

ANNUAL REPORT 2024





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ANNEX 1. INDEPENDENT AUDITOR ´S REPORT ON THE VERIFICATION OF THE FINANCIAL STATEMENT AS OF 31 DECEMBER 2024 AND THE FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

INTRODUCTION BY THE DIRECTOR GENERAL



Dear business partners, customers, shareholders and colleagues,

The year 2024 has been once again full of changes and news. The Dynamics of the energy market put us again to face challenges and changes. However, we can generally assess this year as very successful. Our main activity was the sale of energy for the years 2025 - 2027. The constantly changing dynamics of the wholesale market and the associated risks have prompted us to upgrade our product catalogue and adjust contractual terms. Despite the still high energy prices, political and regulatory instability we have continuously focused on maintaining customer satisfaction and long-term business relationships, which are extremely important to us at Stredoslovenská energetika.

Therefore, we continue to implement innovative and energy-efficient solutions that meet demands of the modern market. Our commitment to renewable sources, modernization of energy systems and sustainable development leads to improving the environmental footprint as well as increasing the competitiveness of our customers.

As I have already mentioned at the beginning, it was again a year full of changes. In addition to major global changes, there was also unusual weather development and its impact on prices and trends in energy markets. The decreasing number of sunshine hours, fluctuating production from wind farms and longer period without water precipitation were increasingly causing problems in the interconnected organized spot market. Despite the dynamics, the

stabilization of the energy market continued in terms of price development for unregulated customers and also the continuation of price capping for regulated customers segment. Customers therefore continue to perceive uncertainty and concerns about further price developments, which particularly manifested in increased demands for communication with them. However, properly set communication with our customers yielded positive results. In an external customer experience survey, we became leaders in the energy sector.

For both customer services and sales activities we utilized the full range of internal and external channels, where we significantly focused on the quality of service delivery and communication with customers. To improve customer services, a unified calling system was installed in all customer centres in 2004, which, among other benefits, provided customers with the ability to make online reservations for a specific time and specific customer centre.

For us, the new creative concept was certainly a big change. We introduced EnergiQ, our digital guide to the world of energies, to our customers and business partners, as well as the face of this annual report, which knows the solutions and answers to nearly all customer questions. And we are still working on improving ourselves.

However, our part also includes help and support, because when a company acts and operates responsibly, it practically means that it behaves responsibly and with respect towards its entire

environment: to employees, business partners, the region in which it operates, and the environment. And that is what we at SSE persistently strive for, so that the name SSE is associated not only with reliable electricity and gas supply, but also with the spreading of positive energy.

And what do we expect from the future? Certainly, it is growing importance of digitalisation and artificial intelligence (AI), not only in energy sector. At SSE, we are actively working on transforming the digital skills of our employees, implementing automated solutions to improve efficiency, optimizing customer consumption and predicting market development.

Our goal is therefore not only to keep up with trends but to actually contribute to shaping the energy sector of the future so that it is safe, reliable and truly sustainable.

JUDr. Zdeněk Schraml
Director General

ABOUT THE COMPANY

BASIC DATA ABOUT THE COMPANY

Company Stredoslovenská energetika, a. s.,
CRN 51 865 467, based at Pri Rajčianke 8591/4B,
Žilina 010 47 (hereinafter referred to as „SSE”)
registered in the Commercial Register of the District
Court of Žilina, Section Sa, insert No: 10956/L.

The Company SSE was established on 19 July 2018 and entered into the Commercial Register on 3 August 2018 under the business name Stredoslovenská energetika Obchod, a. s. with effect from 1 January 2019, the Company acquired by contribution the part of the business relating to all matters related mainly to the purchase and sale of electricity and gas, energy efficient solutions as well as sale of non-commodity products, etc., from its parent company Stredoslovenská energetika Holding, a. s. (until 31 December 2018 under the business name Stredoslovenská energetika, a. s.). Together with the acquired contribution of part of the business, SSE acquired with effect from 1 January 2019 also its current business name.

In 2024, SSE supplied electricity and gas to its customers and provided related complex services.

