Stredoslovenská distribučná, a.s.

SUPPLEMENT TO THE INDEPENDENT AUDITOR'S REPORT ON THE ANNUAL REPORT TO SECTION REPORT ON INFORMATION PRESENTED IN THE ANNUAL REPORT

31 DECEMBER 2024

This is a translation for information purposes of the original supplement to the auditor's report issued in the Slovak language to the accompanying annual report translated into the English language.

Deloitte Audit s.r.o.
Pribinova 34
811 09 Bratislava
Slovak Republic

Tel: +421 2 582 49 111
deloitteSK@deloitteCE.com
www.deloitte.sk

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

0A2B3BE2A276D10EE1202450B9109491

Stredoslovenská distribučná, a.s.

SUPPLEMENT TO THE INDEPENDENT AUDITOR'S REPORT to Section Report on Information Presented in the Annual Report

To the Shareholder, Supervisory Board and Board of Directors of Stredoslovenská distribučná, a.s.:

We have audited the financial statements of Stredoslovenská distribučná, a.s. (the "Company") as at 31 December 2024 presented in the attachment of the accompanying annual report of the Company, on which we issued an independent auditor's report on 14 March 2025 that is presented in the attachment of the Company's annual report. We have prepared this supplement in accordance with Article 27 (6) of Act No. 423/2015 Coll. on Statutory Audit and on Amendment to and Supplementation of Act No. 431/2002 Coll. on Accounting, as amended (hereinafter the "Statutory Audit Act").

Based on the performed procedures described in section "Report on Information Presented in the Annual Report" of the independent auditor's report specified above, in our opinion:

- Information presented in the Company's annual report prepared for 2024 is consistent with the financial statements for the relevant year; and
- The annual report includes information pursuant to Act No. 431/2002 Coll. on Accounting, as amended.

Furthermore, based on our understanding of the Company and its position obtained during our audit of the financial statements, we are required to disclose whether material misstatements were identified in the annual report. There are no findings that should be reported in this regard.

Bratislava, 20 May 2025

Ing. Zuzana Letková, FCCA
Responsible Auditor
Licence SKAu No. 865

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

This is a translation for information purposes of the original supplement to the auditor's report issued in the Slovak language to the accompanying annual report translated into the English language.

ANNUAL REPORT

2024

Stredoslovenská distribučná

TABLE OF CONTENTS:

1 FOREWORD BY THE CHAIRMAN OF THE BOARD OF DIRECTORS AND THE CHIEF EXECUTIVE OFFICER

Dear Customers, Business Partners, Shareholders and Colleagues,

In connection with the publication of our Company's annual report, we would like to take this opportunity to address you once again and briefly review the year 2024. In terms of key events, economic results achieved, fulfilment of set goals and the Company's mission, the previous year confirmed their stable and expected development.

We distributed approximately 6.15 TWh of electricity through our energy infrastructure. This is slightly more than in the previous year, but in the context of recent years, it represents a stable volume. We can also evaluate the number of supply points connected to our distribution system, which increased by approximately five thousand year-on-year. We currently supply electricity to more than 790,000 households and businesses in central Slovakia.

But it is not only the supply points that are connected to our distribution system. Its operation is also increasingly influenced by electricity generation sources, whether small, local or all others, including battery storage. There are currently more than 19,000 of them connected to our system. Interestingly, in the last year alone, their number has grown by about five thousand, which is more than a quarter of the total number.

Given the current situation on the European energy market, accompanied by legislative requirements of the European Union, this trend is entirely understandable.

Continuous investment in the development and expansion of the distribution system is an essential prerequisite for connecting new supply points and producers. In 2024, our investments exceeded EUR 70 million. Of this, more than EUR 20 million went towards new connections and more than EUR 30 million towards improving the quality and transmission capacity of power lines at all voltage levels. We have carried out hundreds of investment projects. You can find out more about last year's most significant projects in the third chapter.

In recent years, the construction of optical networks has also become an important activity for us in the area of distribution system expansion. We primarily use them for our own communication and distribution system management needs, but they are increasingly finding commercial applications, where we cooperate with several established companies in the telecommunications market. In 2024, we invested approximately EUR 2.8 million in the construction of optical networks, completing 70 projects.

An integral part of our work is also the annual removal of disaster situations caused by adverse weather conditions in geographically demanding conditions, mainly mountainous and forest areas of central Slovakia. Over the past year, five extraordinary events met the requirements for an energy disaster. The costs of removing them amounted to approximately EUR 750,000.

Other key areas of our industry are innovation and technological modernisation with the aim of streamlining services for customers. We are continuously working on several projects in this area. One of these strategic measures was the gradual preparation for the creation of a new company website, which aims to become a key tool for communication with customers, manufacturers and business partners.

In 2024, we continued to focus on personnel issues, whether it was training current employees or the increasingly difficult task of recruiting new staff, not only for manual positions but also for the IT sector. We have been successfully cooperating with secondary schools and universities in this area for several years. The school and academic environment has also interacted with our Company through several activities focused on environmental protection. This topic, along with occupational health and safety, has been one of our pillars for a long time. We are pleased that every year you can read in our annual report about the specific activities we focus on in these areas and how much energy, space, and resources we devote to them.

We believe that the content of the 2024 annual report is proof of the continuous and increasingly effective fulfilment of Stredoslovenská distribučná's main mission, which is the reliable and safe distribution of electricity to all customers in our distribution area. We are fully aware of how many entities and individuals contribute to this every year. Sincere thanks to all those involved. We look forward to further cooperation in the future.

Best regards

Ing. František Čupr, MBA
Chairman of the Board of Directors

Mgr. Ing. Marek Štrpka
Chief Executive Officer

2 ABOUT THE COMPANY

2.1 BASIC INFORMATION ON THE COMPANY

Stredoslovenská distribučná, a. s., (hereinafter: "SSD, a. s." or the "Company") was founded with the business name Stredoslovenská energetika – Distribúcia, a. s., on 22 March 2006. It was entered in the Commercial Register of the District Court in Žilina on 8 April 2006. The incorporation was initiated by the obligation of Stredoslovenská energetika, a. s., to implement the legal separation of activities associated with the operation of the distribution system, the so-called unbundling. The Company operates in the Žilina, Banská Bystrica and part of the Trenčín Regions, where it distributes electricity to more than 790,000 supply points for customers, i.e., entrepreneurs and households. The Company started its operation on 1 July 2007, when according to Article 25(1) of the Energy Act (unbundling), the distribution system operator was unbundled by contribution of part of the Company – Division 7000 – Distribution System Operator – to the registered capital of the subsidiary company Stredoslovenská energetika – Distribúcia, a. s. On 1 March 2018, Stredoslovenská energetika – Distribúcia, a. s., changed its business name to Stredoslovenská distribučná, a. s.

2.2 IDENTIFICATION DATA

Business name:	**Stredoslovenská distribučná, a. s.**
Address:	**Pri Rajčianke 2927/8, 010 47 Žilina**
Reg. No. (IČO):	**36442151**
Tax ID No. (DIČ):	**2022187453**
VAT ID (IČ DPH):	**SK 2022187453**
Bank details:	**VÚB, a. s., Žilina**
IBAN:	**SK44 0200 0000 0021 4355 0551**
BIC:	**SUBASKBX**
The joint-stock company is registered in the Commercial Register of the District Court Žilina, Section Sa, Insertion no. 10514/L, incorporation date 8 April 2006.	
E-mail:	**prevadzkovatel@ssd.sk**
Website:	**www.ssd.sk**

2.3 BUSINESS PURPOSE

Stredoslovenská distribučná, a. s., pursues its business activities based on licences granted according to special laws of the Slovak Republic and carries out the following main activities:

- Distribution of electricity,
- Assembly and repair of measuring and control technology,
- Design and construction of electrical equipment,
- Advisory activities in the energy sector,
- Engineering activities and related technical consultancy,
- Rental of energy equipment,
- Constructions and changes thereto,
- Repairs, expert inspections and technical examinations of electrical classified technical equipment in the scope of S, O (OU, R, M) – E1-A,
- Assembly of determined metering devices.

The Company's core business is the distribution of electricity to final customers, which in most cases is invoiced through electricity traders in the form of the so-called Contract on composite electricity supply.

2.4 SHAREHOLDER STRUCTURE

The sole shareholder of Stredoslovenská distribučná, a. s., holding 100% of shares, is Stredoslovenská energetika Holding, a. s., with its registered office at Pri Rajčianke 8591/4B, 010 47 Žilina, Reg. No. (IČO): 36403008, registered in the Commercial Register of the District Court in Žilina, Section Sa, Insertion number 10328/L, incorporation date 1 January 2002.

2.5 COMPANY MANAGEMENT DURING THE YEAR ENDED ON 31 DECEMBER 2024

Board of Directors:

Ing. František Čupr, MBA	Chairman
Ing. Roman Hušťava	Vice-Chairman until 31 August 2024
Mgr. Michal Moško, MBA	Vice-Chairman from 1 September 2024
JUDr. Peter Hajduček	Member until 31 October 2024
Mgr. Marcel Maťovčík	Member from 1 November 2024
Ing. Roman Filipoiu	Member
Petr Kozojed	Member

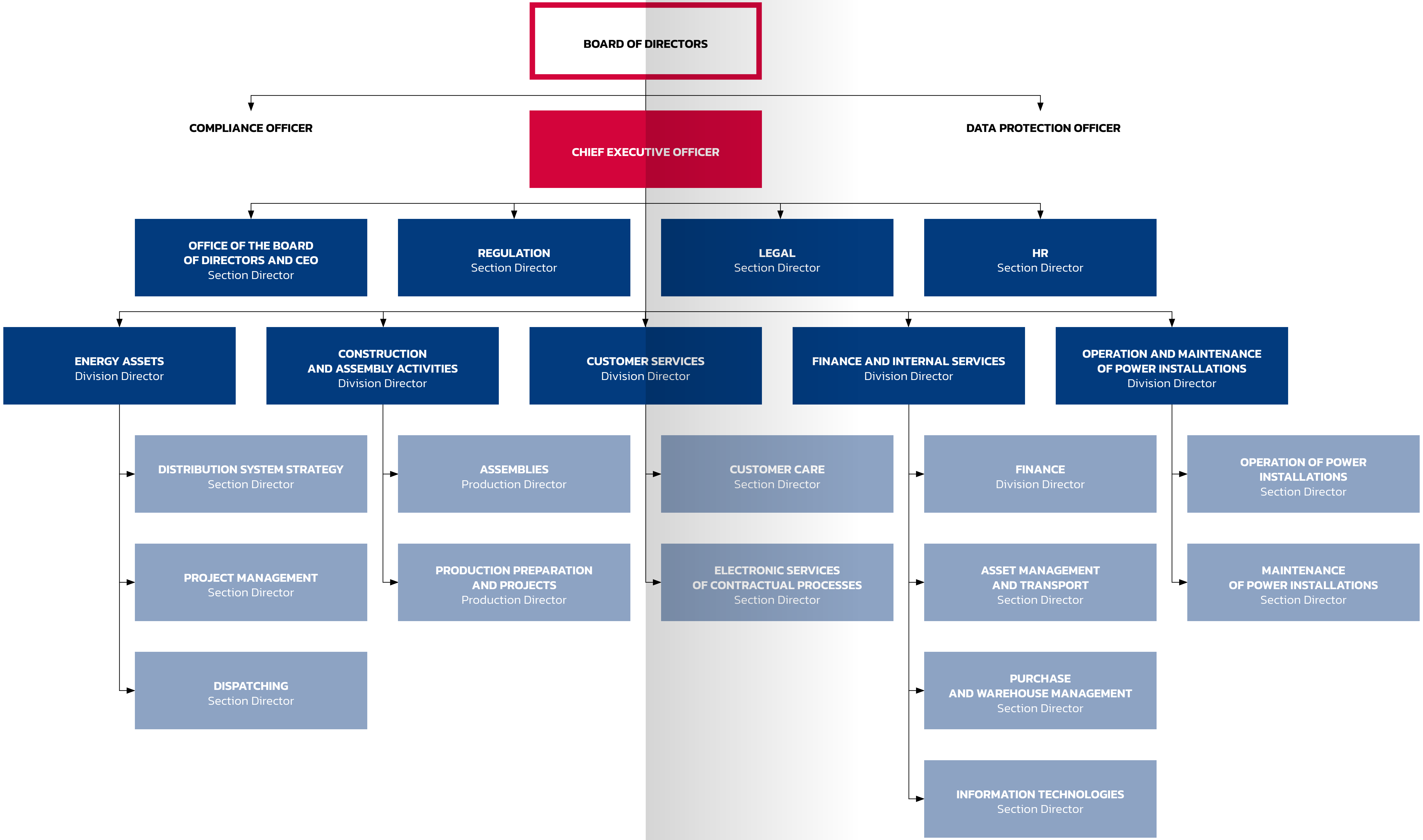
2

Supervisory Board:

Ing. Róbert Klimo	Chairman until 31 August 2024
Bc. Mgr. JUDr. Naďa Lorencová	Chairwoman from 1 September 2024
Gary Mazzotti	Vice-Chairman
Mgr. Michal Komada	Member until 31 August 2024
Mgr. Maroš Skopal	Member, until 31 August 2024
Mgr. Róbert Motoška	Member until 31 August 2024
Mgr. Miroslav Dráb	Member until 31 August 2024
Ing. Martina Meravá	Member from 1 September 2024
Mgr. Karin Janišová	Member from 1 September 2024
Ing. Milan Panáček	Member from 1 September 2024
Ing. Marián Krnač	Member from 1 September 2024
Ing. Dušan Majer	Member elected by employees
Ing. Igor Pištík	Member elected by employees
Ing. Miroslav Martoník	Member elected by employees

2

2.6 ORGANISATIONAL STRUCTURE AS AT 31 DECEMBER 2024



3 COMPANY ACTIVITIES

3.1 SIGNIFICANT EVENTS IN 2024

Customer Services

Stredoslovenská distribučná wants to make maximum use of technological innovations and digitisation. Therefore, in 2024, it began preparatory activities for a new Company website, which will incorporate electronic and automated services for customers with greater efficiency. In order to achieve the goal of the new website, we have modified internal processes and systems throughout the year to enable connection with the external environment.

We started working with artificial intelligence through in-house projects. One area was handling customer calls. During the test period, our customers had the opportunity to get to know Svetlana, our virtual assistant. To fully exploit the potential of this technology, it is important to have a clear website with maximum availability of information. The pilot project was successful, which means that SSD has gained another tool for faster and better customer service.

The second area where we have deployed artificial intelligence is the processing of documents received from state and public administration outside the electronic mailbox. Small municipalities and municipal authorities still use traditional written communication. Artificial intelligence reads the documents we receive, evaluates keywords, categorises them, and, if necessary, assigns them to the appropriate department for resolution.

In 2024, SSD representatives were actively involved in projects addressing the new electricity market structure, new elements and processes. We have begun to gradually implement the binding project outputs into our systems and processes.

Operation and Maintenance of Power Installations

During 2024, we recorded five energy disasters and several local emergencies. The cost of clearing up the disaster at all voltage levels totalled 751,000 euros.

3.2 INVESTMENT PLANNING, KEY INVESTMENTS IN 2024

Identifying the development potential of each region, strengthening the critical points of the system and its physical renewal are the constant objectives of the investment, which is also linked to the need to manage and upgrade current and new technologies to capture the trends of the society.

The speed of investment implementation from the identification of the need is influenced in no small measure by the development of legislation, permitting processes as well as the readiness or condition of the affected areas. The planning and prioritisation of individual activities depend on a number of factors.

We divide investments according to their nature into three main categories:
- New connections,
- Quality and increase of the transmission capacity of lines,
- Other investments linked to the distribution activity.

Structure of investment expenditures in 2024 by individual chapters:	
New connections	**EUR 21.6 million**
Quality and increase of the transmission capacity of lines	**EUR 31.3 million**
Other investments associated with the distribution activity (distribution transformers, IT, measuring sets, vehicles and others)	**EUR 22.5 million**

New Connections

The New Connections category includes investments that address the development of the distribution system. In essence, they meet the requirements of connecting new supply points at all voltage levels. These activities also increase the possibility of connecting new renewable sources. In 2024, we completed 302 constructions at the high voltage (HV) and low voltage (LV) levels, and invested EUR 14.2 million. At the very high voltage (VHV) level, we invested EUR 7.4 million for future construction.

Quality and Increase of the Transmission Capacity of Facilities

In the area of quality and increasing the transmission capacity of the facilities, we have built 100 HV/LV voltage level constructions worth EUR 17.9 million and 6 HV/LV voltage level constructions with an investment of EUR 13.4 million in 2024. The purpose of these investments was to ensure the quality, reliability and continuity of electricity distribution.

In the area of construction of optical infrastructure for the future development of the network and the related necessary network modifications, we have completed 72 constructions at a cost of EUR 2.8 million.

Other Investments Linked to the Distribution Activity

To ensure the running and operation of the grid, the most significant investments in this category in 2024 were expenditures for the acquisition of distribution transformers worth EUR 4.9 million, metering sets worth EUR 5.3 million, information technology worth EUR 5.5 million, vehicles and machinery worth EUR 3.5 million, and construction and repair of buildings worth EUR 1.1 million.

3.3 MAIN ACTIVITIES AND INVESTMENTS IN TERMS OF THE DEVELOPMENT OF THE DISTRIBUTION SYSTEM

2024 flagship projects:

- Start of construction of a new 110/22 kV Rimavská Sobota – industrial park transformer substation. Its construction will ensure the supply of electricity to the new industrial park and at the same time increase the stability of electricity distribution in the Rimavská Sobota area.
- Completion of the first stage of comprehensive reconstruction of the 110/22 kV Martin – Košúty transformer substation. At this stage, we reconstructed half of the 110 kV substation and built a new building for shared operations with secondary technology and a new 22 kV

substation. This will stabilise the electricity supply in the Martin area, including the connection of a new hospital. The reconstruction smoothly moved into its second phase at the end of 2024.

