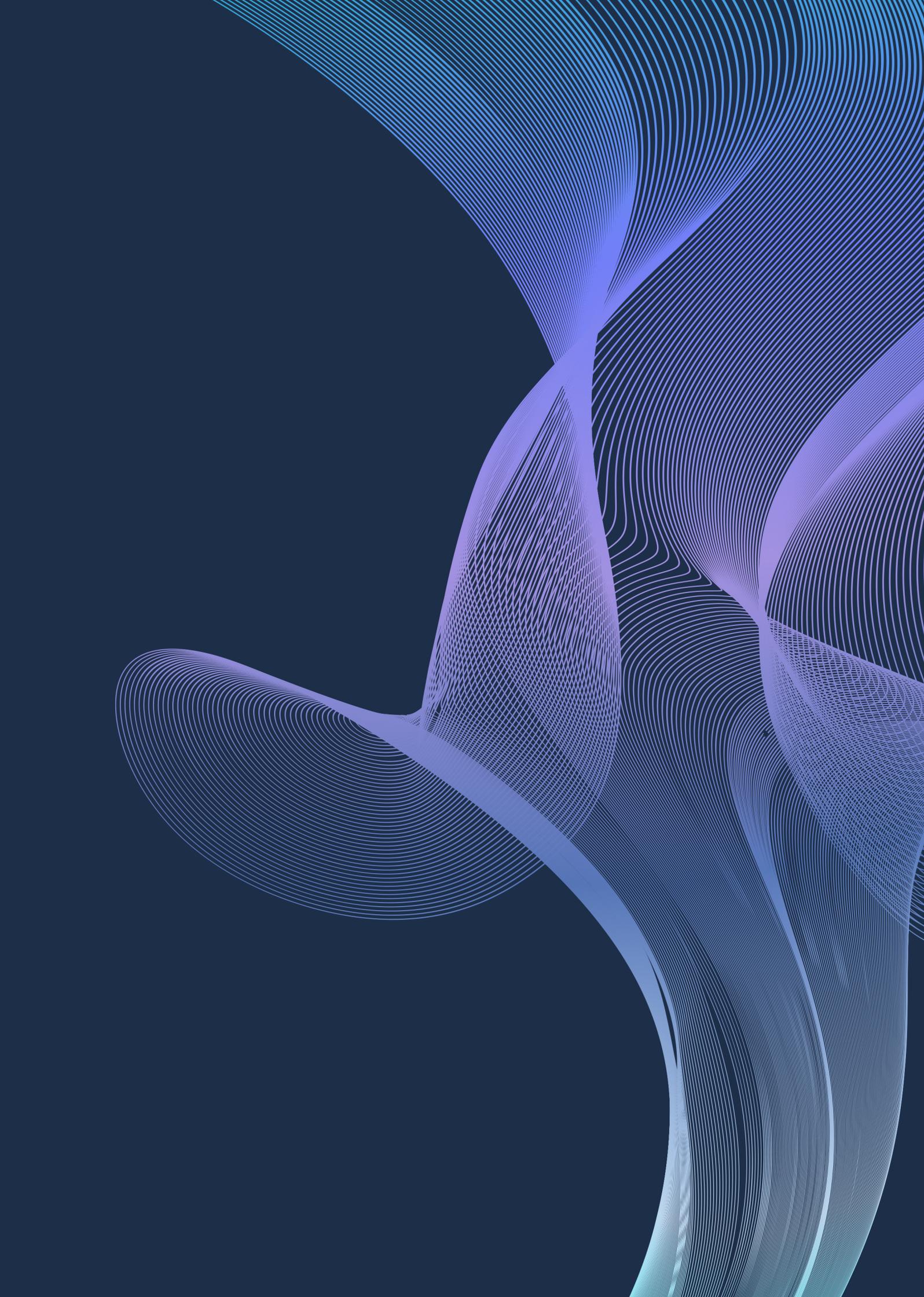
Through a comprehensive approach, SSH will undertake all necessary management activities to preserve and enhance the value of its tangible assets. As part of these activities, SSH will ensure that tangible assets are adequately safeguarded (from damage and from any unauthorised use by third parties), properly insured, and managed in a way that maintains and increases their long-term value. Regular management activities also include addressing legal and technical deficiencies and errors (obtaining missing documentation and permits, legalization procedures, resolving disputes with neighbours and former contractors, subcontractors, etc.). SSH may also manage real estate, as needed, which has been provided as collateral for claims by debtors.

Tangible assets designated for sale will be sold through transparent sale procedures, accompanied by appropriate advertising. In cases of significant interest in purchasing, sales will typically be conducted through electronic auctions.

In 2026, SSH will continue to outsource the management of its real estate assets to D.S.U., d.o.o. In performing tangible asset management activities, D.S.U. will, for the most part, engage external contractors—for example for property management, asset protection, maintenance, spatial planning development, construction, craft and installation works, and for tax, technical, legal and other advisory services, as well as brokerage in sales transactions.

SSH's projected cash flows arising from the management of tangible assets in 2026 are shown in the Special Section of the AAMP (in the Chapter entitled Cash Flow from Claims Management).

II. CONCLUSION



CONCLUSION

In accordance with Article 30 of ZSDH-1, the SSH Management Board adopted the AAMP for 2026 on 26 November 2025, with the Supervisory Board granting its consent on 27 November 2025.

Pursuant to the same Article, the AAMP for 2026 is also subject to approval by the Government of the Republic of Slovenia.



Janez Tomšič

Member of the Management Board



Mag. Žiga Debeljak

President of the Management Board



SLOVENIAN SOVEREIGN HOLDING