SCOPE OF BUSINESS

In 2024, SSE operated by the bases of permissions issued by the Regulatory Office for Network Industries in the following main activities:

- **electricity supply,**
- **gas supply.**

In addition to the above stated activities, SSE was engaged in other activities on the basis of issued trade and other licences, in particular:

- **providing energy services with guaranteed energy savings,**
- **providing energy support services,**

- **the performance of the energy auditor activities, financial intermediation - performance of the activity of a tied financial agent in the insurance or reinsurance sector.**

SHAREHOLDING STRUCTURE

The sole shareholder of Stredoslovenská energetika, a. s., is Stredoslovenská energetika Holding, a. s., which owns 100 % of its shares.

IDENTIFICATION DATA

Stredoslovenská energetika, a. s.

Pri Rajčianke 8591/4B

010 47 Žilina

CRN: 51 865 467

VAT ID: SK 2120814575

TIN: 2120814575

Bank details

VÚB, a.s. Žilina

IBAN: SK91 0200 0000 0000 0070 2432

SWIFT: SUBASKBX

The joint stock company is registered in the Commercial Register of the District Court of Žilina, section Sa, Insert No: 10956/L, date of entry 1 January 2019.

Phone: 041/519 1111

E - mail: sse@sse.sk

Fax: 041/519 2575

Web: www.sse.sk

COMPANY MANAGEMENT UNTILL 31 DECEMBER 2024

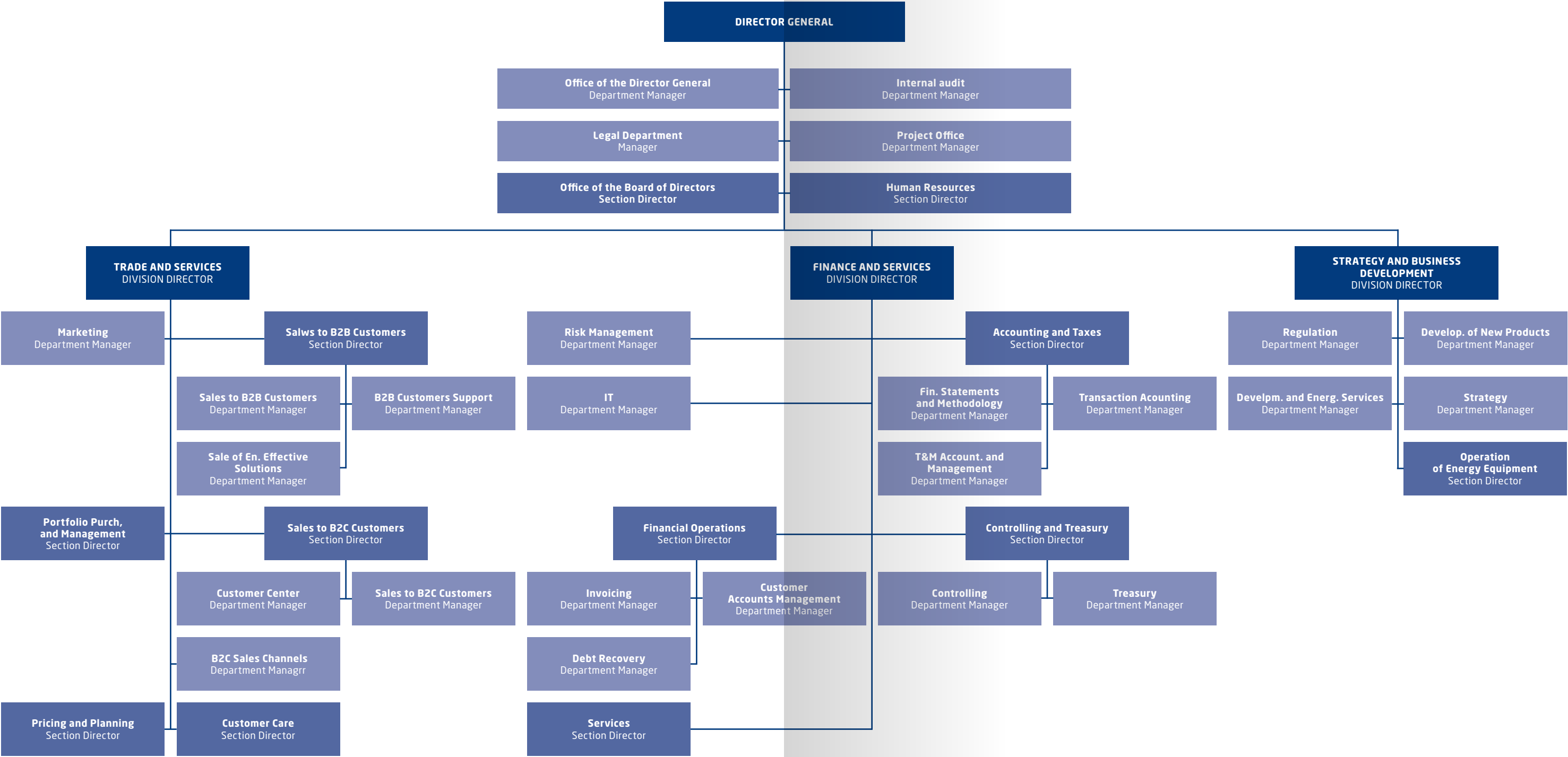
Board of Directors:		
Mgr. Petr Sekanina	Chairman	
Ing. Tomáš Gažúr	Vice-president	till 31.08.2024
JUDr. Branislav Bellan	Vice-president	from 01.09.2024
Ing. Michal Uherčík	Member	till 31.08.2024
Ing. Branislav Brt'ka	Member	from 01.09.2024
Ing. Jiří Feist	Member	
Ing. Václav Paleček	Member	