- During 2024, reconstruction of the 110 kV power line No. 7701 between the Bytča and Hričov power stations was carried out. During the reconstruction work, we ensured continuous 110 kV/22 kV transformation in Bytča. The reconstruction of the 110 kV power lines will increase the transmission capacity between the Považská Bystrica, Bytča and Hričov power stations. By installing a combined underground cable, we will also provide a new optical network.
- Start of construction of a new switching station in Nová Baňa. Its purpose, together with the planned construction of a 14-kilometre high-voltage overhead line, is to increase distribution capacity in the region. It will cover the demand for electricity, which currently exceeds the capacity of the distribution system.
- Reconstruction of own consumption in the Vavrečka, Liptovská Mara and Rajčianka power stations to ensure reliable operation of transformer stations.
- Installation of a new 110/22 kV transformer in the Vrútky power station and a new 22/6 kV transformer in the Banská Bystrica–Hušták transformer station. In addition to higher reliability and service life, the new transformers feature lower losses, reduced oil volume to lower operating costs, and a smaller environmental footprint.
- Start of preparation of project documentation for the Ladce site, where the construction of new 110 kV lines and the reconstruction of the 110/22 kV Ladce transformer substation with its extension are planned. The reason for the investment is to connect to the new 400/110 kV Ladce power station owned by SEPS, a. s.
- Reconstruction of high-voltage equipment for connecting Mobis in Nováky.
- Construction and reconstruction of high-voltage equipment for connecting hospitals in Martin and Banská Bystrica.

3.4 TECHNICAL PARAMETERS OF THE DISTRIBUTION SYSTEM IN 2024

TECHNICAL PARAMETERS OF THE DISTRIBUTION SYSTEM	
Total length of the distribution system in km	32,526
VHV	2,526
HV	10,369
LV	19,631
Number of power stations, transformer stations	9,458
VHV power stations in stations TS/VHV	6
VHV/HV transformer substations	54
HV/HV transformation and switching stations	103
HV/LV distribution transformer stations	9,295

3.5 VALUES OF THE BASIC SAIDIP AND SAIFIP INDICATORS ACHIEVED IN THE PREVIOUS PERIOD:

Year	SAIDIP	SAIFIP
2013	85	0.35
2014	89	0.35
2015	118	0.46
2016	179	0.60
2017	140	0.49
2018	190	0.60
2019	194	0.65
2020	194	0.64
2021	227	0.78
2022	243	0.84
2023	220	0.77
2024	276	0.95

In the event of unplanned interruptions in the electricity supply caused in particular by failures (whether due to adverse weather or technical reasons), the priority is to restore the distribution in the shortest possible time and in accordance with the terms defined by Decree of the Regulatory Office for Network Industries No. 236/2016, which regulates the quality standards of electricity transmission, distribution and supply.

3

In this context, we achieved the following parameters:

Year	SAIDIU	SAIFIU
2013	83	1.81
2014	77	1.62
2015	88	1.89
2016	86	2.19
2017	91	1.97
2018	96	2.08
2019	105	2.24
2020	86	1.75
2021	97	2.12
2022	102	1.93
2023	91	1.61
2024	93	1.69

Due to extreme weather conditions, mainly severe storm, strong winds and rain, five disasters occurred during the year with significant interruption of electricity distribution. Our distribution region was mainly affected by energy disasters in March, July and September. They hit especially the mountainous regions of Považie, Kysuce, Orava, Liptov, Horehronie and Gemer. However, outages also occurred in other parts of central Slovakia. Particularly, uprooted trees collapsed on electric power equipment resulted in torn wires, bent brackets, broken support points and broken insulators. Not only the lines, but also the HV and LV stations and VHV equipment. To eliminate the consequences of outages, our employees often worked in very difficult-to-access terrain and demanding natural conditions. Their aim is always to restore the distribution of electricity to customers in the shortest possible time.

3.6 ENVIRONMENTAL PROTECTION AND OHS

We continue to consider ensuring the health and safety of our employees, suppliers, customers, and the public a priority and a value to which we are committed.

In June 2024, we successfully completed an external surveillance audit of our integrated management system according to ISO 14001:2015 and ISO 45001:2018, which reviewed key areas of environmental protection and occupational health and safety and assessed compliance with the relevant standards. The result was a statement of compliance with both international standards.

We also participated in the Europe-wide campaign "Safe and Healthy Work in the Digital Age" organised by the European Agency for Safety and Health at Work. We organised OHS and ENVIRO days in the centres of Banská Bystrica, Liptovský Mikuláš, Rimavská Sobota, and Žilina. It was a full-day activity with employees, during which we discussed, educated, and informed employees about news in both areas and provided practical demonstrations of how to deal with risky situations they may encounter in their work.

Environmental Awareness and Sustainable Development

In line with EPIF policy, we carry out activities to eliminate risks to biodiversity. In 2024, in cooperation with the State Nature Conservancy of the Slovak Republic, we successfully resolved registered complaints regarding the deaths of protected avifauna species on the electricity grid. We have started the process of assessing the sustainability of SSDs in accordance with the CSRD and EU taxonomy in cooperation with a consulting firm. The project will be completed with the preparation of a sustainability report for 2024.

PROTECTIVE ELEMENTS INSTALLED IN 2024 ON THE DISTRIBUTION NETWORK	
Bird flight deflectors	442 pcs
Barriers against nesting storks	31 pcs
Nesting platforms for storks	18 pcs
Console protectors CHK I and CHK II	521 pcs
Warning balls	6 pcs

As is now tradition, we organised Earth Days in April for SSE Holding employees and their families. In 2024, we focused our educational and promotional activities on lectures, film screenings, and discussions related to the volunteer work of our employees at the Animal Rescue Centre in Zázrivá. We supported and established cooperation with the civic association Požičaná planéta pre školy (Borrowed Planet for Schools), which focuses on environmental education and awareness for sustainable development.

3

3.7 EMPLOYEES

As at 31 December 2024, SSD had 1,380 employees. The evolution of staff numbers during the year was influenced by an increased number of hirings and departures. Overall turnover dropped from 8.7% in 2023 to 6.11% in 2024. Voluntary turnover rose slightly to 2.06%. As at 31 December 2024, the average employee age dropped to 44.6 years compared to the previous year. However, there is still a significantly category of pre-retirement age employees who will need to be replaced. Human Resources is working on a workforce renewal programme that will ensure that the jobs of departing staff are filled by identifying key positions, working with secondary schools and universities, and grooming successors.

STRUCTURE OF EMPLOYEES BY GENDER		
	As at 31 December 2024	Share (in %)
Women	244	18%
Men	1,136	82%
Total	1,380	**100%**

Education

The Company has long been committed to systematic training of employees in occupational health and safety. We conducted introductory training for new employees and follow-up training in the form of in-person training. During the year, we conducted training for employee representatives in the area of occupational health and safety (OHS). OHS is a priority for us. The TRAFO management training programme focused on safety culture. It took place during the autumn of 2024 with the participation of 197 employees.

We regularly conduct mandatory professional training and courses required by law for the performance of individual positions.

We continue to provide in-house training on safe working practices with knowledge testing for selected groups of employees. We conduct regular, mandatory training courses on working with low-voltage live equipment for internal purposes at our training centre in Žiar nad Hronom and at a training ground.

As part of our in-house training programme, we covered topics such as regulation in a nutshell, reducing the capacity of supply points, cyber security, poles on third-party land, and SSD – legal considerations.

Regular management seminars are also a tradition in the Company. In 2024, these included specialist lectures by our employees on various topics.

Employees deepened their skills and knowledge by participating in public and professional training courses, seminars, conferences, workshops, as well as soft skills training courses conducted in person or online.

In 2024, we held 1,310 educational events with an investment of EUR 538,916.

Professional Experience and Cooperation with Schools

SSD cooperates within its scope of activity with secondary vocational schools that focus on heavy current electrical engineering. The aim is to generate interest and produce professionally prepared graduates who will work in the energy sector. In the 2024/2025 school year, agreements on practical training were concluded with the Secondary Vocational School of Electrical Engineering in Žilina, the Joint School in Banská Bystrica and the Secondary Vocational Technical School in Čadca, where a total of 26 students expressed their interest in working at SSD.

Trainee Programme

As part of the trainee programme, we have been working for twelve years to attract and retain qualified and motivated employees interested in gaining new professional experience in the energy industry or other areas within the Company. In the form of field trips and professional lectures, we offer students the opportunity to get to know individual areas of our business better and thus build on their theoretical knowledge acquired during their studies at the university. Students collaborate with experts on major projects and conquer new challenges. Our goal is that the best trainees become part of the Company. In 2024, eight students from various departments of the Company joined the programme.

3

3.8 INFORMATION SECURITY

As part of the critical infrastructure of the Slovak Republic and an operator of essential services under the Cybersecurity Act, Stredoslovenská distribučná, a. s., is fully aware of the significance and importance of information security. Our Company is responsible for distributing electricity to more than 790,000 supply points, including businesses and households. Given this responsibility, it is our priority to prevent cyber incidents and be prepared to respond effectively.

Activities in the area of improving information security are essential for ensuring the reliability and security of our services. New technologies such as artificial intelligence and digitisation open up new possibilities for cyber-attacks. That is why it is important to constantly monitor and analyse risks, take appropriate measures, and raise safety awareness among our employees.

Our Company is actively involved in projects aimed at improving information security, including the implementation of modern security solutions. These projects enable us to better protect our IT and OT assets, minimise the risk of cyber-attacks, and ensure the continuity of our critical processes.

At the same time, we cooperate with several external partners to provide security supervision and monitoring of end-device vulnerabilities, as well as other projects and services aimed at minimising security risks. This collaboration enables us to effectively address security incidents and vulnerabilities that could compromise our infrastructure.

In accordance with EU Directive NIS2 and the amendment to the Cybersecurity Act (366/2024 Coll.), we have adopted additional measures to improve risk management and crisis management in the area of cybersecurity. Our goal is to achieve compliance with legislative requirements and ensure a high level of protection for our services and infrastructure.

SSD is a responsible and reliable partner that constantly strives to improve its security measures and be prepared for the challenges brought by the modern digital world. Our commitment to information security is a key factor in ensuring the stability and reliability of our services.

4 REPORT ON THE ECONOMIC RESULTS AND OPERATION OF THE COMPANY STREDOSLOVENSKÁ DISTRIBUČNÁ, A. S., FOR THE YEAR 2024

From a financial perspective, 2024 was another successful year for SSD, a. s. The Company made progress in ensuring reliable and secure electricity distribution while meeting its economic targets, despite the fact that 2024 was affected by changing global challenges impacting market conditions in the energy sector.

The financial statements of the Company as at 31 December 2024 were compiled according to the International Financial Reporting Standards (IFRS) as adopted by the European Union and as ordinary financial statements in accordance with Article 17(6) of Act of the National Council of the Slovak Republic No. 431/2002 Coll. on Accounting, as amended ("Accounting Act") for the accounting period between 1 January 2024 and 31 December 2024.

For 2024, the Company achieved a profit after tax of EUR 66.3 million, which represents a year-on-year decline in profits of EUR 32.8 million (–33%). The decline reflects lower operating income and lower compensation received to cover unpaid cost of electricity losses in previous periods.

The Company generated operating income of EUR 339.2 million. The most essential part of income is represented by revenues from electricity distribution, which the Company manages to keep at a stable level. A significant portion of revenues also consists of revenues from compensation for uncovered cost of losses and distribution during 2024, with a significant decrease compared to 2023.

Operating costs amounted to EUR 189.1 million. The significant decrease was caused by lower cost of procuring electricity for distribution losses, which, together with the cost of transmitting electricity from the upstream system, accounted for the most significant part of operating costs. The decline in cost of procuring electricity for distribution losses reflects the major fall in the electricity market price. Other cost items are personnel costs and the costs of operating and maintaining the distribution system.

in EUR million	**2024**	**2023**
Operating income	339.2	444.4
Operating costs	–189.1	–270.3
EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortisation)	**150.1**	**174.1**
Depreciation of tangible and intangible assets	–48.7	–47.1
Financial costs, net	3.1	3.0
Profit before tax	**104.5**	**130.0**
Income tax	–38.2	–30.9
Profit after tax	**66.3**	**99.1**

Capital Structure – Assets, Equity and Liabilities

Assets

As at 31 December 2024, the Company's assets amounted to EUR 920.0 million, which represents a year-on-year decline by EUR 71.6 million (–7%).

Non-current assets amounted to EUR 823.3 million (89% of the value of total assets). The highest share is made up of the distribution system - lines, electric stations, substations and other distribution network parts, real estate, means of transport and mechanisms, machinery, equipment, software and investments in progress. In 2024, we reported additions to non-current assets of EUR 84.7 million, which were mainly generated by investments aimed at the renewal and development of the distribution system. The value of non-current assets increased by EUR 11.8 million year-on-year (1%).

Current assets amounted to EUR 96.7 million (11% of the value of total assets). As at 31 December 2024, the Company reported trade receivables in the amount of EUR 28.4 million gross, of which due receivables accounted for EUR 25.1 million gross. The funds managed by the parent company, Stredoslovenská energetika Holding, a. s., on the basis of the "Cash-Pooling Agreement" as at 31 December 2024 amounted to EUR 26.3 million and are reported as a receivable from the parent company. Compared to 2023, the largest decline is recorded in cash (including cash equivalents), which amounts to EUR 30.8 million. The value of current assets decreased by EUR 83.4 million year-on-year (–46%).

Liabilities

Equity of the Company as at 31 December 2024 reached EUR 666.1 million, which accounts for 72% of the value of the assets cover. The year-on-year decline by EUR 58.2 million (–8%) is due to lower retained earnings in 2024.

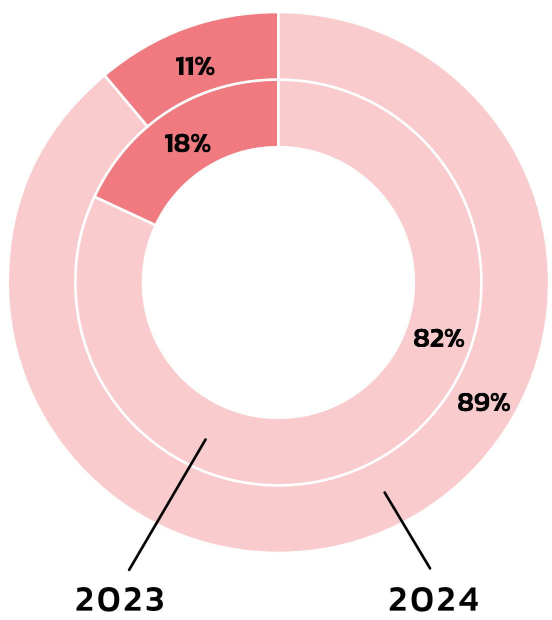
Non-current and current liabilities, excluding liabilities arising from contracts and deferred income, account for 21% of the total assets cover, and their amount as at 31 December 2024 was EUR 197.6 million, which represents a year-on-year decrease by EUR 23.1 million (–10%). Significant items included, in particular, trade liabilities (EUR 89.0 million) and deferred tax liabilities (EUR 99.3 million).

Liabilities from contracts, which mainly represent connection fees, amounted to EUR 46.7 million in 2024, rising by EUR 3.8 million (+9%) compared to 2023.

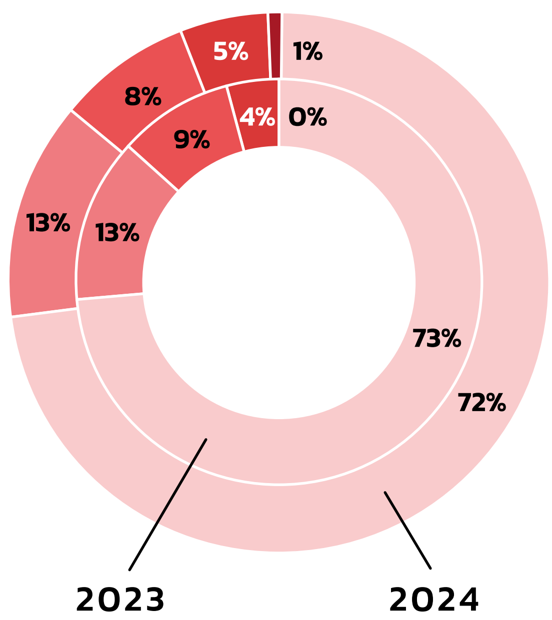
Long-term deferred revenues amounted to EUR 9.6 million, representing 1% of the value of the assets cover, with a year-on-year increase by EUR 6.0 million (+163%).

in EUR million	2024	%	2023	%
Assets	**920.0**		**991.6**	
Non-current assets	823.3	89%	811.6	82%
Current assets	96.7	11%	180.1	18%
Liabilities	**920.0**		**991.6**	
Equity	666.1	72%	724.4	73%
Non-current liabilities	122.2	13%	127.0	13%
Current liabilities	75.4	8%	93.7	9%
Liabilities arising from contracts – connection fees	46.7	5%	42.9	4%
Long-term deferred income	9.6	1%	3.7	0%

Structure of assets



Structure of liabilities



5 REPORT ON THE ACTIVITIES OF THE SUPERVISORY BOARD FOR THE YEAR 2024

During 2024, the Supervisory Board of the Company worked in the following structure:	
Ing. Róbert Klimo	Chairman until 31 August 2024
Bc. Mgr. JUDr. Naďa Lorencová	Chairwoman from 1 September 2024
Gary Mazzotti	Vice-Chairman
Mgr. Michal Komada	Member until 31 August 2024
Mgr. Maroš Skopal	Member until 31 August 2024
Mgr. Róbert Motoška	Member until 31 August 2024
Mgr. Miroslav Dráb	Member until 31 August 2024
Ing. Martina Meravá	Member from 1 September 2024
Mgr. Karin Janišová	Member from 1 September 2024
Ing. Milan Panáček	Member from 1 September 2024
Ing. Marián Krnač	Member from 1 September 2024
Ing. Dušan Majer	Member elected by employees
Ing. Igor Pištík	Member elected by employees
Ing. Miroslav Martoník	Member elected by employees

In 2024, the Supervisory Board convened six times at its meetings – 29 February 2024, 24 April 2024, 26 June 2024, 2 September 2024, 18 September 2024 and 19 December 2024. The Supervisory Board had a quorum at each meeting.

In the scope of its powers and in accordance with the Articles of Association and the Commercial Code, in 2024 the Supervisory Board:

(a) Adopted the following fundamental decisions:

- Approved the Report on Activities of the Supervisory Board for 2023;
- Approved the Opinion of the Supervisory Board on the draft audited ordinary individual financial statements prepared as at 31 December 2023 and on the proposal of profit distribution of the Board of Directors for 2023;
- Approved the relevant proposals of variable parts of remuneration of members of the Board of Directors in accordance with the applicable remuneration principles of members of the Board of Directors;
- Examined, within the meaning of Article XI (1) (h) of the Articles of Association, a proposal for the individual annual budget and business plan of the Company, including the proposal of the CAPEX plan for 2024;
- Approved the implementation of relevant investment projects in 110/22 kV power stations in Lieskovec, Varín, Veľký Krtíš and Závažná Poruba, as well

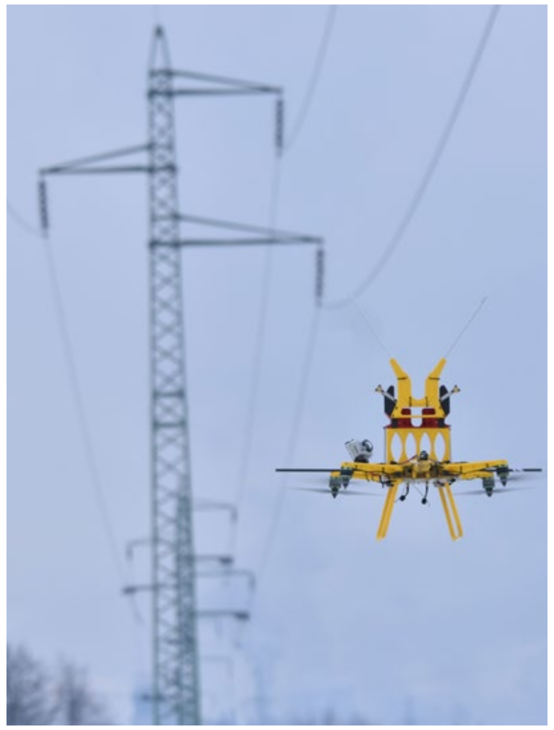
5

as investment projects related to the reconstruction of the Lieskovec – Detva – Lučenec power line.

(b) Noted, in particular:

- Relevant decisions of the sole shareholder in 2024;
- Information on basic objectives of the Company's business management, as well as on the expected development of assets, finances and revenues of the Company in accordance with Article 193 of the Commercial Code for the Supervisory Board for the year 2024;
- Statement of the Board of Directors for the members of the Supervisory Board for 2023 pursuant to Article XII(21)(a)(ii) of the Articles of Association concerning financial transactions carried out by the Company with related parties in which the value of any such transaction individually or the series of related transactions together exceed EUR 100,000, and the Company's transactions concluded under other than standard commercial conditions;
- Information on related party transactions for the relevant quarters of 2024;
- Report on the results of audits and inspections for 2023 and the audit and control plan for 2024;
- Information on economic results, including the development of CAPEX 2024 plan fulfilment for the relevant periods;
- Information on the status of implementation of significant investment projects of the Company;
- Information on pending lawsuits that may have a significant negative impact on the Company's economy;
- The annual report on the fulfilment of the Compliance Programme of the Company for 2023, and the Compliance Programme 2024;

During 2024, the Supervisory Board did not request the Board of Directors of the Company to convene a General Meeting.



CONCLUSION:

Throughout the 2024, the Supervisory Board fulfilled its controlling function properly pursuant to the Articles of Association of the Company and Article 197 et seq. of the Commercial Code. The Supervisory Board did not discover any breach of the Articles of Association or valid legal provisions by the Board of Directors by performing the business activities of the Company.

This Report was approved by the Supervisory Board of the Company at its meeting held on 30 April 2025

Bc. Mgr. JUDr. Naďa Lorencová
Chairwoman of the Supervisory Board
Stredoslovenská distribučná, a. s.

6 PROPOSAL OF THE BOARD OF DIRECTORS FOR THE DISTRIBUTION OF PROFITS FOR THE YEAR 2024

	In EUR
Audited net profit for the year 2024	**66,306,782.78**
Allocation to social fund	0.00
Royalties for members of the Board of Directors and of the Supervisory Board	0,00
Part of the profit kept in equity on the account of Retained earnings of previous years	0,00
Net profit available for distribution of dividends to the shareholder	**66 306 782,78**

7 OPINION OF THE SUPERVISORY BOARD OF STREDOSLOVENSKÁ DISTRIBUČNÁ, A. S., ON THE ORDINARY FINANCIAL STATEMENTS AS AT 31 DECEMBER 2024 AND ON THE PROPOSAL FOR THE DISTRIBUTION OF PROFITS FOR THE YEAR 2024

On 30 April 2025, the Supervisory Board of Stredoslovenská distribučná, a. s., verified the Ordinary Financial Statements of the Company as at 31 December 2024, including the report of the independent auditor Deloitte Audit, s.r.o., SKAU licence No. 014 dated 14 March 2025 and a proposal of the Board of Directors for the distribution of the Company's profit for the year 2024.

On the basis of the above mentioned, the Supervisory Board of Stredoslovenská distribučná, a. s., recommends the Ordinary General Meeting of Stredoslovenská distribučná, a. s., to:

1. **Approve the Ordinary Financial Statements of Stredoslovenská distribučná, a. s., as at 31 December 2024,**
2. **Approve the proposal for the distribution of profits of Stredoslovenská distribučná, a. s., for 2024 as follows:**

	In EUR
Audited net profit for the year 2024	**66,306,782.78**
Allocation to social fund	0.00
Royalties for members of the Board of Directors and of the Supervisory Board	0.00
Part of the profit kept in equity on the account of Retained earnings of previous years	**0.00**
Net profit available for distribution of dividends to the shareholder	**66,306,782.78**

Bratislava, 30 April 2025

Bc. Mgr. JUDr. Naďa Lorencová
Chairwoman of the Supervisory Board
Stredoslovenská distribučná, a. s.

8 REPORT ON FULFILMENT OF THE COMPLIANCE PROGRAMME OF STREDOSLOVENSKÁ DISTRIBUČNÁ, A. S., FOR THE YEAR 2024

Introduction:

Stredoslovenská distribučná, a. s. (hereinafter: the "Company"), having its registered office at Pri Rajčianke 2927/8, 010 47 Žilina, Reg. No. (IČO): 36 442 151, registered in the Commercial Register of the District Court in Žilina, Section Sa, Insertion no. 10514/L, founded in 2006, being the holder of electricity distribution license No. 2007E 0260 in full version issued by the Regulatory Office for Network Industries (hereinafter: the "Office"), is a distribution system operator and at the same time a part of a vertically integrated entity.

This report provides transparent information on the fulfilment of the legislative framework for such an organised Company in the field of transparent and non-discriminatory approaches to all customers and participants in the electricity market.

1. Legislative Framework

The legislative framework of the Compliance Programme is established by Directive 2009/72/EC of the European Parliament and of the Council, which was implemented in the Slovak Republic into Act No. 251/2012 Coll. – the Energy Act. This legislation sets out the rules for the internal electricity market.

The Compliance Programme is a document containing measures that ensure a non-discriminatory and transparent approach to all market participants by the distribution system operator (hereinafter: the "DS").

On the basis of the above mentioned, the DS operator is obliged to elaborate a report on the fulfilment of the "Compliance Programme", which is part of the "Annual Report" according to Article 31(6) and Article 32(8)(b) of Act No. 251/2012 Coll. on Energy. It is also obliged, pursuant to Article 20 of Act No. 431/2002 Coll. on Accounting, as amended, to publish a report on the implementation of the measures specified in the Compliance Programme.

2. Compliance Programme in the Company

On the basis of the above-mentioned legislative standards for the Independent Position of a Distribution System Operator in a Vertically Integrated Company, the SSE Group provided the legal unbundling of distribution-system operation into a separate company, while the rights and obligations of the distribution system operator have been transferred to Stredoslovenská distribučná, a. s. At the same time, in 2005 the Board of Directors approved a binding internal document of the Compliance Programme which contains a list of measures aimed at ensuring the non-discriminatory behaviour of the distribution system operator. The Compliance Programme is updated on a regular basis for the respective year, while respecting all legislative changes.

In accordance with the aforementioned legal obligations, all obligations arising from current legislation, i.e. elaboration and approval of the new Compliance Programme of the Company, including the Action plan of measures and the appointment of a person required to ensure compliance in the company, were performed. With effect from 1 January 2013, the person required to ensure the compliance in the Company was appointed, thereby creating the appropriate institutional background for the implementation of the approved Compliance Programme of the Company.
In 2015 an update of the Compliance Programme was carried out as since 1 April 2014, an organisational change occurred in the Company which required new responsibilities to be taken into account in its structure.

3. Fulfilment of the Compliance Programme Measures during the Year 2024

Part of the Compliance Programme is the Action Plan of the Compliance Programme, which contains a list of measures for the relevant calendar year and is subject to an annual update. By implementing measures and monitoring their compliance, the appointed Compliance Officer is obliged to ensure compliance while addressing ad-hoc situations related to ensuring the non-discriminatory behaviour of the distribution system operator and the protection of confidential information. In addition, that person receives and solves incentives from the external and internal environment pointing to possible violation of the Compliance Programme's principles and updates the Action Plan of the Compliance Programme, if necessary, and proposes further measures.

The measures of the Action Plan of the Compliance Programme are focused on activities in the following areas:

- **Prevention:**

During 2024, prevention measures focused mainly on the increase of employee awareness in the field of the Compliance Programme.

Training for newly recruited staff was organised continuously. In 2024, 182 employees were trained (a 25% increase compared to the previous year), of which 128 were newly hired from outside the Company, 5 were newly hired within SSE Holding, 5 were newly hired after secondary school practice at SSD, 1 was a newly hired contractor, 17 were temporary workers, 21 were hired after they were temporarily removed from the register of active employees, and 5 were temporary Trainee workers.

- **Monitoring and control/audit**

Throughout the year 2024, the implementation of the change within the organisational structure of the Company continued. This process involved the implementation of new processes and internal guidelines were modified or new ones were drafted as well. As part of the review, 11 corporate guidelines were updated and two corporate guidelines were issued in accordance with the principles of the Compliance Programme. At the same time, an inspection aimed at information security protection related to the operation of the distribution system against the access of unauthorised persons was carried out aimed at verifying access rights to distribution systems, contractual relations and disclosure of information. In terms of so-called Compliance Management, i.e., verifying each internal or external complaint related to the application of the Compliance Programme's principles by the Compliance Officer, no complaint was addressed during 2024. Moreover, the Compliance Officer received, consulted and dealt with internal requests from employees related to their actions so as not to infringe the rules ensuring non-discriminatory behaviour of the distribution system operator and the protection of confidential information.

- **Assessment and Reporting**

This area contains mainly the assessment of achieved objectives as related to the implementation of the Compliance Programme in the form of monthly reports and in the form of this Report included in the Annual Report of the Company and submitted to the RONI according to the valid legislation.

In conclusion, it may be stated that the tasks listed in the Action Plan were fulfilled in 2024.

Author:
Ing. Ján Michalík PhD.
Compliance Officer
13 February 2025

9 SPECIAL RELEVANCE EVENTS OCCURRING AFTER THE ACCOUNTING PERIOD FOR WHICH THE ANNUAL REPORT IS PREPARED

No events took place after 31 December 2024 that would require disclosure or recognition in the 2024 Annual Report.

10 INFORMATION ON THE EXPECTED FUTURE DEVELOPMENT OF THE ACCOUNTING ENTITY'S ACTIVITIES

The key tool for determining future goals and implementing the Company's strategy is the Company's business plan, which was approved by the Company's Board of Directors on 19 December 2024. In preparing the business plan, the current economic situation at the time the plan was prepared was taken into account, in particular the high electricity prices. The Company will continue to focus on the safety and reliability of electricity distribution, building new connections, expanding the distribution network, reconstruction, maintaining the quality of distribution as well as increasing the quality of services provided to its customers.

11 EXPENSES RELATED TO ACTIVITIES IN THE FIELD OF RESEARCH AND DEVELOPMENT

The Company did not have any expenses related to activities in the field of research and development in 2024.

12 ACQUISITION OF OWN SHARES, TEMPORARY CERTIFICATES, BUSINESS SHARES AND STOCK

In 2024 the Company did not acquire any of its own shares, temporary stock, or business shares.

13 ORGANISATIONAL UNITS OF THE ACCOUNTING ENTITY ABROAD

The Company has no branches abroad.

ANNEX NO. 1:
REPORT OF THE INDEPENDENT AUDITOR ON THE VERIFICATION OF THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2024 AND THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2024.

Stredoslovenská
distribučná

Stredoslovenská distribučná, a.s.

Independent Auditor's Report and Financial Statements as at 31 December 2024

Prepared in accordance with International Financial Reporting Standards as adopted by the European Union

Translation note:

This version of the accompanying financial statements is a translation from the original, which was prepared in Slovak. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of the financial statements takes precedence over this translation.

Stredoslovenská distribučná, a.s.

Separate financial statements for the year ended 31 December 2024 prepared in accordance with International Financial Reporting Standards as adopted by the European Union have been authorised for issue on 18 February 2025.

………………………………………………………
Ing. František Čupr, MBA
Chairman of the Board of Directors

………………………………………………………
Mgr. Michal Moško, MBA
Vice chairman of the Board of Directors

Contents

Deloitte.

Deloitte Audit s.r.o.
Pribinova 34
811 09 Bratislava
Slovak Republic

Tel: +421 2 582 49 111
deloitteSK@deloitteCE.com
www.deloitte.sk

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

EA14729D1C4A8009C0DC9873373DC865

Stredoslovenská distribučná, a.s.

INDEPENDENT AUDITOR'S REPORT

To the Shareholder, Supervisory Board and Board of Directors of Stredoslovenská distribučná, a.s.:

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

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

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

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the provisions of Act No. 423/2015 Coll. on Statutory Audit and on Amendment to and Supplementation of Act No. 431/2002 Coll. on Accounting, as amended, as amended (hereinafter the "Act on Statutory Audit") related to independence and ethical requirements, including the Code of Ethics for Auditors that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matter

The financial statements of Stredoslovenská distribučná, a.s. for the year ended 31 December 2023 were audited by another auditor who expressed an unqualified opinion on the financial statements on 19 March 2024.

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Report on Information Disclosed in the Annual Report

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

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

As at the issuance date of the auditor's report on the audit of financial statements, the annual report was not available to us.

When we obtain the annual report, we will assess whether the Company's annual report includes information whose disclosure is required under the Act on Accounting, and based on procedures performed during the audit of the financial statements, we will express an opinion on whether:

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

Furthermore, we will disclose whether material misstatements were identified in the annual report based on our understanding of the Company and its position, obtained in the audit of the financial statements.

Bratislava, 14 March 2025

Ing. Zuzana Letková, FCCA
Responsible Auditor
Licence SKAu No. 865

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

(All amounts are in thousands of EUR unless stated otherwise)

Statement of Financial Position

	Note	Balance as at 31 December 2024	2023
ASSETS			
Non-current assets			
Property, plant and equipment	5	810 733	799 961
Intangible assets	6	12 594	11 591
		823 327	**811 552**
Current assets			
Inventories		3 372	4 577
Trade and other receivables	8	34 456	23 160
Income tax assets		1 771	-
Receivables from the parent company (cash pooling)		26 307	66 108
Cash and cash equivalents	9	30 775	86 235
		96 681	**180 080**
Total assets		**920 008**	**991 632**
EQUITY			
Share capital and reserves			
Share capital	10	499 835	499 835
Legal reserve fund	10	99 967	99 967
Non-monetary contribution from the parent company		3 401	3 401
Other comprehensive income		-3 382	-2 793
Retained earnings		66 307	123 957
Total equity		**666 128**	**724 367**
LIABILITIES			
Non-current liabilities			
Lease liabilities	12	13 707	33 416
Deferred tax liability	14	99 327	85 547
Non-current provisions	15	9 150	8 069
Non-current contract liabilities	11	45 193	41 530
Non-current deferred income		9 625	3 661
		177 002	**172 223**
Current liabilities			
Trade and other liabilities	12	75 282	86 793
Income tax liabilities		-	6 422
Current contract liabilities	12	1 494	1 362
Current provisions	15	102	465
		76 878	**95 042**
Total liabilities		**253 880**	**267 265**
Total equity and liabilities		**920 008**	**991 632**

(All amounts are in thousands of EUR unless stated otherwise)

Statement of Profit or Loss

	Note	Year ended 31 December 2024	2023
Revenue	16	296 712	278 006
Purchases of electricity, system and other related fees	18	-110 574	-197 183
Personnel expenses	20	-59 172	-53 111
Depreciation/amortisation of and impairment allowances for non-current tangible and intangible assets	5, 6	-48 711	-47 085
Material and energy consumption		-8 064	-7 030
Capitalization of own costs		13 398	11 911
Other operating income	17	42 517	166 426
Other operating expenses	19	-24 701	-24 922
Operating profit		**101 405**	**127 012**
Interest income	21	3 907	3 640
Interest expense	21	-755	-569
Other finance costs, net	21	-35	-34
Finance costs, net		**3 117**	**3 037**
Profit before income tax		**104 522**	**130 049**
Income tax	22	-38 215	-30 942
Profit for the year		**66 307**	**99 107**

Statement of Comprehensive Income

	Note	Year ended 31 December 2024	2023
Profit for the year		**66 307**	**99 107**
Other comprehensive income:			
Actuarial gains/(losses)	15	-915	-427
Deferred tax		326	89
Total other comprehensive income:		-589	-338
Comprehensive income for the year		**65 718**	**98 769**

(All amounts are in thousands of EUR unless stated otherwise)

Statement of Changes in Equity

	Share capital	Legal reserve fund	Non-monetary contribution from the parent company	Retained earnings	Actuarial loss from long-term employee benefits net of tax	Total equity
Balance at 1 January 2024	**499 835**	**99 967**	**3 401**	**123 957**	**-2 793**	**724 367**
Profit for the year (2024)	-	-	-	66 307	-	66 307
Other comprehensive income	-	-	-	-	-589	-589
Dividends	-	-	-	-123 957	-	-123 957
Balance at 31 December 2024	**499 835**	**99 967**	**3 401**	**66 307**	**-3 382**	**666 128**
Balance at 1 January 2023	**499 835**	**99 967**	**3 401**	**80 472**	**-2 455**	**681 220**
Profit for the year (2023)	-	-	-	99 107	-	99 107
Other comprehensive income	-	-	-	-	-338	-338
Dividends	-	-	-	-55 623	-	-55 623
Other	-	-	-	1	-	1
Balance at 31 December 2023	**499 835**	**99 967**	**3 401**	**123 957**	**-2 793**	**724 367**

(All amounts are in thousands of EUR unless stated otherwise)

Statement of Cash Flows

	Note	Year ended 31 December 2024	2023
Profit before income tax		104 522	130 049
Adjustments for:			
Depreciation and amortisation	5, 6	48 739	48 560
Gain on disposal of property, plant and equipment		-2 026	-541
Change in impairment allowances for non-current assets		-28	-651
Change in impairment allowances for receivables	8	46	43
Change in provisions	15	2 036	1 365
Interest expense, net	21	-3 152	-3 071
Operating profit before change in working capital		**150 137**	**175 754**
Changes in working capital:			
Decrease / (Increase) in trade receivables and accrued income	8	-11 668	66 784
(Increase) in inventories		1 250	-104
Increase in liabilities and deferred income	12	-7 410	12 593
Cash flows from operating activities		**132 309**	**255 027**
Cash flows from operating activities			
Cash from operating activities		132 309	255 027
Interest paid	21	-755	-569
Interest received	21	3 895	3 503
Income tax paid		-32 303	-32 778
Net cash flows from operating activities		**103 146**	**225 183**
Cash flows from investing activities			
Purchase of property, plant and equipment and intangible assets	5, 6	-74 907	-59 718
Proceeds from the sale of property, plant and equipment		2 220	756
(-) Decrease in cash pooling receivables from the parent company		39 801	-36 101
Net cash used in investing activities		**-32 886**	**-95 063**
Cash flows from financing activities			
Repayments of loans and borrowings	13	-	-2 500
Lease payments – principal	5	-1 763	-1 836
Dividends paid	10	-123 957	-55 623
Net cash used in financing activities		**-125 720**	**-59 959**
Net increase (+) / decrease (-) in cash and cash equivalents		-55 460	70 161
Cash and cash equivalents at the beginning of the year		86 235	16 074
Cash and cash equivalents at the end of the year		**30 775**	**86 235**

1) General information

Trade name and registered address

Stredoslovenská distribučná, a.s.
Pri Rajčianke 2927/8
Žilina 010 47

Registration number (IČO): 36442151
Tax registration number (DIČ): 2022187453
Tax registration number for VAT purposes (IČ DPH): SK2022187453

Stredoslovenská distribučná, a.s. (hereafter referred to as the "Company" or "SSD, a.s.") was established under the business name Stredoslovenská energetika – Distribúcia, a.s. on 22 March 2006, and was registered in the Commercial Register on 8 April 2006 (Commercial Register of the District Court Žilina, Section Sa, Insert No. 10514/L). With effect from 1 March 2018, the business name of the Company was changed to Stredoslovenská distribučná, a.s.