Supervisory Board:		
JUDr. Jozef Pajer	Chairman	till 31.08.2024
Ing. Rudolf Urbanovič	Chairman	from 01.09.2024
Ing. Jozef Antošík	Vice-president	
Ing. Tomáš Husár	Member	till 31.08.2024
Mgr. Miroslav Procháska	Member	till 31.08.2024
Ing. Marián Smorada, PhD.	Member	till 31.08.2024
Ing. Slavomír Božoň	Member	till 31.08.2024
Bc. Jána Baka	Member	from 01.09.2024
Mgr. Štefan Balošák	Member	from 01.09.2024
Ing. Andrej Stašiniak	Member	from 01.09.2024
PaedDr. Tomáš Zanolit	Member	from 01.09.2024
Peter Sňahničan	Member elected by the staff	
Mgr. Elena Martoníková	Member elected by the staff	
Mgr. Juraj Kadaši	Member elected by the staff	

Executive Leadership:	
JUDr. Zdeněk Schraml	Director General
Mgr. Szilárd Mangult	Head of Trade and Services
Ing. Peter Ďurmek	Head of Finance and Services
Mgr. Ivan Weiss	Head of Strategy and Business Development



ORGANIZATIONAL STRUCTURE



COMPANY ACTIVITIES



SALES TO B2B CUSTOMERS

The year 2024 was just as challenging in the B2B sales to customers segment as the previous one. Nevertheless, we can evaluate it as exceptionally successful in terms of overall results. The growing trend of concluding contracts for the gas and electricity purchases on a spot basis (production line Dynamik) and contracts combining forward and spot purchases (proct line Kombi). These products have proven to be a beneficial solution not only for customers but also for our company over the past year.

In case of several end customers, we have recorded a slight decrease in energy consumption, influenced by several factors - an economic slowdown, above-average temperatures, self-production of electricity, and others.

In such situations, the advantages of flexible contracts (Kombi, Dynamik) over fixed contracts were once again confirmed, where unused purchase quantities had to be sold on the spot market at the loss. We also see a growing number of customers investing in photovoltaic, often in combination with electricity sharing or battery storage.

Our main activity in the past year was the sales of energy for the years 2025 - 2027. With an emphasis on the constantly changing dynamics of the wholesale market and related risks, we have upgraded our product catalogue and adjusted contract terms. These changes had to be actively communicated to customers - in the spring we organized webinars and in the autumn in-person customer seminar. All three contractual models (fixed

purchase, spot purchase, and their combination) were represented in the sale, and increasingly also multi-year contracts.