The Company was established to comply with legal requirements to unbundle the distribution business from other commercial activities of integrated electricity companies established by Directive 2003/54/EC of the European Parliament and of the Council concerning common rules for the internal market in electricity. The Directive was transferred into Slovak legislation by Act No. 656/2004 Coll. on Energy, issued in 2004. The Act prescribed legal unbundling of distribution activities, by 30 June 2007 at the latest. Stredoslovenská energetika Holding, a.s. (until 31 December 2018 under the business name Stredoslovenská energetika, a. s.) carved out those parts of its business that conducted principal distribution activities, revalued items of assets and liabilities to fair value, and contributed them to the Company. On 1 July 2007, the Company started to provide distribution of electricity as its core business activity.

Main business activities of the Company

- Distribution of electricity and related services
- Engineering and related technical consultancy
- Rental of electrical devices
- Realisation and revision of construction
- Projects with, and construction of, electrical devices
- Repair, revision and testing of technical electrical devices in the groups S, O (OU, R, M) –E1-A
- Assembly and repair of selected electrical gauges
- Assembly and repair of regulative technology

The Company is one of the three largest electrical distribution companies in the Slovak Republic and operates within the regions of Žilina, Trenčín and Banská Bystrica. The Company's main business activity is electricity distribution, to all customers connected to the distribution system of SSD, a.s., in the following sectors:
- low voltage,
- high voltage,
- very high voltage.

The main business activity of the Company is distribution of electricity, which is usually invoiced to final customers by the electricity supplier, mostly in the form of an integrated contract (the price of electricity invoiced to the final customer includes the distribution fee).

The Company's operations are governed by the terms of its license, granted under the Energy Act ("the Energy License"). The Regulatory Office of Network Industries of the Slovak Republic ("ÚRSO") regulates all aspects of the Company's relationships with its customers, including pricing.

The structure of the Company's shareholders as at 31 December 2024 is as follows:

	Absolute amount in thousands of EUR	Ownership interest %	Voting rights %
Stredoslovenská energetika Holding, a.s.	499 835	100	100
Total	**499 835**	**100**	**100**

The Company is a subsidiary of Stredoslovenská energetika Holding, a.s., which owns 100% of its registered capital. With effect from 1 January 2019, the parent company changed its business name from Stredoslovenská energetika, a.s. to Stredoslovenská energetika Holding, a.s. Stredoslovenská energetika Holding, a.s. prepares consolidated financial statements and is an immediate consolidating company.

SSD, a.s. together with its parent company, Stredoslovenská energetika Holding, a.s. ("SSE Holding, a.s."), and its sister companies are referred to in these financial statements as the "SSH Group".

The Ministry of Economy of the Slovak Republic, based in Mlynské Nivy 44/a, 827 15 Bratislava 212, owns a 51% share in the registered capital of the parent company (the National Property Fund of the Slovak Republic owned this 51% shareholding until 1 August 2014).

Stredoslovenská energetika Holding, a.s. is a subsidiary of EP Energy, a.s. ("EPE"), based in Pařížská 130/26, Josefov, 110 00, Praha 1, Czech Republic, IČO: 29 259 428, registered in the Commercial Register of the Municipal Court in Prague, Section B, file No. 21733, Czech Republic, which owns a 49% share in the registered capital of the parent company (until 26 May 2014 owned by EPH Financing II, a.s.), and has managerial control.

Consolidated financial statements of the largest group of accounting entities, which are prepared by EP Investment S.à.r.l, with the registered office at Place de Paris 2, 2314 Luxembourg, which is the ultimate controlling party. Its consolidated financial statements for the year ended 2024 and 2023 will be deposited at the registered office of EP Investment S.à.r.l. The address of the registration court maintaining the business register where these consolidated financial statements will be deposited is Luxembourg Business Registers G.I.E., 14 Rue Erasme L-1468 Luxembourg, R.C.S. Luxembourg C24. The ultimate beneficial owner is Daniel Křetinský.

Unlimited liability

The Company is not a shareholder with unlimited liability in other entities.

Date of approval of the financial statements for the previous reporting period

On 27 June 2024, the General Meeting approved the Company's financial statements for the previous reporting period ended 31 December 2023.

Publication of financial statements for the previous reporting period

The financial statements of the Company and the Auditor's Report on the audit of the financial statements as at 31 December 2023 were filed and published in the Register of financial statements on 28 March 2024. The annual report and Supplement to the Independent Auditor's Report as at 31 December 2023 was filed in the Register of financial statements on 28 June 2024.

Approval of the auditor

On 27 June 2024, the Company's General Meeting appointed Deloitte Audit s.r.o. as the auditor of the financial statements for the year ended 31 December 2024.

Company bodies

The list of members of the Company's Board of Directors and Supervisory Board is publicly available in the Commercial Register, operated by the Ministry of Justice of the Slovak Republic, at www.orsr.sk

Average number of employees

In 2024, the average number of employees of the Company was 1 359 (2023: 1 344), of which 10 were managers (2023: 9).

2) Significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented.

2.1 Basis for preparation of the financial statements

Legal reasons for preparing the financial statements:

The Company's financial statements as at 31 December 2024 have been prepared as ordinary financial statements in accordance with Article 17 (6) of Act of the National Council of the Slovak Republic No. 431/2002 Coll. on Accounting, as amended (hereinafter the "Act on Accounting"), for the reporting period from 1 January 2024 to 31 December 2024.

The Slovak Act on Accounting requires the Company to prepare financial statements for the year ended 31 December 2024 in accordance with International Financial Reporting Standards (IFRS®) as adopted by the European Union ("IFRS EU").

These financial statements have been prepared in accordance with IFRS EU. The Company applies all IFRS EU issued by the International Accounting Standards Board ("IASB") and interpretations issued by the International Financial Reporting Interpretation Committee ("IFRIC") as adopted by EU, which were in force as at 31 December 2024.

The financial statements have been prepared under the historical cost measurement basis.

The financial statements were prepared on accrual basis and under the going concern principle.

The Board of Directors of the Company may propose amendments of the financial statements to the Company's shareholders before their approval at the General Meeting. If, after the financial statements are approved, management identifies that comparative information would not be consistent with the current period, IFRS EU allows entities to restate comparative information for the reporting period in which the relevant facts are identified.

Preparation of the financial statements in conformity with IFRS EU requires the use of certain significant accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies on complex transactions. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 4.

The individual financial statements are presented in thousands of euros ("EUR thousand"), unless stated otherwise.

(All amounts are in thousands of EUR unless stated otherwise)

New and amended IFRS Accounting Standards that are effective for the current year

In the current year, the Company has applied a number of amendments to IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) and adopted by the EU that are mandatorily effective for the reporting period beginning on or after 1 January 2024. Their adoption has not had any material impact on the disclosures or the amounts reported in these financial statements.

Accounting Standard	Title
Amendments to IAS 1	Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants
Amendments to IAS 7 and IFRS 7	Supplier Finance Arrangements
Amendments to IFRS 16	Lease Liability in a Sale and Leaseback

New and revised IFRS Accounting Standards adopted by the EU but not yet effective

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

Accounting Standard	Title	Effective Date
Amendments to IAS 21	Lack of Exchangeability	1 January 2025

New and revised IFRS Accounting Standards in issue but not adopted by the EU

At present, IFRS Accounting Standards as adopted by the EU do not significantly differ from IFRS Accounting Standards issued by the International Accounting Standards Board (IASB), except for the following new accounting standards and amendments to the existing accounting standards, which were not adopted by the EU as at 31 December 2024:

Accounting Standard	Title	EU Adoption Status
Amendments to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments (IASB effective date: 1 January 2026)	Not yet adopted by the EU
Amendments to IFRS 9 and IFRS 7	Contracts Referencing Nature-dependent Electricity (IASB effective date: 1 January 2026)	Not yet adopted by the EU
Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7	Annual Improvements to IFRS Accounting Standards – Volume 11 (IASB effective date: 1 January 2026)	Not yet adopted by the EU
IFRS 18	Presentation and Disclosures in Financial Statements (IASB effective date: 1 January 2027)	Not yet adopted by the EU
IFRS 19	Subsidiaries without Public Accountability: Disclosures (IASB effective date: 1 January 2027)	Not yet adopted by the EU
IFRS 14	Regulatory Deferral Accounts (IASB effective date: 1 January 2016)	The European Commission has decided not to launch the endorsement process of this interim standard and to wait for the final standard.
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture and further amendments (effective date deferred by the IASB indefinitely; earlier application permitted)	Endorsement process postponed indefinitely until the research project on the equity method has been concluded

The Company does not expect that the adoption of the accounting standards listed above will have a material impact on the financial statements of the Company in future periods.

Hedge accounting for a portfolio of financial assets and liabilities whose principles have not been adopted by the EU remains unregulated. According to the Company's estimates, the application of hedge accounting to a portfolio of financial assets or liabilities pursuant to **IAS 39 Financial Instruments: Recognition and Measurement** would not significantly impact the financial statements if applied as at the balance sheet date.

Brief description of new and revised standards

- **IFRS 18 Presentation and Disclosures in Financial Statements** issued by the IASB on 9 April 2024 will replace IAS 1 Presentation of Financial Statements. This standard introduces three sets of new requirements to improve companies' reporting of financial performance and give investors a better basis for analysing and comparing companies. The main changes in the new standard compared with IAS 1 comprise: (a) The introduction of categories (operating, investing, financing, income tax and discontinued operations) and defined subtotals in the statement of profit or loss; (b) The introduction of requirements to improve aggregation and disaggregation; (c) The introduction of disclosures on Management-defined Performance Measures (MPMs) in the notes to the financial statements.

- **IFRS 19 Subsidiaries without Public Accountability: Disclosures** issued by the IASB on 9 April 2024. This standard permits a subsidiary to provide reduced disclosures when applying IFRS Accounting Standards in its financial statements. IFRS 19 is optional for eligible subsidiaries and sets out the disclosure requirements for subsidiaries that elect to apply it.

- **Amendments to IFRS 16 Leases – Lease Liability in a Sale and Leaseback** issued by the IASB on 22 September 2022. The Amendments to IFRS 16 require a seller-lessee to subsequently measure lease liabilities arising from a leaseback in a way that it does not recognise any amount of a gain or loss that relates to the right of use it retains. The new requirements do not prevent a seller-lessee from recognising in profit or loss any gain or loss relating to the partial or full termination of a lease.

- **Amendments to IAS 1 Presentation of Financial Statements – Classification of Liabilities as Current or Non-current** issued by the IASB on 23 January 2020 and **Amendments to IAS 1 Presentation of Financial Statements – Non-current Liabilities with Covenants** issued by the IASB on 31 October 2022. The amendments issued in January 2020 provide a more general approach to the classification of liabilities under IAS 1 based on the contractual arrangements in place at the reporting date. The amendments issued in October 2022 clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability and set the effective date for both amendments to annual periods beginning on or after 1 January 2024.

- **Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures – Supplier Finance Arrangements** issued by the IASB on 25 May 2023. The amendments add disclosure requirements and 'signposts' within existing disclosure requirements to provide qualitative and quantitative information about supplier finance arrangements.

- **Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates – Lack of Exchangeability** issued by the IASB on 15 August 2023. The amendments contain guidance specifying when a currency is exchangeable and how to determine the exchange rate when it is not.

- **Amendments to IFRS 9 and IFRS 7 – Amendments to the Classification and Measurement of Financial Instruments** issued by the IASB on 30 May 2024. The amendments clarify the classification of financial assets with environmental, social and corporate governance (ESG) and similar features. The amendments also clarify the date on which a financial asset or financial liability is derecognised and introduce additional disclosure requirements regarding investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features.

- **Amendments to IFRS 9 and IFRS 7 – Contracts Referencing Nature-dependent Electricity** issued by the IASB on 18 December 2024. The own-use requirements in IFRS 9 are amended to include the factors an entity is required to consider when applying IFRS 9:2.4 to contracts to buy and take delivery of renewable electricity for which the source of production of the electricity is nature-dependent. The hedge accounting requirements in IFRS 9 are amended to permit an entity using a contract for nature-dependent renewable electricity with specified characteristics as a hedging instrument to designate a variable volume of forecast electricity transactions as the hedged item if specified criteria are met and to measure the hedged item using the same volume assumptions as those used for the hedging instrument. The amendments to IFRS 7 and IFRS 19 introduce disclosure requirements for contracts for nature-dependent electricity with specified characteristics.

- **Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7 – Annual Improvements to IFRS Accounting Standards – Volume 11** issued by the IASB on 18 July 2024. The amendments include clarifications, simplifications, corrections and changes in the following areas: (a) hedge accounting by a first-time adopter (IFRS 1); (b) gain or loss on derecognition (IFRS 7); (c) disclosure of deferred difference between fair value and transaction price (IFRS 7); (d) introduction and credit risk disclosures (IFRS 7); (e) lessee derecognition of lease liabilities (IFRS 9); (f) transaction price (IFRS 9); (g) determination of a 'de facto agent' (IFRS 10); (h) cost method (IAS 7).

- **IFRS 14 Regulatory Deferral Accounts** issued by the IASB on 30 January 2014. This standard is intended to allow entities that are first-time adopters of IFRS Accounting Standards and that currently recognise regulatory deferral accounts in accordance with their previous GAAP to continue to do so upon transition to IFRS Accounting Standards.

- **Amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures –Sale or Contribution of Assets between an Investor and its Associate or Joint Venture** issued by the IASB on 11 September 2014. The amendments address a conflict between the requirements of IAS 28 and IFRS 10 and clarify that in a transaction involving an associate or joint venture the extent of gain or loss recognition depends on whether the assets sold or contributed constitute a business.

The Company plans to apply the amendments from 1 January 2025. The Company does not expect that the amendments, when initially applied, will have a material impact on its financial statements.

2.2 Foreign currency translation

(i) Functional and presentation currencies

Items included in the financial statements are presented in EUR, which is the currency of the primary economic environment in which the Company operates ("the functional currency").

(ii) Transactions and balances in the Statement of financial position

Transactions denominated in foreign currencies are translated to euro, as at the date of the accounting transaction, by the reference exchange rate determined and declared by the European Central Bank ("ECB") or National Bank of Slovakia ("NBS"), as at the date preceding the date of transaction.

Financial assets and liabilities denominated in foreign currencies are translated to euro at the reporting date, according to the reference exchange rate determined and declared by the ECB or the NBS, as at the reporting date, and recorded with an impact on profit or loss.

Non-financial assets and liabilities, advance payments made, and advance payments received, denominated in foreign currencies, are translated to euro as at the date of the accounting transaction, by the reference exchange rate determined and declared by the ECB or the NBS, as at the date preceding the date of transaction.

2.3 Non-current tangible assets

Non-current tangible assets are measured at cost, less accumulated depreciation and accumulated impairment losses.

(i) Acquisition cost

Acquisition costs include expenditures which are directly attributable to the acquisition of assets. Interest expenses are capitalised if they meet the criteria of IAS 23, as part of acquisition cost, otherwise they are expensed as incurred.

Self-constructed, non-current tangible assets are valued at their conversion cost. Conversion cost includes all direct costs from production or other activities, and indirect costs related to production or other activities.

Subsequent expenditures are included in the asset's carrying amount, or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company, and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other expenditures on repairs and maintenance are charged to the Income statement in the period in which they incurred.

(ii) Depreciation

The depreciation of non-current tangible assets starts in the month that they are available for use. Non-current tangible assets are depreciated in line with the approved depreciation plan, using the straight-line method. Monthly depreciation is determined as the proportion of the depreciable amount, divided by the estimated useful life of non-current tangible assets. The depreciable amount is the cost, less the expected value at the time the assets are disposed of.

The estimated useful lives of individual groups of assets in 2024 and 2023 were as follows:

Buildings, halls, structures of distribution network	30 – 70 years
Distribution network (technological part), equipment and vehicles	4 – 45 years
Other non-current tangible assets	5 – 15 years

Estimated value at the time of disposal and estimated useful life of non-current tangible assets are reviewed and adjusted as at the balance sheet date where necessary.

Land and assets under construction in tangible assets are not depreciated.

The expected value at the time of disposal of an asset is its expected selling price, less selling expenses, if the asset has the expected age and characteristics which are expected at the end of its useful life. The expected value at the time of disposal is equal to zero, or its disposal value, if the Company expects to use the asset until the end of its useful life.

Each part of an item of non-current tangible asset, whose value is significant in relation to the total value of the asset, is depreciated separately. The Company allocates the amount initially allocated to the non-current tangible asset item to its significant parts and depreciates each part separately.

The carrying amount of an asset is reduced immediately to its recoverable amount, if the carrying amount of the asset is higher than its estimated recoverable amount (Note 2.5).

Assets that are worn out or disposed of are derecognised from the Statement of financial position, along with appropriate accumulated depreciation and provisions. Disposal gains and losses are determined by comparing the proceeds to their carrying amount and are recognised in operating profit or loss.

2.4 Non-current intangible assets

Non-current intangible assets are measured upon acquisition at cost. Non-current intangible assets are recognised when it is probable that future economic benefits associated with the assets will flow to the Company, and the costs can be measured reliably. Upon subsequent measurement, non-current intangible assets are carried at cost, less accumulated amortisation and impairment losses. Interest expenses, if they meet the criteria of IAS 23, are capitalised as part of costs, or otherwise expensed in the relevant period. The Company has no non-current intangible assets with indefinite useful lives. Non-current intangible assets are amortised on a straight-line basis over their useful lives, which do not exceed 20 years, except for easements.

The amortisation of non-current intangible assets starts in the month in which they are put into use, in accordance with the approved amortisation plan, using the straight-line method.

The monthly amortisation is determined as the proportion of depreciable value and estimated useful life of the assets. The amortisation amount is the cost, less any residual value at the time the assets are disposed of.

Residual values at the time of disposal of non-current intangible assets are expected to be zero if:

- there is no commitment by a third party to purchase the assets at the end of their useful life; or
- there is no active market for the assets, and so residual value cannot be determined by the reference to that market, and it is improbable that such a market will exist at the end of the assets' useful life.

Expenses associated with maintaining computer software are recognised when they are incurred.

Subsequent expenditures, which enhance or extend the performance of computer software beyond their original specification and meet the criteria for recognition as intangible assets according to IAS 38, are recognised as technical improvements, and added to the original cost of the software. Each part of an item of non-current intangible assets, whose cost is significant in comparison to the total cost of an item, is amortised separately. The Company divides the value of the original item to significant parts proportionally and amortises the parts separately.

2.5 Impairment of non-financial assets

Non-current intangible assets with an indefinite useful life, and intangible assets not yet in use, are not subject to amortisation, and are tested for impairment annually. Non-financial assets, except for deferred tax assets and inventory, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount is higher than the recoverable amount. If an indicator of impairment exists, the asset's recoverable amount is estimated. An impairment loss is recognised in the consolidated Income statement, for the amount by which the asset's, or cash generating unit's, carrying amount exceeds its recoverable amount. The recoverable amount is the asset's fair value, less costs to sell or value in use, depending on which one is higher.

For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are individually identifiable cash flows. Non-financial assets, other than goodwill, which were impaired in previous periods are reassessed as at each reporting date to ascertain whether the impairment loss decreased ceased to exist, i.e. to reverse the impairment loss.

2.6 Financial instruments

Trade receivables and issued debt securities are initially recognised on the date that they are originated. All other financial assets and financial liabilities are recognised initially in the Statement of financial position, on the date when the Company becomes a contract party to the agreements which include said financial instruments.

Financial assets (except for trade receivables which do not contain a significant financial component) or financial liabilities are initially recognised at fair value, increased by costs related to the acquisition or issue of the financial instruments except for items measured at fair value through profit or loss (FVTPL), less acquisition costs or expenses related to issue. Trade receivables which do not contain a significant financial component are initially recognised at transaction value.

2.7 Financial assets

The Company initially classifies its financial assets into the following categories:
- amortised cost,
- at fair value through other comprehensive income (FVOCI),
- at fair value through profit or loss (FVTPL).

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions, and is not designated as at FVTPL:
- it is held within a business model whose objective is to hold assets to collect contractual cash flows, and
- its contractual terms give rise on specified dates to cash flows, that are solely payments of principal and interest on the outstanding principal.

For equity instruments not held-for-trading, the Company may irrevocably decide that subsequent changes in fair value (including foreign exchange gains and losses) will present a comprehensive result in other components. They may not be reclassified to profit or loss under any circumstances.

All financial assets, not classified at amortised cost or FVOCI, are measured at FVTPL. This includes all derivative financial assets.

Subsequent measurement and gains and losses
- Amortised cost – the assets are subsequently measured at amortised cost using the effective interest method, reduced by impairment losses. Interest income, foreign exchange gains and losses, and impairment losses are recognised in profit or loss.
- FVTPL – the assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
- Equity investments at FVOCI – the assets are subsequently measured at fair value. Dividends received are recognised in profit or loss. Other net gains and losses are recognised in OCI and are not reclassified to profit or loss.

2.8 Financial liabilities

Financial liabilities are initially measured at amortised cost or FVTPL. The Company assigns a financial liability to FVTPL if it is held-for-trading, it is a derivative instrument, or it is included in FVTPL at initial recognition. When a financial liability is initially recognised in FVTPL, the Company measures it at fair value, and net gains and losses, including interest expenses, are recognised in profit or loss.

Other financial liabilities are after the initial recognition valued at amortised cost using the effective interest method. Interest expenses, and foreign exchange gains and losses, are recognised in profit or loss. Any gains and losses arising on derecognition are recognised in profit or loss.

The Company has the following non-derivative financial liabilities: loans and borrowings, trade and other liabilities, lease liabilities.

Derecognition of financial instruments

The Company derecognises financial assets when:
a) The assets have been paid back, or rights for investment cash flows have expired, or
b) The Company has transferred the rights to cash flows of the investment, or has entered into a transfer agreement, thereby
(i) transferring substantially all risks and potential gains inherent in the ownership or
(ii) has not transferred or retained substantially all risks and potential gains of ownership, without retaining control. It will retain control if the counterparty does not have a realistic opportunity to sell the assets as a whole to an unrelated third party, without additionally restricting the sale.

Financial liabilities (or parts thereof) are derecognised from the Company's Statement of financial position if they are extinguished, i.e. when obligations specified in the contract are discharged, cancelled, or expire. The difference between the carrying amount of disposed financial liability and consideration paid is recognised in profit or loss.

Offsetting

Financial assets and liabilities are presented in the Statement of financial position on a net basis, if the Company has a right to offset the amounts, and it intends to either settle them on a net basis, or to realise the assets and settle the liabilities simultaneously.

The Company does not hold any other financial assets measured at FVOCI, or at FVTPL, other than equity investments.

2.9 Impairment of financial assets

The "expected credit loss" model ("ECL") means that a loss event will no longer need to occur before an impairment allowance is recognised. This impairment model is applied to financial assets measured at amortised cost or FVOCI (except for investments in equity instruments), and to contract assets.

Financial assets measured at amortised cost, using the effective interest rate method, comprise trade and other receivables, cash and cash equivalents, and a loan provided to a related party.

Under IFRS 9, impairment allowances will be measured on either of the following bases:
- 12-month ECLs: these are ECLs which result from possible default events within the 12 months after the reporting date, and
- Lifetime ECLs: these are ECLs resulting from all possible default events over the expected life of a financial asset.

In determining whether the credit risk of a financial asset has increased significantly since its initial recognition, and in calculating the ECL, the Company uses appropriate supporting information that has been assessed as appropriate, and available to the Company without incurring disproportionate costs or efforts to obtain it. This includes both quantitative and qualitative information, and analyses based on the Company's historical experience and credit risk assessment, including information on future potential development.

The Company considers financial assets impaired if:
- It is unlikely that a borrower will pay its obligations to the Company in their entirety, without the Company taking an action, such as realising the collateral; or
- Financial assets are overdue.

Lifetime ECLs are ECLs which result from all possible impairments over the expected life of a financial asset. The maximum period for ECL estimate is the contractual period during which the Company is exposed to credit risk.

Valuation of ECLs

ECLs are estimates calculated as weighted average of impairment probabilities, and credit loss realisations. Credit losses are measured at the present value of all cash shortfalls, i.e. the difference between cash flows due to the Company in accordance with the contract, and the cash flows that the Company expects to receive.

ECLs are not discounted, as they do not contain any significant financial component.

Impairment losses

Impairment losses related to trade and other receivables are recognised in profit or loss.

An impairment loss is reversed if the reversal can be objectively attributed to an event that occurs after an impairment loss is recognised. For financial assets measured at amortised cost, the reversal is recognised in profit or loss.

The carrying amount of receivables are reduced through the use of an allowance account. Creation and release of impairment allowances are reported in other operating expenses in the Income statement. Unrecoverable receivables are written off. Receivables repaid by debtors, which were previously written off, are recognised in the Income statement in other operating income. The manner in which the Company recognises revenue is disclosed in Note 2.19.

2.10 Leases – IFRS 16

At inception of a contract, the Company assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time, in exchange for consideration. The Company considers a contract to be a lease in where all following conditions are met:

- an identifiable asset exists, specified explicitly or implicitly, and
- a lessee has the right to obtain substantially all economic benefits from use of the asset, and
- a lessee has the right to direct use of the assets.

This policy is applied to contracts commenced on or after 1 January 2019.

The Company exercised the exemption and applied the new IFRS 16 to all contracts it concluded before 1 January 2019 and identified them as leases under IAS 17 and IFRIC 4. This means that the Company does not reassess leases which have been classified as leases under IAS 17, whether they meet the new definition of leasing under IFRS 16.

Upon initial recognition, and subsequent revaluation of a lease contract which includes a lease component, the Company assigns the contractually agreed consideration to each lease component on a pro rata basis, if agreed separately. The Company separately recognises leasing and non-leasing components in the lease of vehicles, land and property.

Leased assets (the Company as a lessee)

The Company recognises right-of-use assets and lease liabilities at the commencement of lease. Initial value of right-of-use assets is determined as the sum of the initial value of lease liabilities, lease payments made before or on the commencement date of the lease, and initial direct costs to the lessee, less any lease incentives received.

In determining lease term, the length of agreed lease term, as well as the possibility of early termination or prolongation are considered. In assessing probability of exercising the option to extend or prematurely terminate lease terms, the Company takes all relevant facts and circumstances that provide economic incentives to exercise (or not exercise) these options into account. The length by which contracts can be renewed (or the length following the possibility to terminate contracts early) are included in lease terms only if the Company is certain that prolongation will be exercised.

Right-of-use assets are depreciated on a straight-line basis over the lease term, from commencement to termination. If the lease involves a transfer of ownership or a call option, right-of-use assets are depreciated on a straight-line basis over the useful life of the assets. Depreciation begins on the date of commencement. Assessment of possible impairment to right-of-use assets is carried out in a similar way to impairment assessment of non-financial assets, as described in Note 2.5 Impairment of non-financial assets.

Lease liabilities are initially measured on the date when the leased assets are made available to the lessee (lease commencement date). Lease liabilities are initially valued at the present value of lease payments over the lease term that were not paid at the initial measurement, using the discount rate, which is the incremental borrowing rate. The lessee's incremental borrowing rate is determined based on available financial information relating to the Company. Subsequent revaluation of lease liabilities is made in the event of changes to contractual terms (e.g. a change in lease terms due to an option to extend or prematurely terminate contracts, a change in lease payment based on a change in the index or rate used to determine payments, a change in the assessment of the probability of exercising the call option, etc.). Any subsequent reassessment of lease liabilities will also affect the valuation of right-of-use assets. If this leads to negative values for right-of-use assets, remaining impacts are recognised with in profit or loss (so the resulting right- of-use assets will be recognised at nil).

The Company has exercised an optional exemption and does not recognise right-of-use assets or lease liabilities, for all types of lease contracts, with a lease term of 12 months or less. The costs associated with these leases are recognised in the financial statements as operating expenses, on a straight-line basis over the lease term.

The Company has also exercised an optional exemption and does not report right-of-use assets or lease liabilities, in lease contracts where the value of leased assets is clearly less than USD 5 000. The estimated value of assets is based on the assumption, that they are new assets. If the value of assets cannot be reliably determined, the optional exemption is not applied to such leases.

In the Statement of financial position, the Company recognises right-of-use assets under non-current tangible assets, and lease liabilities under non-current liabilities and trade and other liabilities under current liabilities.

In addition, the Company recognises lease transactions in the Statement of cash flows as follows:
- principal payments relating to lease liabilities in cash flows from financing activities,
- interest payments on lease liabilities in cash flows from operating activities,
- payments for short-term leases, lease of low-value assets, and payments for variable parts of leases, which are not included in the measurement of lease liabilities, in cash flows from operating activities.

2.11 Inventories

Inventories are valued at the lower of either cost or net realisable value. Measurement of inventories is recalculated using the weighted arithmetic average method. Cost includes all acquisition costs, such as customs and shipping, net of returns, discounts and rebates. Net realisable value is an estimate of selling price in the ordinary course of business and is reduced by the relevant cost of sale.

2.12 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, and other short-term highly liquid investments, with original maturities of three months or less.

Funds managed by the Parent Company under the “Agreement for cash-pooling service” are recognised as receivables from the parent, and not as cash/cash equivalents.

2.13 Share capital

Ordinary shares are classified as share capital.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction from the proceeds, net of tax.

2.14 Current and deferred income taxes

Current income tax is calculated based on tax laws enacted at the reporting date. Management regularly evaluates positions taken in tax returns, with respect to situations in which applicable tax regulation is subject to interpretation and establishes provisions as appropriate, on the basis of amounts expected to be paid to tax authorities.

Deferred income tax is presented in the financial statements using the balance sheet method, based on temporary differences arising between the tax basis of assets and liabilities, and their carrying amounts in the financial statements. Deferred income tax is not accounted for, however, if it arises from initial recognition of assets or liabilities in a transaction, that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates which have been enacted, or substantively enacted, and are expected to be applied at the date of the temporary differences settlement. Current and deferred taxes are recognised in the Income statement, except for cases when they are recognised directly in equity, or in the Statement of comprehensive income.

Deferred income tax assets are recognised to the extent that it is probable that the Company will achieve the sufficient taxable profit in the future against which the temporary differences can be utilised.

The Company offsets deferred tax assets and deferred tax liabilities, where the Company has a legally enforceable right to offset tax assets against tax liabilities, and these relate to income taxes levied by the same tax authority.

2.15 Provisions

Provisions are recognised when the Company has a present contractual or constructive obligation to transfer economic benefits as a result of past events, it is probable that such a transfer will be required to settle these liabilities, and a reliable estimate of the amount can be made. No provisions are created for future operating losses. When the Company anticipates that a provision will be reimbursed in future, for example under an insurance contract, future income is recognised as an individual asset, but only when such reimbursement is almost certain.
If there are several similar commitments, then the probability that the expenditures will need to be settled is determined by considering the group of liabilities as a whole. A provision is also recognised when the probability of expenditures is low with respect to any item included in the same liabilities group.

Provisions are measured at present value of expenditures expected to settle the liabilities, using a pre-tax rate that reflects the current market estimate of the time value of money, and the risks specific to the liabilities. Increases in provisions due to the passage of time are recognised as interest expenses.

2.16 Contingent liabilities

Contingent liabilities are not recognised in the Statement of financial position. They are disclosed in the notes to the financial statements if the probability of an outflow of resources representing the economic benefits is not probable. They are not disclosed in the notes to the financial statements if the possibility of an outflow of resources representing the economic benefits is remote.

2.17 Contract liabilities

Contract liabilities represent the Company's obligation to transfer goods or provide services to customers, in a situation where the Company has already received consideration for these goods or services. For the Company, these are primarily customer fees for connection to the distribution network, and subsequent access to the provision of distribution services.

(All amounts are in thousands of EUR unless stated otherwise)

2.18 Employee benefits

The Company has a pension scheme with a predetermined pension benefit, as well as a predetermined contribution.

Pension plans

A predefined benefit plan is a pension plan that defines an amount of pension benefit that an employee will receive upon retirement. It is dependent on one or more factors such as age, years of service and compensation.

A predefined contribution plan is a pension plan, under which the Company pays fixed contributions to the third parties or to the Government. The Company has no legal or constructive obligations to pay further contributions, if the funds do not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Unfunded defined benefit pension plan

According to the Labour Code and Company Collective Agreement for the years 2023 – 2025, the Company is obliged, based on the number of years in service and meeting the employment termination requirements, to pay its employees, upon retirement or disability, the following multiples of their average monthly salary:

	Average monthly salary multiple
within 10 years	2
over 10 to 15 years	4
over 15 to 20 years	5
over 20 to 25 years	6
over 25 years	7

The minimum requirement of the Labour Code of one-month average salary payment upon retirement is included in the above multiples.

Other predefined benefits

The Company also pays the following life and work jubilee benefits:

- one additional monthly salary on the 25th annual work anniversary;
- a single payment of 40% to 110% of employee's monthly salary, depending on number of years worked for the Company, when employee reaches the age of 50 years.

The Company's employees expect the Company to continue providing these benefits and, in the opinion of management, it is unlikely that the Company will stop providing them.

Liabilities recognised in the Statement of financial position, in respect of defined benefit pension plans, are the present value of defined benefit obligations, as at the reporting date.

Defined benefit obligations are calculated annually by the Company, using the Projected Unit Credit method. Present value of defined benefit obligations are determined by (a) discounting estimated future cash outflows, using interest rates of high quality corporate bonds, which have terms to maturity approximating the terms of the related pension liabilities, and then (b) attributing the calculated present values to periods of service based on the plan.

Actuarial gains and losses arising from experience, adjustments and changes in actuarial assumptions are immediately recognised in the period incurred. Pension liabilities are recognised in the Statement of comprehensive income, and life and work jubilee benefits in the Income statement. Past-service costs are recognised immediately in the Income statement.

Predefined contribution pension plans

The Company contributes to state and private pension schemes with predetermined contributions.

The Company makes contributions to government health, sickness, pension, accidental and guarantee insurance, and unemployment schemes, at statutory rates during the year, based on gross salary payments.

Throughout the year, the Company makes contributions to these funds amounting to 36.2% (2023: 35.2%) of gross salaries, up to a monthly salary ceiling, which is defined by the relevant law, to a maximum of EUR 9 128 (2023: up to a maximum of EUR 8 477) depending on the type of fund, while the base for health and accidental insurance is unlimited and the payment is calculated from the total gross salary of the employee.
An employee contributes an additional 13.4% to the relevant insurance (2023: 13.4%). The cost of these payments is charged to the Income statement in the same period as the related salary cost.

In addition, with respect to those employees who have chosen to participate in supplementary pension insurance, the Company makes annual contributions to supplementary pension insurance, between 2% and 6% of monthly wage, based on the years worked, up to maximum of EUR 1 400 (2023: EUR 1 400) per year.

Termination benefits

Termination benefits are payable whenever an employee's employment is terminated by the employer before the normal retirement date, upon agreement between the employer and employee resulting from redundancy, in exchange for these benefits. The Company recognises termination benefits when it is demonstrably committed to either: (a) terminate the employment of current employees according to a detailed formal plan without possibility of withdrawal, or (b) provide termination benefits as a result of an offer made to encourage voluntary redundancy. Present value of termination benefit does not significantly differ from carrying amount, as the influence of discounting is not significant.

Profit sharing and bonus plans

Liabilities for any employee benefits, in the form of profit sharing and bonus plans, are recognised as other liabilities when there is no real alternative but to settle the liabilities, and at least one of the following conditions is met:

- a formal plan officially exists, and the amounts to be paid are determinable before the financial statements are authorised for issue; or
- past practice created a valid expectation for employees that they will receive profit sharing or other bonus, and the amount can be determined before the financial statements are authorised for issue.