Despite the still high energy prices, political and regulatory instability, we focused on maintaining customer satisfaction and long-term business relationships. For our customers and partners, we organized a concert at the City Theatre in Žilina and at the end of November, a traditional TopPowerSSEminar in Halíč. In addition, we are actively involved in key internal IT projects, such as the upgrade of the customer service system (SAP) and the pricing system (XPT), aimed at improving the efficiency of customer service processes.

We also continued to implement innovative and energy-efficient solutions that meet the demands of the modern market. Our engagement in renewable resources, modernization of energy systems and sustainable development leads to improving the environmental footprint, as well as enhancing the competitiveness of our customers.

Regarding specific solutions, in the field of photovoltaic we have continued to see significant demand, with one of the trends that is increasingly appearing being the request for sharing generated energy among multiple market participants, whether at the level of property-connected entities or otherwise interconnected entities and communities. Another trend in the energy market is limiting the flow of generated energy from photovoltaic sources into the distribution network, as distribution networks have started to face challenges associated

with excessive amounts of energy flowing into the grid. This can lead to its overload as well as surpluses, especially on sunny days, which subsequently leads to negative electricity purchase prices. This opens up new solutions for us, such as the use of battery storage.

The battery systems we offer and have already delivered to customers can ensure, in addition to standard functionalities such as accumulating generated energy, trimming peak performance, energy backup, micro-outages solving, and price arbitrage, also more sophisticated use for certified ancillary services that help stabilize the energy system. Currently, this mainly involves providing primary regulation for SEPS (Slovak electricity transmission system), as well as utilizing support services for providing flexibility. We expect significantly growing demand for batteries in the coming years.

As part of streamlining energy operations, we implemented a pilot project for monitoring operational parameters of machines and equipment. These solutions, which utilize artificial intelligence elements in measurement and evaluation algorithms, allow for the real-time monitoring and analysis of energy consumption and other operational values, and together with the notification system, help to prevent unnecessary losses and potential failures in a timely manner. We can implement the solution on new technologies as well as on older equipment. From traditional solutions, we have implemented several reconstructions of lighting systems, mainly in industrial operations. Today, essentially every project we deliver also includes intelligent control, which, after replacement, provides customers

with significant savings as well as considerable flexibility and ease of setting in response to changing operational requirements, utilization of individual spaces, arrangement of machines, or changing working hours. Charging stations for electric vehicles, compensations, reconstructions of transformer stations, as well as energy audits and studies also had their place in successful implementations.

PORTFOLIO PURCHASING AND MANAGEMENT

The price development in the commodity markets for electricity and natural gas at the beginning of the year was primarily influenced by an exceptionally mild winter in several parts of Europe. This was related to a drop in energy consumption, especially for heating, as well as a negative trend in the decline of industrial demand. The planned shift away from electricity generation from fossil fuels, which was further accelerated by the conflict in Ukraine, multiplied the pace of installation of wind and solar power plants across the European continent.

The reference long-term electricity supply contract in Slovakia for 2025 decreased from €100/MWh at the beginning of January to €75/MWh in mid-February on the German EEX exchange. This was a reaction to the warmer-than-average weather and the concerns about the security of natural gas supplies during the winter had nearly completely faded away, as the level of underground gas storage was at over 62% capacity at that time and decreased only minimally by the end of March.

The situation in the natural gas market was practically identical, also due to the above-mentioned factors. EU countries were able to almost completely replace the supply of the commodity from Russia, and the common strategy of maintaining sufficient gas reserves in storage before the winter season proved to be very effective. Long-term and short-term contracts decreased alongside electricity prices, falling below €30/MWh, a level that was last seen in February 2022, when the war in Ukraine began.

After a declining trend in the first quarter, energy markets returned to their upward trajectory. The prices were influenced by a number of factors, particularly the gas market, as well as the markets for emissions allowances and electricity. While the first quarter was affected by factors such as temperature or consumption, geopolitical factors played a primary role in the second quarter. However, uncertainty remained about whether the contract for the transport of Russian gas through Ukraine, which was set to expire at the end of the year, would be renewed. Negative news was compounded by concerns about the sudden cessation of remaining gas supplies from Russia to Austria or Slovakia, due to arbitration court decisions that could block payments for the commodity supply.