Liabilities for profit sharing and bonus plans are expected to be settled within 12 months and are measured at the amounts expected to be paid when they are settled.

2.19 Revenue recognition

Revenue comprises fair value of the consideration received, or receivables for the sale of goods and services in the ordinary course of the Company's activities. Revenue is recognised, net of value-added tax, excise duties, estimated returns, rebates and discounts.

The Company recognises revenue when the amount can be reliably measured, it is probable that future economic benefits will flow to the Company, and specific criteria were met for each of the Company's activities as described below.

The amount of revenue is not considered to be reliably measurable until all conditions related to sale are met. The Company bases its estimates on historical results, taking into consideration the type of customer, type of transaction, and the specifics of each arrangement.

Revenue from distribution of electricity is recognised when the electricity is delivered to the customer. Consumption of wholesale customers is metered and billed on a monthly basis. The billing cycle of retail customers (households and small businesses) is metered on an annual basis, and billed on a monthly basis, as the Company invoices distribution services to the electricity supplier on a monthly basis by measured consumption or a consumption type diagram.

The Company uses a methodology for the estimate of network losses that is consistent with the methodology used during the year 2023. Calculation of network losses is derived from actual metering, as well as from the estimate of supply at low voltage level, based on past experience.

Sales of services are recognised in the reporting period in which they are rendered. By reference to the level of the specific transaction the sale of services is assessed based on actual service provided as a proportion of total services to be provided.

Proceeds from fees for connection to the distribution network and subsequent access to distribution services are recognised as contract liabilities, and are released to income over the contract term. Since connection contracts are concluded for an indefinite period and in practice there is almost no termination of take-off points, it is not possible to reliably determine the duration of the contract. Therefore, the Company releases the connection fees into revenues during the average useful life of the assets related to the distribution of electricity.

Assets acquired free of charge as part of relocations of energy facilities are initially recognised in SSD at fair value, and the difference between the original and the new value of the asset is recognised in profit or loss in the current reporting period.

Interest income is recognised on an accrual basis in the period to which it relates, using the effective interest rate method.

2.20 Dividend payment

Payment of dividends to the Company's shareholders are recognised as a liability in the Company's financial statements, in the period in which the dividends are approved by the Company's shareholders.

2.21 Government grants

Grants that compensate the Company for expenses incurred are recognised in profit or loss as other income on a systematic basis in the periods in which the expenses are recognised, unless the conditions for receiving the grant are met after the related expenses have been recognised. In this case, the grant is recognised when it becomes receivable. A government grant that becomes receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs shall be recognised in profit or loss of the period in which it becomes receivable. A grant becomes a receivable upon filing an application for its payment. The application is filed if the conditions for the subsidy payment are met.

3) Financial risk management

3.1. Financial risk factors

As a result of its activities, the Company is exposed to a variety of financial risks: market risk (including foreign exchange, price, and interest rate risks), operational, credit and liquidity risks. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance. The Company does not use derivative financial instruments to hedge risk exposures.

Financial risk management is performed by the central financial department (the Company procures services from the sister company Stredoslovenská energetika, a. s.), in accordance with procedures approved by the Board of Directors. The central financial department identifies, assesses, and hedges financial risks, in cooperation with operational departments within the Company. The Board of Directors and Company management issue written principles for overall risk management, as well as written procedures covering specific areas such as foreign exchange risk, interest rate risk, credit risk and the use of non-derivative financial instruments.

(i) Market risk

(a) Foreign exchange risk

The Company is not exposed to foreign exchange risk, as expenses and revenue in foreign currencies are not significant for the Company.

(b) Price risk

Distribution services provided by the Company are subject to price regulation by ÚRSO. Based on adopted regulatory policy for 2023 - 2027, ÚRSO determines the scope and method of price regulation. ÚRSO sets the price assessment for distribution services of the Company for the whole regulatory period, but usually changes them each regulatory year. These prices are binding for the Company when invoicing. Reasonable profit is derived from the regulatory basis of assets, and the rate of return set by ÚRSO. Nevertheless, there may be circumstances outside of the Company's direct control, that will result in an adjustment of the price assessment during the year, and thus have a negative or positive impact on the Company's profit or loss. The level of this risk cannot be quantified in advance. In the event of such occurrence, Company management enters into negotiations with ÚRSO in order to minimise negative impact on the Company.

(c) Interest rate risk affecting fair value and cash flows

The Company is not exposed to interest rate risk from its long-term loans.

(ii) Operational risk

Operational risk is the risk of direct or indirect losses, arising from a wide variety of causes associated with the Company's processes, personnel, technology, infrastructure, and from external factors other than credit, market and liquidity risks, such as those arising from legal and regulatory requirements, and generally accepted standards of corporate behaviour. Operational risks arise from all of the Company's operations.

The Company's objective is to manage operational risk to balance the eliminations of financial losses, and damage to the Company's reputation, with overall cost effectiveness, and to avoid control procedures that restrict initiative and creativity. The primary responsibility for development and implementation of controls to address operational risk is assigned to the Company's senior management.

The Internal audit department carries out regular reviews to ensure that the Company's processes are in compliance with internal guidelines. Results of the internal audit are discussed by the Company's top management.

(All amounts are in thousands of EUR unless stated otherwise)

(iii) Credit risk

Credit risk arises from cash and cash equivalents, deposits in banks and financial institutions, cash-pooling receivables from the parent company, as well as exposure to large and small customers, including outstanding receivables and future transactions from concluded contracts. As regards relations with banking and financial institutions, the Company only enters into relations with those with high independent credit ratings. Where independent ratings for large customers are available, these ratings shall be used. In the absence of such assessment, the customer's creditworthiness will be assessed taking financial position, historical data, and other factors into account.

The key service of the Company is the distribution of electricity to final customers, which is in most cases invoiced through electricity suppliers (e.g. the sister company Stredoslovenská energetika, a. s. or another supplier) in the form of so-called integrated contracts for bundled electricity supply (the electricity price is invoiced to the end customer together with the distribution fee). The Company manages the risk of non- payment of customers (electricity suppliers) through an advance payment system and financial collaterals.

As regards trade receivables from the sister company Stredoslovenská energetika, a. s., receivables from cash-pooling from the parent company Stredoslovenská energetika Holding, a.s. and a low number of other customers (electricity suppliers and direct customers), the Company has a significant concentration of credit risk against these companies (2024: 75% of receivables; 2023: 87% of receivables).

The Company measures impairment allowances for trade receivables at an amount equal to the lifetime ECL.

Impairment losses from trade and other receivables are recognised in profit or loss. An impairment loss is reversed if the reversal can be objectively attributed to an event that occurs after an impairment loss is recognised.

The table below shows balances of receivables from banks and cash balances, as at the reporting date:

		Balance at 31 December	
Counterparty	**Rating***	**2024**	**2023**
Banks			
Všeobecná úverová banka, a.s.	A2	20 269	66 032
UniCredit Bank, a.s.	Baa1	8	8
SLSP, a.s.	A2	127	128
Tatra banka	A3	6	6
ČSOB	A2	10 357	20 046
Cash on hand	-	8	15
Total		**30 775**	**86 235**

Funds managed by the parent company, Stredoslovenská energetika Holding, a.s., based on the "Agreement for cash-pooling service", as at 31 December 2024, represent the amount of EUR 26 307 thousand (31 December 2023: EUR 66 108 thousand) and they are classified as a receivable from the parent company.

As at 31 December 2024, the Company had agreed on an overdraft facility in current bank accounts in the amount of EUR 30 000 thousand (31 December 2023: EUR 30 000 thousand).

*The Company uses independent ratings of Moody's, Standard & Poor's and Fitch.

(All amounts are in thousands of EUR unless stated otherwise)

Credit risk exposure

The carrying amount of financial assets represents the maximum credit exposure, which is as at 31 December 2024 and as at 31 December 2023 as follows:

		Balance at 31 December	
Financial instrument	**Note**	**2024**	**2023**
Trade receivables (before impairment allowance)	8	28 412	23 576
Trade receivables from the parent company (cash pooling)	7	26 307	66 108
Cash and cash equivalents	9	30 775	86 235
Total		**85 494**	**175 919**

(iv) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, availability of funds through the committed credit facilities, and the ability to close out market positions. Due to the dynamic nature of the underlying businesses, the Company aims to maintain flexibility in funding from the parent company.

The Company concluded an Agreement for cash-pooling service with the parent company Stredoslovenská energetika Holding, a.s., through which it manages liquidity risk, which should, if necessary, cover insolvency. Funds from cash-pooling are available on request. The Company regularly monitors the status of its liquid assets.

The Company also uses the advantages of payment terms between the Company and its suppliers to secure sufficient financing funds to cover its needs. The maturity of supplier's invoices is between 14 and 90 days.

Expected cash flows are prepared as follows:
- Expected future cash inflows from main operations of the Company,
- Expected future cash outflows securing operations of the Company and leading to settlement of all liabilities of the Company, including tax liabilities.

A cash flows forecast is prepared monthly. It identifies the immediate need for cash and, if funds are sufficient, it enables the Company to make short-term deposits.

The table below analyses the Company's financial liabilities according to remaining maturity period. Amounts disclosed in the table are the contractual undiscounted cash flows. The difference between carrying and estimated amount of liabilities represents future expected interest.

(All amounts are in thousands of EUR unless stated otherwise)

	Carrying amount	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
As at 31 December 2024						
Trade and other liabilities (excluding liabilities not falling under IFRS 7)	72 938	72 938	-	-	-	72 938
Current accrued income	890	890	-	-	-	890
Lease liabilities	15 161	1 454	1 600	2 169	9 938	15 161
Total	**88 989**	**75 282**	**1 600**	**2 169**	**9 938**	**88 989**
As at 31 December 2023						
Trade and other liabilities (excluding liabilities not falling under IFRS 7)	84 411	84 411	-	-	-	84 411
Income tax liabilities	6 422	6 422	-	-	-	6 422
Current accrued income	608	608	-	-	-	608
Lease liabilities	35 190	1 774	1 600	3 117	28 699	35 190
Total	**126 631**	**93 215**	**1 600**	**3 117**	**28 699**	**126 631**

As at 31 December 2024, the Company, together with Stredoslovenská energetika Holding, a.s. and Stredoslovenská energetika, a. s., had opened a joint credit line with Slovenská sporiteľňa with a total limit of EUR 100 000 thousand (2023: EUR 100 000 thousand). The credit line is contracted until 30 June 2027. As at 31 December 2024, the Company did not draw the credit line (2023: EUR 0 thousand).

As at 31 December 2024, the Company had agreed on a credit line with Československá obchodná banka, a. s. with a total limit of EUR 20 000 thousand (2023: EUR 20 000 thousand). As at 31 December 2024, the Company did not draw the credit line (2023: EUR 0 thousand). The loans are secured by a guarantee provided by the parent company, SSE Holding, a.s.

3.2. Capital risk management

For the purposes of managing capital, management considers equity as capital. The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern, in order to provide returns for shareholders and benefits for other stakeholders, and to maintain an optimal capital structure to reduce the cost of capital. Company management manages shareholders' capital reported under IFRS EU as at 31 December 2024 in the amount of EUR 666 128 thousand (2023: EUR 724 368 thousand).

Consistent with other companies within the industry, the Company also monitors capital on the basis of gearing ratio. This ratio is calculated as total debt, divided by total liabilities and equity. Total debt is calculated as the sum of bank loans and borrowings (including current and non-current bank loans, and borrowings as presented in the Statement of financial position).

During 2024, as well as in 2023, the Company primarily used its own resources to finance operating activities.

3.3. Fair value estimation

Fair value of financial instruments traded in the active markets is based on quoted market prices at the reporting date. Different methods, such as discounted estimated future cash flows, are used for determining fair value of other financial instruments.

The carrying amounts of trade receivables and liabilities, decreased by impairment allowance, cash-pooling receivables and bank accounts are assumed to approximate their fair values. Fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Company for similar financial instruments.

4) Significant accounting estimates and judgements

Use of estimates and judgements

The preparation of financial statements in accordance with IFRS EU requires management of the Company to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Estimates and related assumptions are based on historical experience and other miscellaneous factors deemed appropriate under the circumstances. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis and corrections to accounting estimates are recognised in the period in which the estimates are corrected, if the correction only affects this period, and in the future periods, if the correction affects this and future periods.
Information about significant areas of estimation uncertainty and critical judgements in using accounting policies, that have the most significant impact on amounts reported in the financial statements are stated below.

(i) Estimated useful lives of assets

The useful lives of non-current tangible and intangible assets are determined by the management, in cooperation with internal and external experts. If the revised useful lives of the assets are shorter by 10% than management's estimate as at 31 December 2024, the Company would recognise additional depreciation/amortisation of non-current tangible and intangible assets, charged to the income statement in the amount of EUR 5 450 thousand (2023: EUR 5 286 thousand).

(ii) Tax regulations

The tax payment rules and regulations have recently undergone significant changes and there are limited historical precedents and/or case-law with respect to the extensive and complex issues affecting the business environment. Given that many areas of Slovak tax law have not yet been sufficiently verified in practice, there is uncertainty as to their application by the tax authorities. The degree of such uncertainty cannot be quantified and will be eliminated once legal precedents or official interpretations by the relevant authorities are available.

(All amounts are in thousands of EUR unless stated otherwise)

5) Non-current tangible assets

Movements in non-current tangible assets from 1 January 2023 to 31 December 2024 are presented below:

	Land	Buildings	Machinery, equipment and other assets	Capital work in progress including advances	Total
As at 1 January 2023					
Acquisition cost	13 086	1 102 457	390 595	29 152	1 535 290
Accumulated depreciation and impairment allowances	-224	-574 532	-177 672	-	-752 428
Net book value	**12 862**	**527 925**	**212 923**	**29 152**	**782 862**
Year ended 31 December 2023					
Opening balance	12 862	527 925	212 923	29 152	782 862
Additions	34	25 814	16 212	23 797	65 857
Transfer from assets not yet in use	27	5 270	9 610	-14 907	-
Disposals	-108	-3 125	-220	-180	-3 633
Depreciation	-74	-28 277	-17 425	-	-45 776
Reversal of impairment allowances	-	651	-	-	651
Net book value at the end of the year	**12 741**	**528 258**	**221 100**	**37 862**	**799 961**
As at 31 December 2023					
Acquisition cost	13 039	1 128 289	403 895	37 862	1 583 085
Accumulated depreciation and impairment allowances	-298	-600 031	-182 795	-	-783 124
Net book value	**12 741**	**528 258**	**221 100**	**37 862**	**799 961**
Year ended 31 December 2024					
Opening balance	12 741	528 258	221 100	37 862	799 961
Additions	532	23 768	16 773	40 731	81 804
Transfer from assets not yet in use	6	10 466	6 754	-17 226	-
Disposals	-30	-23 913	-169	-87	-24 199
Depreciation	-81	-28 953	-17 827	-	-46 861
Reversal of impairment allowances	-	28	-	-	28
Net book value at the end of the year	**13 168**	**509 654**	**226 631**	**61 280**	**810 733**
As at 31 December 2024					
Acquisition cost	13 546	1 135 266	422 310	61 280	1 632 402
Accumulated depreciation and impairment allowances	-378	-625 612	-195 679	-	-821 669
Net book value	**13 168**	**509 654**	**226 631**	**61 280**	**810 733**

As at 31 December 2024, no non-current tangible assets were pledged in favour of a creditor.
The Company has no contracts in respect of pledged assets and leases of non-current assets.

Created impairment allowances represent an impairment loss related to unused buildings. As at 31 December 2024, the impairment allowance for unused buildings amounted to EUR 652 thousand (31 December 2023: EUR 680 thousand).

(All amounts are in thousands of EUR unless stated otherwise)

The Company's right to dispose of non-current tangible assets is not restricted nor are its non-current tangible assets used to secure its liabilities.

Buildings, machines, equipment and other assets mainly include the distribution network, switching stations, transformers, administrative buildings, equipment, vehicles and machinery, hardware, servers, telephone exchanges, remote control equipment, electrometers, metering equipment, system failure detectors and electrical hand tools and machines.

Relocation of energy devices, assets obtained by withholding (transformer stations, power lines), assets obtained free of charge, and inventory surplus are initially recorded at fair value.

Overview of rights-of-use assets under IFRS 16 recognised under non-current tangible assets:

	Land	Buildings, halls, structures and networks	Machinery, equipment and other asses	Total
Balance as at 1 January 2023	**447**	**32 842**	**2 595**	**35 884**
Additions	12	1 910	2 050	**3 972**
Depreciation	-75	-786	-1 185	**-2 046**
Disposals	-	-2 918	-194	**-3 112**
Balance as at 31 December 2023	**384**	**31 048**	**3 266**	**34 698**
Balance as at 1 January 2024	**384**	**31 048**	**3 266**	**34 698**
Additions	53	3 322	2 231	**5 606**
Depreciation	-80	-731	-1 192	**-2 003**
Disposals	-4	-23 773	-96	**-23 873**
Balance as at 31 December 2024	**353**	**9 866**	**4 209**	**14 428**

As at 31 December 2024, the Company leases 452 new vehicles up to 3.5 tons from a leasing company (2023: 448).

The framework contract with the leasing company is concluded for a period of 4 years after the expiry of which, upon fulfilment of the stipulated conditions specified in the contract, will be automatically changed for an indefinite period. The notice period of the lease is 12 months for the new vehicle rental service and 3 months for the fleet management.

Method and amount of insurance of tangible assets

Non-current tangible assets are insured up to EUR 1 362 221 thousand (2023: EUR 1 352 920 thousand) for natural hazards, vandalism and theft, and up to EUR 14 617 thousand (2023: EUR 15 748 thousand) due to machine fracture risk.

(All amounts are in thousands of EUR unless stated otherwise)

6) Non-current intangible assets

Movements in non-current intangible assets from 1 January 2023 to 31 December 2024 are presented below:

	Software	Other non-current intangible assets	Assets not yet in use including advances	Total
As at 1 January 2023				
Acquisition cost	40 484	427	3 033	43 944
Accumulated amortisation	-32 112	-53	-	-32 165
Net book value	**8 372**	**374**	**3 033**	**11 779**
Year ended 31 December 2023				
Opening balance	8 372	374	3 033	11 779
Additions	2 003	7	406	2 416
Transfer from assets not yet in use	1 036	4	-1 040	-
Disposals	-	-	-644	-644
Amortisation	-1 948	-12	-	-1 960
Net book value	**9 463**	**373**	**1 755**	**11 591**
As at 31 December 2023				
Acquisition cost	41 233	439	1 755	43 427
Accumulated amortisation	-31 770	-66	-	-31 836
Net book value	**9 463**	**373**	**1 755**	**11 591**
Year ended 31 December 2024				
Opening balance	9 463	373	1 755	11 591
Additions	1 350	4	1 527	2 881
Transfer from assets not yet in use	338	5	-343	-
Disposals	-	-	-	-
Amortisation	-1 865	-13	-	-1 878
Net book value	**9 286**	**369**	**2 939**	**12 594**
As at 31 December 2024				
Acquisition cost	42 922	448	2 939	46 309
Accumulated amortisation	-33 636	-79	-	-33 715
Net book value	**9 286**	**369**	**2 939**	**12 594**

Software primarily comprises customer information systems (SAP ISU/CRM), information systems for service administration (EAM), graphic information systems (GIS) and operating information systems (RIS). Additions are mainly represented by upgrades of software (SAP, RIS, GIS).

The Company's right to dispose of non-current intangible assets is not restricted nor are its non-current intangible assets used to secure its liabilities.

(All amounts are in thousands of EUR unless stated otherwise)

7) Financial instruments by category

The analysis of the financial instruments by measurement categories under IFRS 9 is as follows:

	Balance as at 31 December	
	2024	**2023**
Assets as per Statement of Financial Position		
Trade and other receivables (before impairment allowance) (Note 8)	28 412	23 576
Receivables from the parent company (cash pooling)	26 307	66 108
Cash and cash equivalents (Note 9)	30 775	86 235
Total	**85 494**	**175 919**
Liabilities as per Statement of Financial Position		
Lease liabilities	13 707	33 416
Trade and other liabilities (Note 12)	75 282	86 793
Total	**88 989**	**120 209**

8) Trade and other receivables

	Balance as at 31 December	
	2024	**2023**
Current receivables and prepayments:		
Receivables due	25 086	20 083
Individually impaired receivables	3 326	3 493
Trade receivables (before impairment allowance)	**28 412**	**23 576**
Less: Impairment allowance for receivables	-2 837	-2 868
Trade receivables, net	**25 575**	**20 708**
Other receivables and assets	8 881	2 452
Trade and other receivables	**34 456**	**23 160**

The structure of trade receivables within due date is as follows:

	Balance as at 31 December	
	2024	**2023**
Very high voltage	314	416
High voltage	883	584
Low voltage	5	4
Aggregated invoices	22 574	17 238
Producers of EE (MPDS – levy to NNF)	74	83
TPS Compensation of purchase of green energy – OKTE	67	37
Other customers	1 169	1 721
Trade receivables, not overdue, not impaired	**25 086**	**20 083**

(All amounts are in thousands of EUR unless stated otherwise)

From the point of view of credit risk, the Company divides its trade receivables by the type of service into the following categories (receivables in the Group form a separate category):

	Balance as at 31 December	
	2024	**2023**
Electricity distribution outside the SSH Group	12 250	9 330
Unauthorized consumption of electricity	871	859
Other	1 168	1 431
Receivables within the SSH Group	14 123	11 956
Total	**28 412**	**23 576**

The structure of trade receivables by maturity is as follows:

	Balance as at 31 December	
	2024	**2023**
Receivables due	25 086	20 083
Receivables overdue	3 326	3 493
Total	**28 412**	**23 576**

Impaired receivables relate to both large and small customers, who are facing the unexpectedly difficult economic situations.

It is expected that part of overdue receivables that are impaired will be repaid.

Ageing structure of receivables is as follows:

	Balance as at 31 December	
	2024	**2023**
1 to 30 days	394	555
31 to 90 days	104	85
91 to 180 days	22	25
181 to 360 days	24	29
Over 361 days	2 782	2 799
Total individually impaired receivables	**3 326**	**3 493**

Movements in impairment allowances for receivables are recognised in the Income statement in other operating expenses. They are presented in the following table:

	Balance as at 31 December	
	2024	**2023**
At the beginning of the year	2 868	2 969
Creation of impairment allowances for receivables	46	43
Use of impairment allowances for receivables	-77	-144
At the end of the year	**2 837**	**2 868**

Based on historical data and expected development, the credit risk for receivables in the SSE Holding Group and for the tariff for operating the system is considered to be insignificant.

For other categories of trade receivables, the Company creates an impairment allowance according to a matrix of impairment allowance, where the rates of impairment allowances are fixed depending on the number of days the trade receivable is overdue. The matrix was established on the basis of historical data including information on possible future developments for each category of receivables separately. In the event that there are specific situations in which the risk of an individual receivable increases significantly compared to the risk according to the matrix of adjustment items, the Company will create a specific impairment allowance for such a receivable in the amount according to the management's expert estimate.

(All amounts are in thousands of EUR unless stated otherwise)

The following tables present the creation of impairment allowances by individual categories of trade receivables:

Electricity distribution

31 December 2024	Impairment in %	Nominal value of receivable	Impairment allowance
Due	0.02%	10 132	2
1 to 30 days	5%	231	12
31 to 90 days	10%	4	-
91 to 180 days	15%	3	1
181 to 360 days	25%	29	7
Over 361 days	100%	193	193
Bankruptcy	100%	384	384
Specific	100%	1 274	1 273
Total		**12 250**	**1 872**

Unauthorised consumption

31 December 2024	Impairment in %	Nominal value of receivable	Impairment allowance
Due	30%	23	7
1 to 90 days	65%	62	41
91 to 180 days	80%	43	35
181 to 360 days	85%	51	44
Over 361 days	100%	638	638
Bankruptcy	100%	54	54
Total		**871**	**818**

Other

31 December 2024	Impairment in %	Nominal value of receivable	Impairment allowance
Due	0.10%	809	1
1 to 90 days	1%	201	2
91 to 180 days	20%	14	3
181 to 360 days	80%	13	11
Over 361 days	100%	70	70
Bankruptcy	100%	60	60
Specific	100%	-	-
Total		**1 168**	**147**

Electricity distribution

31 December 2023	Impairment in %	Nominal value of receivable	Impairment allowance
Due	0.02%	7 323	2
1 to 30 days	5%	48	2
31 to 90 days	10%	39	4
91 to 180 days	15%	8	1
181 to 360 days	25%	9	2
Over 361 days	100%	193	193
Bankruptcy	100%	277	277
Specific	100%	1 432	1 432
Total		**9 330**	**1 915**

Unauthorised consumption

31 December 2023	Impairment in %	Nominal value of receivable	Impairment allowance
Due	30%	20	6
1 to 90 days	65%	67	43
91 to 180 days	80%	31	24
181 to 360 days	85%	86	73
Over 361 days	100%	603	603
Bankruptcy	100%	53	53
Total		**859**	**803**

Other

31 December 2023	Impairment in %	Nominal value of receivable	Impairment allowance
Due	0.10%	784	1
1 to 90 days	1%	488	5
91 to 180 days	20%	12	2
181 to 360 days	80%	14	12
Over 361 days	100%	71	71
Bankruptcy	100%	61	60
Specific	100%	-	-
Total		**1 431**	**151**

(All amounts are in thousands of EUR unless stated otherwise)

9) Cash and cash equivalents

The Company has entered into a Service agreement on cash-pooling with its parent company, whereby available cash is managed by the parent company. These funds are available to the Company upon request.

As at 31 December 2024, the Company recognised a receivable in the amount of EUR 26 307 thousand (31 December 2023: EUR 66 108 thousand) from the parent company, Stredoslovenská energetika Holding, a.s. This receivable bears interest of 0.00% p.a. for credit balance and 0.40% p.a. for debit balance and is payable on demand.

	Balance as at 31 December	
	2024	**2023**
Bank accounts and cash on hand	275	235
Short-term bank deposits	30 500	86 000
Total	**30 775**	**86 235**

	Balance as at 31 December	
	2024	**2023**
Cash and balances in bank accounts with original commitment period within 3 months	30 775	86 235
Total	**30 775**	**86 235**

The carrying amount of cash and cash equivalents as at 31 December 2024 and as at 31 December 2023 approximates their fair value.

10) Equity

No changes occurred in the Company's share capital in 2023 or in 2024. The Company has no subscribed share capital that is not registered in the Commercial Register.

The Company's share capital comprises 15 058 shares (2023: 15 058 shares), at nominal value of EUR 33 194 per share (2023: EUR 33 194 per share). As at 31 December 2024, the entire share capital was issued and paid.

The Commercial Code requires the Company to create a legal reserve fund in the amount of 10% of its share capital at the time of incorporation of the Company. This amount must be increased annually by at least 10% from net profit, until the legal reserve fund reaches 20% of share capital. Use of this fund is restricted under the Commercial Code to cover losses of the Company, and it is not a distributable reserve. As at 31 December 2024, the legal reserve fund amounted to EUR 99 967 thousand (31 December 2023: EUR 99 967 thousand), and thus reached its full required limit.

As at the date of preparation of the financial statements, the Board of Directors of the Company did not submit a proposal for the distribution of the 2024 profit.

(All amounts are in thousands of EUR unless stated otherwise)

11) Contract liabilities

	Balance as at 31 December	
	2024	**2023**
Connection fees – long-term	45 193	41 530
Connection fees – short-term	1 494	1 362
Contractual liabilities	**46 687**	**42 892**

The Company should recognise revenues from fees from customers for connection to the distribution system and subsequent access to the provision of distribution services over the connection contract term. Since connection contracts are concluded for an indefinite period and in practice there is almost no loss of take-off points, it is not possible to reliably determine the duration of the contract. Therefore, the Company releases the connection fees into revenue during the average useful life of the assets related to the distribution of electricity.

Reported contract liabilities consist mainly of customers' fees for connection to the distribution network, and subsequent access to distribution services, while they are released into revenue of the current reporting period over the average lifetime of related electricity distribution assets. The Company estimates annual revenue from the release of contract liability as at 31 December 2024 in the amount of approximately EUR 1 494 thousand (31 December 2023: approximately EUR 1 362 thousand).

12) Non-current and current trade and other liabilities

	Balance as at 31 December	
	2024	**2023**
Current trade and other liabilities	60 762	68 373
Non-current lease liability	13 707	33 416
Current deferred income	890	608
Payables to employees	2 708	2 365
Social security	1 818	1 533
Accrued personnel expenses	5 863	6 671
Social fund	74	48
VAT liability	115	1 025
Other liabilities	3 052	6 170
Total	**88 989**	**120 209**

No liabilities are secured by a lien or other collateral.

The structure of liabilities by maturity is as follows:

	Balance as at 31 December	
	2024	**2023**
Liabilities due	88 983	120 206
Liabilities overdue	6	3
Total	**88 989**	**120 209**

(All amounts are in thousands of EUR unless stated otherwise)

An overview of lease liabilities recognised within trade liabilities and other current liabilities and lease non-current liabilities is shown in the following table:

	Balance as at 31 December	
	2024	**2023**
Up to 1 year	1 454	1 774
1 – 5 years	3 769	4 717
More than 5 years	9 938	28 699
Total	**15 161**	**35 190**

An overview of lease transactions, recognised in the Statement of cash flows, is presented in the following table:

	Balance as at 31 December	
	2024	**2023**
Total lease payments	2 518	2 377
Total	**2 518**	**2 377**

Lease payments related to principal during the reporting period in the amount of EUR 1 763 thousand (2023: EUR 1 836 thousand) are recognised in the Statement of cash flows as cash flows from financial activities. Interest payments related to lease liabilities in the amount of EUR 755 thousand (2023: EUR 541 thousand) are recognised in the statement of cash flows as cash flows from operating activities.

Carrying amounts of liabilities are denominated in the following currencies:

	Balance as at 31 December	
	2024	**2023**
EUR	88 964	120 184
CZK	25	25
Total	**88 989**	**120 209**

Social fund

The creation and use of the social fund during the reporting period are shown in the following table:

	Balance as at 31 December	
	2024	**2023**
Opening balance as at 1 January	48	20
Creation debited to expenses	576	499
Drawing	-550	-471
Closing balance as at 31 December	**74**	**48**

According to the Social Fund Act, the creation of the social fund is compulsory, debited to expenses, and a portion may be generated from profit. According to the Social Fund Act, the social fund is used for social, health, recreational and other needs of employees.

13) Bank loans

Bank loans

With effect from 1 January 2020, the Company became a direct debtor in a bank loan to Slovenská sporiteľňa. The Company assumed a liability to repay the amount of the loan, including related fees, to the extent that the parent company, Stredoslovenská energetika Holding, a.s., originally committed to pay to Slovenská sporiteľňa. As at 31 December 2023, the bank loan was repaid by the Company.

Reconciliation of loans and borrowings with cash flows from financing activities for the year ended 31 December 2024 and the immediately-preceding reporting period:

(All amounts are in thousands of EUR unless stated otherwise)

	Bank loans and borrowings	Lease liabilities	Total
Balance as at 1 January 2024	-	**35 190**	**35 190**
Changes in cash flows from financing activities			
Repayment of loans and borrowings	-	-	-
Lease payments	-	-1 763	**-1 763**
Interest paid – leases	-	-755	**-755**
Interest paid – loans and borrowings	-	-	-
Total changes in cash flows from financing activities	-	**-2 518**	**-2 518**
Other changes			
Interest expense	-	755	**755**
New lease contracts	-	5 606	**5 606**
Terminated lease contracts	-	-23 872	**-23 872**
Total other changes	-	**-17 511**	**-17 511**
Balance as at 31 December 2024	-	**15 161**	**15 161**

	Bank loans and borrowings	Lease liabilities	Total
Balance as at 1 January 2023	**2 500**	**36 166**	**38 666**
Changes in cash flows from financing activities			
Repayment of loans and borrowings	-2 500	-	**-2 500**
Lease payments	-	-1 836	**-1 836**
Interest paid – leases	-	-541	**-541**
Interest paid – loans and borrowings	-28	-	**-28**
Total changes in cash flows from financing activities	**-2 528**	**-2 377**	**-4 905**
Other changes			
Interest expense	28	541	**569**
New lease contracts	-	3 972	**3 972**
Terminated lease contracts	-	-3 112	**-3 112**
Total other changes	**28**	**1 401**	**1 429**
Balance as at 31 December 2023	-	**35 190**	**35 190**

As at 31 December 2024, the Company, together with Stredoslovenská energetika Holding, a.s. and Stredoslovenská energetika, a. s., had opened a joint credit line with Slovenská sporiteľňa with a total limit of EUR 100 000 thousand (2023: EUR 100 000 thousand). The credit line is contracted until 30 June 2027. As at 31 December 2024, the Company did not draw the credit line (2023: EUR 0 thousand).

As at 31 December 2024, the Company had agreed on a credit line with Československá obchodná banka, a. s. with a total limit of EUR 20 000 thousand (2023: EUR 20 000 thousand). As at 31 December 2024, the Company did not draw the credit line (2023: EUR 0 thousand).
The above loans are secured by a guarantee provided by the parent company, SSE Holding, a.s.

14) Deferred income tax

Deferred income tax is calculated from temporary differences using the balance sheet method.
In 2023, the tax rate of 21% was used for the deferred tax calculation.
With effect from 1 January 2025, the corporate income tax rate changed to 24% (if taxable revenues of more than EUR 5 000 000 are generated in the respective taxation period); therefore, the tax rate of 24% was used for the deferred tax calculation as at 31 December 2024.

(All amounts are in thousands of EUR unless stated otherwise)

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset a current asset and a current liability, and when deferred income tax relates to the same tax authority.

	Balance as at 31 December	
	2024	**2023**
Deferred tax asset:		
- Deferred tax asset to be settled after more than 12 months	6 075	9 544
- Deferred tax asset to be settled within 12 months	1 710	2 819
	7 785	**12 363**
Deferred tax liability:		
- Deferred tax liability to be settled after more than 12 months	-106 766	-97 546
- Deferred tax liability to be settled within 12 months	-346	-364
	-107 112	**-97 910**
Net deferred tax liability	**-99 327**	**-85 547**

(All amounts are in thousands of EUR unless stated otherwise)

Movements in deferred tax assets and liabilities during the year are as follows:

	Balance as at 1 January 2024	**(Debited)/ credited to (expenses)/ revenues**	**Charged to equity**	**Balance as at 31 December 2024**
Non-current assets	-83 450	-11 818	-	-95 268
Lease (IFRS 16) – right of use	-7 286	3 823	-	-3 463
Lease (IFRS 16) – lease liability	7 389	-3 750	-	3 639
Relocation of a distribution facility	-7 174	-1 207	-	-8 381
Provisions for employee benefits and bonuses	2 687	77	325	3 089
Provisions	1 268	-1 039	-	229
Receivables	768	-203	-	565
Expenses tax-deductible after payment	74	45	-	119
Sunk investments	177	-33	-	144
	-85 547	**-14 105**	**325**	**-99 327**

	Balance as at 1 January 2023	**(Debited)/ credited to (expenses)/ revenues**	**Charged to equity**	**Balance as at 31 December 2023**
Non-current assets	-76 962	118	-6 606	-83 450
Lease (IFRS 16) – right of use	-7 536	250	-	-7 286
Lease (IFRS 16) – lease liability	7 595	-206	-	7 389
Relocation of a distribution facility	-6 606	-568	-	-7 174
Provisions for employee benefits and bonuses	2 917	-320	90	2 687
Provisions	2 466	-1 198	-	1 268
Receivables	175	593	-	768
Expenses tax-deductible after payment	78	-4	-	74
Sunk investments	28	149	-	177
	-77 845	**-1 186**	**-6 516**	**-85 547**

* Includes the difference between the carrying amount and the tax base of non-current tangible and intangible assets.

As at 31 December 2024 and as at 31 December 2023, the Company did not have any temporary deductible differences for which no deferred income tax assets were recognised.