The reference long-term contract for electricity supply for the year 2025 has risen from a level of €80/MWh at the beginning of April to over €100/MWh at the turn of May and June due to growth factors. Similarly, the key index from the Dutch gas trading place TTF has also increased by nearly €10, rising from a level of €30/MWh to €40/MWh.

Natural factors also played a significant role in the price development on commodity markets. The significant cooling in mid-April and the substantial decrease in production from renewable sources, particularly wind energy production in May, contributed to the increase in spot prices of electricity and natural gas. The outage of renewable energy sources were compensated by traditional fossil sources, which contributed to the increased demand for emissions permits. Conversely, above-

average snowfall in the Alpine region contributed to above-average levels of reservoirs before the summer season. Local short-term floods in Germany led to a massive increase in hydropower production along the Danube river. By the end of June, consumption began to rise thanks to high daily temperatures, especially in Hungary and the Balkans, which was also reflected in the rise of spot prices in the Slovak short-term market.

Climate change is bringing increasingly frequent extreme weather events. During the summer months, we recorded several weeks with temperatures exceeding 40°C, which affected not only the southern part of the continent but also the Balkans and western European countries. The increase in demand for air conditioning, coupled with several outages of traditional production sources, contributed to increased volatility in the electricity spot markets. During peak evening hours on some days in July and August, hourly prices on the Southeast European markets reached values up to €1000/MWh, marking a return after 2 years. Hot sunny days indeed broke records in solar power generation, but they were often associated with minimal production from wind power plants, whose outage was compensated by more expensive coal or gas sources.

The natural gas market remained the most risky in terms of geopolitical development in the world. During the summer, there was a surprising takeover of the Russian gas transit point in the city of Sudzha, which heightened concerns about the premature termination of gas transit from Russia to remaining European customers. On the other hand, EU countries fulfilled their obligations and ahead of schedule filled underground gas storage to over 94% before the winter season. Deliveries of liquefied natural gas (LNG) to European terminals continued smoothly depending on current demand and despite of competition for purchases from Asia.

The development in the energy commodity markets in Europe in the last quarter was supposed to gradually show how individual countries on the

continent are able to cope with the increase in electricity and natural gas consumption at the beginning of the heating season. On the other hand, it also reflects the gradual expected end of Russian gas transit through Ukraine, or whether the stored gas reserves in the reservoirs will be sufficient to cover winter consumption.

The most significant event from a geopolitical perspective, not only for energy markets, was undoubtedly the presidential elections in the USA in November. Donald Trump's victory increased optimism for an early end to the war conflict in Ukraine, as well as securing a ceasefire in the Middle East, and the anticipated revival of the fossil fuel sector aimed at increasing exports. Electricity and natural gas prices reacted not only to the political developments in the world but also to the balance between production and consumption conditioned by weather development. The decreasing number of sunshine hours, fluctuating production from wind power plants, and longer periods without precipitation increasingly caused problems in the interconnected organized spot market. If such a drop in production from renewable sources overlapped with a cooler period associated with rising consumption, daily spot hourly electricity prices surged back to extreme levels of nearly €900/MWh. It was precisely during such days that there was a significant increase in natural gas consumption, especially for electricity generation.

Despite the excellent preparedness of EU countries with over 94% filled storage tanks at the end of September, the pace of natural gas withdrawal from storage tanks at the end of December was significantly faster than in previous years. Natural gas has remained and will probably remain the dominant factor on the energy market in the near future. The countries most at risk from the disruption of Russian gas supplies, Slovakia and Hungary, have been making efforts to revive the transport of Russian gas through Ukrainian territory. However, this scenario has not have clear contours yet and will probably still be the subject of difficult negotiations concerning ongoing military conflict and the

EU's plan to get rid of supplies from Russia by the end of 2027.