(All amounts are in thousands of EUR unless stated otherwise)

15) Provisions for liabilities

	Pensions and other long term employee benefits (a)	Termination benefits (b)	Legal disputes (c)	Other	Total
Balance as at 1 January 2024	8 069	228	-	237	8 534
Creation of provisions	1 934	-	-	102	2 036
Use of provisions	-853	-228	-	-237	-1 318
Reversal of unused provision	-	-	-	-	-
Balance as at 31 December 2024	**9 150**	**-**	**-**	**102**	**9 252**

	Pensions and other long term employee benefits (a)	Termination benefits (b)	Legal disputes	Other	Total
Balance as at 1 January 2023	7 991	560	326	261	9 138
Creation of provisions	1 385	-	-	236	1 621
Use of provisions	-1 307	-332	-323	-7	-1 969
Reversal of unused provision	-	-	-3	-253	-256
Balance as at 31 December 2023	**8 069**	**228**	**-**	**237**	**8 534**

	Balance as at 31 December	
Analysis of total provisions	**2024**	**2023**
Non-current	9 150	8 069
Current	102	465
Total	**9 252**	**8 534**

(All amounts are in thousands of EUR unless stated otherwise)

(a) Pension programs and other employee benefits

Pension programs with defined benefits, and other long-term employee benefits, are recognised as follows:

(i) Pension programs upon retirement

	Balance as at 31 December	
	2024	**2023**
Present value of unfunded retirement obligations	8 032	7 044
Liability as per Statement of Financial Position	**8 032**	**7 044**

Amounts recognised in the Statement of profit or loss are as follows:

	2024	**2023**
Current service cost	562	486
Interest expense	220	213
Total charge included in personnel expenses	**782**	**699**

Movements in the present value of pension program liabilities are as follows:

	Balance as at 31 December	
	2024	**2023**
Present value of unfunded retirement obligations at the beginning of the year	7 044	7 059
Current service cost	562	486
Interest expense	220	213
Paid out	-709	-1 141
Actuarial loss	915	427
Present value of unfunded retirement obligations at the end of the year	**8 032**	**7 044**

(ii) Other long-term employee benefits (jubilees and loyalties)

	Balance as at 31 December	
	2024	**2023**
Present value of unfunded liabilities	1 118	1 025
Liability as per Statement of Financial Position	**1 118**	**1 025**

Amounts recognised in the statement of profit or loss are as follows:

	2024	**2023**
Current service expenses	120	101
Actuarial loss	59	104
Interest expense	58	54
Total charge included in personnel expenses	**237**	**259**

(All amounts are in thousands of EUR unless stated otherwise)

Movements in the present value of liabilities of the defined benefit pension program are as follows:

	Balance as at 31 December	
	2024	**2023**
Present value of unfunded liabilities at the beginning of the year	1 025	932
Current service expenses	120	101
Interest expense	58	54
Paid out	-144	-166
Actuarial loss	59	104
Present value of unfunded liabilities at the end of the year	**1 118**	**1 025**

Basic actuarial assumptions in determining provisions for retirement are as follows:

	2024	**2023**
Number of employees as at 31 December	1 380	1 327
Employee fluctuation rate	2.05% p. a.	2.04% p. a.
Expected increase in salaries – long-term	3.00% p. a.	3.00% p. a.
Discount rate	0.00 – 3.66% p. a. (2025 – 2070)	0.00 – 3.66% p. a. (2024 – 2069)

If the actual discount rate differed by 1% from the estimated discount rate, the amount of pension provisions would be by EUR 739 thousand lower or by EUR 841 thousand higher (2023: by EUR 652 thousand lower or by EUR 744 thousand higher).

(b) Provision for severance payments

Provisions for severance payments represent an estimate of the severance payments for employees, as a result of an approved and communicated restructuring process, which will be completed in 2024 (2023: to be completed in 2024). Amounts according to the relevant detailed plan of positions accompanying the restructuring process are expected to be paid as follows:

	Balance as at 31 December	
	2024	**2023**
Expected payment in 2023	-	-
Expected payment in 2024	-	228
	-	**228**

(All amounts are in thousands of EUR unless stated otherwise)

16) Revenue

Revenue from the sale of own outputs by individual segments comprise the following:

	Segment VHV		Segment HV		Segment LVE		Segment LVC				Total	
Voltage level	**VHV**		**HV**		**LVE**		**LVC**		**Other**			
	2024	**2023**	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**
Revenues from the distribution and other fees	34 605	26 839	103 130	104 998	54 019	56 756	87 938	86 111	-	-	279 692	274 704
TPS revenues	-	-	-	-	-	-	-	-	13 397	-	13 397	-
SLA revenues	-	-	-	-	-	-	-	-	2 335	2 076	2 335	2 076
Other	-	-	-	-	-	-	-	-	1 288	1 226	1 288	1 226
Total	**34 605**	**26 839**	**103 130**	**104 998**	**54 019**	**56 756**	**87 938**	**86 111**	**17 020**	**3 302**	**296 712**	**278 006**

The Company divides sales by voltage levels as follows:

a) VHV (VVN) – very high voltage;
b) HV (VN) – high voltage;
c) LVE (NN-MOP) – low voltage, entrepreneurs;
d) LVC (NN-MOO) – low voltage, households.

Revenue from electricity distribution is regulated by ÚRSO, based on binding decisions which define distribution fees over a specified period, and for specific customer tariff categories.

(All amounts are in thousands of EUR unless stated otherwise)

Distribution fees are invoiced to electricity suppliers, based on consumption at the customers' offtake points, and to customers with separate distribution agreements.

The total amount of revenue was generated in the Slovak Republic.

17) Other operating income

An overview of other operating income from business activities is presented in the following table:

	2024	2023
Revenue from the use of assets*	844	858
Rental income	2 313	2 138
Release of deferred income	890	608
Income from insurance claims	881	1 476
Profit from the sale of assets	2 026	541
Compensation of distribution tariffs	31 379	154 818
Other	4 184	5 987
Total	**42 517**	**166 426**

Compensation of distribution tariffs is a revenue related to the compensation of the end electricity price for end electricity customers for 2024 based on Regulation of the Government of the Slovak Republic No. 472/2023 Coll., establishing the amount of tariffs for end electricity customers and gas customers, as amended (for 2023: based on Regulation of the Government of the Slovak Republic No. 465/2022 Coll., establishing maximum prices for a part of the regulated electricity and gas supply for selected end customers and the amount of tariffs for households and selected electricity customers, as amended). Compensation of distribution tariffs primarily comprises compensation to cover electricity losses in the distribution network. A decrease in 2024 compared to 2023 reflects a significant decrease in the electricity price to cover losses in the distribution network.

The Company also receives contributions from customers for connection to the electricity distribution network. Revenues in the form of such contributions are recognised as deferred income (recognised as contract liabilities) and are released to income over the average useful life of the distribution network.

* The income from the optical fibre capacity and support points as at 31 December 2024 is in the amount of EUR 1 832 thousand (2023: EUR 1 639 thousand), and rental services in the amount of EUR 481 thousand (2023: EUR 499 thousand).

18) Purchase of electricity, system and other related fees

The following items are included in purchase of electricity and system related charges:

	2024	2023
Variances settlement expenses	4 199	11 270
Supplies from SEPS	39 178	40 429
Purchase of electricity for distribution losses and related fee	67 197	145 484
Total	**110 574**	**197 183**

(All amounts are in thousands of EUR unless stated otherwise)

19) Other operating expenses

An overview of other operating expenses is as follows:

	2024	2023
IT services	4 948	4 430
Repairs and maintenance	3 788	5 405
Forest cutting	1 601	1 202
Rent	1 426	1 669
Security service	1 401	1 420
Insurance costs	1 196	1 008
Costs of advisory services	855	576
SLA services	835	743
Fees and other taxes	728	614
Metering of consumed electricity for invoicing purposes	649	652
Post and telecommunication costs	648	825
Waste liquidation	498	532
Metrological services	246	253
Examination of electricity devices	69	230
Creation of impairment allowances for receivables	60	43
Other operating expenses	5 753	5 320
Total	**24 701**	**24 922**

Costs of audit services were as follows:

Costs of audit services	2024	2023
Audit of the financial statements	69	61
Other assurance services	12	23
Other non-audit services	-	2
Total	**81**	**86**

20) Personnel expenses

	2024	2023
Wages and salaries	40 796	36 552
Other personnel expenses	3 231	3 087
Social and health insurance expenses – defined contribution plans	14 126	12 514
Pension and other long-term employee benefits	1 019	958
Total	**59 172**	**53 111**

(All amounts are in thousands of EUR unless stated otherwise)

21) Finance income/(costs), net

Finance income/(costs), net, comprise the following:

	2024	2023
Interest income on cash pooling	1 755	1 421
Received bank interest	2 152	2 219
Interest expense from borrowings	-	-28
Lease interest expense	-755	-541
Other finance costs	-35	-34
Finance costs, net	**3 117**	**3 037**

The following table summarises the lease transactions recognised in profit or loss:

	2024	2023
Interest expense	755	541
Short-term lease expenses	297	179
Low-value tangible assets lease expenses, except for short-term low-value tangible assets lease expenses	463	377
Total	**1 515**	**1 097**

22) Income tax

Reconciliation between theoretical and recorded income taxes is as follows:

	Year ended 31 December	
	2024	**2023**
Profit before tax	104 522	130 049
Theoretical income tax for current period as the rate of 21%	21 950	27 310
- Tax non-deductible income	-286	-266
- Special levy on businesses in regulated industries, including effect on tax	3 335	4 110
- Change in the income tax rate (2025: 21% to 24%)	12 549	-
- Withholding tax from received interest (19%)	433	396
- Other	234	-608
	38 215	**30 942**

Income tax recognised

Total income tax for the current period comprises:		
- Deferred tax expense	14 105	1 186
- Current tax for the current period from continuing operations	24 093	29 751
- Income tax related to prior periods	17	5
	38 215	**30 942**

The corporate income tax rate for 2024 is 21% (2023: 21%). As a result of the 2024 amendment, ie the Consolidation Package, the corporate income tax rate changed to 24% with effect from 1 January 2025 (if taxable revenues of more than EUR 5 000 000 are generated in the respective taxation period). The Company's effective income tax rate for 2024 is 36.56% (2023: 23.79%). An increase in the effective tax rate was primarily caused by the recalculation of a deferred income tax due to a change in the corporate income tax rate from 21% to 24%.

The Company is part of the multinational EP Group (the "EP Group"), which is subject to the new rules for the minimum taxation of multinational groups of 15% from 2024, introduced under BEPS 2.0 Pillar 2 rules.

To put it simply, Pillar 2 rules stipulate that if the effective tax rate (calculated as the ratio of adjusted accounting result to adjusted corporate income tax in a given jurisdiction) falls below 15% in the jurisdictions where the EP Group operates, the EP Group will be obliged to pay a top-up tax to reach the minimum tax rate of 15%.

The relevant rules also provide for a transitional period during which the affected groups can avoid the complex calculation of the effective tax rate required under the new legislation. The Pillar 2 legislation introduces a transitional simplification measure known as the transitional safe harbour (TSH), which is valid for up to three years from the date the relevant regulation comes into effect. TSH replaces the complex calculation according to the Pillar 2 rules with simplified calculations based primarily on the data provided in the Country-by-Country Report and on three types of alternative tests. In each jurisdiction where the EP Group operates and at least one of the tests is met, the top-up tax is considered zero.

The Company, in cooperation with the EP Group Pillar 2 team, carried out an assessment of its potential liability for the Pillar 2 top-up tax for 2024. This assessment is based on the available preliminary financial data of the EP Group companies for 2024 and the data presented in the Country-by-Country Report for 2023.

Based on the assessment made, the Company should meet the TSH conditions.

The Company is obliged to pay a special levy in accordance with the Act on Special Levy on Businesses in Regulated Industries.

The base for the levy is profit or loss before tax recognised according to Slovak accounting standards for the period, multiplied by a coefficient. The coefficient for the special levy base is calculated as the ratio of income from the regulated activity to total income for the period, for which recognised profit or loss was used to calculate the special levy base. For 2024, the coefficient is 0.98 (2023: 0.98). For 2024, the rate of the levy is 0.00363 per calendar month, which amounts to 0.04356 (4.356%) for 12 months. The levy is calculated by multiplying the base by the rate. The levy is paid on a monthly basis and is subject to annual settlement.

23) Contingent assets and liabilities

Taxation

Many parts of Slovak tax legislation remain untested and there is uncertainty about the interpretation that the tax authorities may apply in a number of areas. The effect of this uncertainty cannot be quantified and will only be resolved as legislative precedents are set or when the official interpretations of the authorities are available.

(All amounts are in thousands of EUR unless stated otherwise)

24) Commitments

Capital commitments

Capital expenditures contracted as at the reporting date, but not recognised in the Statement of financial position, are as follows:

	Balance as at 31 December	
	2024	**2023**
Non-current tangible assets	16 116	14 090
Intangible assets	4 775	4 128
Total	**20 891**	**18 218**

25) Information on off-balance sheet accounts

Leased assets

By application of IFRS 16, lease contracts would be recognised in the Statement of financial position, as a part of non-current tangible assets.

26) Related party transactions

Related party transactions are shown in the following table:

Related parties

a) Parent company
Stredoslovenská energetika Holding, a.s.

b) Fellow subsidiaries
Stredoslovenská energetika, a. s.
Elektroenergetické montáže, s.r.o.
SSE – Metrológia, s.r.o.
SSE CZ, s.r.o. v likvidácii
Stredoslovenská energetika - Project Development, s.r.o.
SSE-Solar, s.r.o.
SSE-TelcoHub, s.r.o.
SSE - MVE, s.r.o.
Kinet, s.r.o.
PW geoenergy, a. s.

c) Related parties through the parent company
Energotel, a.s.
SPX, s.r.o.

d) Entities controlled by the Government of the Slovak Republic
OKTE, a.s.
Slovenská elektrizačná prenosová sústava, a.s.
Slovenský plynárenský priemysel, a.s.
Východoslovenská energetika a.s.
ZSE Energia, a.s.
MH Teplárenský holding, a.s.
Other (municipalities, water management companies, state hospitals, etc.)

e) Entities controlled by the EP Investment S.a.r.l. Group, Group's joint ventures and associates and their branches
EP ENERGY TRADING, a.s., organizačná zložka
EP Commodities, a.s.
eustream, a.s.
SPP - distribúcia, a.s.
EP Investment Advisors, s.r.o.
NAFTA a.s.
Slovenské elektrárne, a.s.
Energetický a průmyslový holding, a.s.

f) Other related parties
Companies controlled by members of key management, or companies in which members of key management of the entity or its parent company and their family members have significant influence

(All amounts are in thousands of EUR unless stated otherwise)

Related party transactions and balances

Related party transactions are performed under standard market conditions.

Related party transactions are shown in the following table:

SSE Holding Group (a,b,c)	2024	2023
Sale of goods, services and merchandise	**164 270**	**172 304**
Stredoslovenská energetika, a.s.*	162 710	170 980
Stredoslovenská energetika Holding, a.s.	32	28
Elektroenergetické montáže, s.r.o	382	257
SSE-PD	61	62
SSE – Metrológia, spol. s r.o.	12	10
SSE - Solar, s.r.o.	40	35
PW geoenergy a. s.	18	16
SPV100, s.r.o.	25	24
SSE - MVE, s.r.o.	357	259
Kinet, s.r.o.	633	633
Energotel, a.s.		
Sale of assets	**-**	**3**
Elektroenergetické montáže, s.r.o	-	3
Finance income	**1 755**	**1 421**
Stredoslovenská energetika Holding, a.s.	1 755	1 421
Total revenue	**166 025**	**173 728**
Purchase of energy and other non-storable items	**70 811**	**157 568**
Stredoslovenská energetika, a. s.	70 811	157 568
Purchase of assets	**2 784**	**1 904**
Stredoslovenská energetika Holding, a.s.	-	91
Elektroenergetické montáže, a.s.	175	-
SSE-Metrológia, spol. s r.o.	395	350
Kinet, s.r.o.	2 003	1 463
SSE-TelcoHub, s.r.o.	211	-
Purchase of services	**3 799**	**3 305**
Stredoslovenská energetika, a.s.	964	1 001
Stredoslovenská energetika Holding, a.s.	1 209	1 320
SSE-Metrológia, spol. s r.o.	181	187
Elektroenergetické montáže, a.s.	708	-
Kinet, s.r.o.	73	70
Energotel, a.s.	664	727
Other expenses	**23**	**123**
Stredoslovenská energetika, a. s.	-	70
Energotel, a. s.	-	27
SPX, s. r. o., Žilina	23	26
Total purchases	**77 417**	**162 900**

(All amounts are in thousands of EUR unless stated otherwise)

Related parties through the state (d), through EP Investment (e) and other related parties (f)	**2024**	**2023**
Related parties through the state	123 205	199 580
Related parties through EP Investment	18 318	15 970
Other related parties (f)	92	-
Total sales	**141 615**	**215 550**
Related parties through the state	41 386	41 167
Related parties through EP Investment	272	195
Other related parties (f)	66	50
Total purchases	**41 724**	**41 412**

The Government of the Slovak Republic has a significant influence over the Company and is therefore considered a related party. Company management has made reasonable efforts to identify entities under state control or those with significant state influence. Company management discloses information that its current accounting system allows to be disclosed in relation to activities with state-controlled companies and with companies that Company management believes to the best of its knowledge that they could be considered state-controlled companies.

* The Company realises its revenues through its fellow subsidiary, Stredoslovenská energetika, a.s., which is not the final customer of the Company.

(All amounts are in thousands of EUR unless stated otherwise)

The balances with related parties are shown in the following table:

SSE Holding Group (a,b,c)	**Balance as at 31 December**	
	2024	**2023**
Trade receivables:	**14 308**	**11 956**
Stredoslovenská energetika, a.s.	13 741	11 646
Stredoslovenská energetika Holding, a.s.	222	53
Elektroenergetické montáže, a. s.	22	28
Kinet, s.r.o.	199	164
PW geoenergy a. s.	2	2
Energotel, a.s.	122	63
Other receivables within the Consolidated Group:	**26 307**	**66 108**
Stredoslovenská energetika Holding, a.s.	26 307	66 108
Total assets	**40 615**	**78 064**
Trade liabilities:	**12 895**	**23 533**
SSE-Metrológia, spol s r.o.	68	38
Stredoslovenská energetika, a.s.	9 171	22 565
Elektroenergetické montáže, a. s.	456	-
Kinet, s.r.o.	293	245
Energotel, a.s.	2 907	662
SPX, s.r.o.	-	23
Total liabilities	**12 895**	**23 533**

Related parties through the state (d), through EP Investment (e) and other related parties (f)	**Balance as at 31 December**	
	2024	**2023**
Trade receivables		
Related parties through the state	11 713	4 588
Related parties through EP Investment	1 145	1 312
Total assets	**12 858**	**5 900**
Total liabilities		
Related parties through the state	14 074	10 311
Related parties through EP Investment	22	20
Other related parties (f)	-	4
Total liabilities	**14 096**	**10 335**

(All amounts are in thousands of EUR unless stated otherwise)

Remuneration of statutory bodies and key management

The structure or remuneration received by the directors, key management and other members of statutory bodies of the Company is as follows:

Board of Directors and key management	2024	2023
Salaries and other short-term employee benefits	1 483	701
Other non-monetary compensations	36	36
Total	**1 519**	**737**

Supervisory Board	2024	2023
Salaries and other short-term employee benefits	114	114
Total	**114**	**114**

27) Events after the reporting date

After 31 December 2024, there were no such events that would require the disclosure or recognition in the 2024 financial statements.