The reference contract for the supply of electricity for the year 2025 reached its maximum at the end of November at a price of €114/MWh, with a minimum price at the end of February of €74/MWh, while it averaged €94/MWh throughout the year. Market volatility thus did not reach the extremes of previous years. The average price on the organized spot market was nearly identical, specifically €93/MWh. As we mentioned, there were also significant hourly price jumps here.

And what can we expect in the coming year? It is anticipated that the weather will be relatively mild until the end of the ongoing winter, which will somewhat alleviate the pressure on underground natural gas storage facilities. However, while the current stocks remain sufficient for this winter, concerns about the upcoming summer are growing. Analysts predict that the level of reserves could drop to around 40% by the end of spring 2025, possibly even lower, compared to 55% in the previous year. This creates pressure for greater summer demand to meet the EU requirement of 90% reserves by November. From a geopolitical perspective, the key factor remains the further development of the war in Ukraine. Its swift and just conclusion would send a strong positive signal to energy markets and for economic development in the European Union, which continues to struggle with high input prices compared to competition from the USA and Asia.

SALES TO B2C CUSTOMERS

Last year, the stabilization of the energy market continued, regarding the price development for unregulated customers and also the continuation of price capping on various scales for regulated segments of customers. However, 2024 brought numerous legislative changes concerning regulated segments such as households, as well as businesses and organizations, which we had to implement. Customers continue to perceive uncertainty and concerns about further price developments, which has manifested in both increased demands for communication with them and an intense search for options to achieve savings and improve energy efficiency.

Our strategy was focused primarily on stabilizing the existing portfolio, continuing the implementation of retention tools and activities to improve customer experience, and thus their satisfaction and loyalty. We recorded improvements in all internal and external customer satisfaction surveys. In the external customer experience survey we became a leader in the energy sector.

In the B2C segment, we focused on consulting concerning the use of energy, as well as consulting and offering solutions for energy efficiency, primarily aimed at renewable sources. For households, we increasingly provided services that allow them to obtain non-repayable contributions from the state, such as Green Households, Green Solidarity, Renovate Home, and Renovate Home Mini. In a targeted manner, we focused on professional consulting and service for corporate clients, and in this way, we helped customers cope with the still high energy prices.

For both customer care and sales activities, we utilized the full range of internal and external channels, where we focused significantly on the quality of service delivery and communication with customers. To improve customer service, a unified calling system was installed in all customer centers in 2024, which, among other benefits, provided customers with the ability to make online reservations for a specific time and particular customer center. In our effort to continuously improve customer services, our frontline employees underwent several communication trainings over the past year, which contributed to a positive perception from customers. In line with the digital strategy, we also significantly expanded the options for using digital channels, including initial processes with the possibility of online on boarding and handling customer requests completely paperless.

PRICING AND PLANNING

A significant part of our activities last year was allocated to the project of building a new information system for calculating prices for the supply of electricity and gas and managing price offers. The first phase of the project for the B2B segment reached a high degree of development, while we also started work for the B2C segment.

The compensation mechanism for vulnerable customers continued, which allowed households and selected vulnerable customers to have stabilized energy prices through state support. Unfortunately, the state has so far been unable to implement targeted support for customers who really need it. Energy subsidies were still distributed broadly, which subsequently leads to inefficient subsidies and simultaneously does not allow implementing measure in the field of energy efficiency due to low prices and long return on investment. We positively evaluate that during the year a correct settlement of compensation for 2023 took place, taking into account actual meter readings.

The favourable development of spot prices has increased the interest of consumers in price products linked to spot prices. More than half of corporate consumers have chosen a product linked partially or entirely to spot prices. For this reason too, we have prepared a new product for corporate consumer called StepOn Variant, which allows purchasing part of the volume on the spot market while providing flexibility in deciding on the share of the fixed price. We also continued to build data analytics in the Power BI environment, which makes our work more efficient.

High energy market expectations were regarding the launch of the energy data center and the use of aggregated flexibility and sharing. The number of active customers sharing electricity or providing flexibility falls short of expectations. In our balancing group, the number of consumption points did not exceed one hundred. However, we expect growth in 2025 thanks to better awareness and simplification of processes by OKTE. In this area, proper rule setting is needed concerning the fair distribution of costs and benefits among all parties involved. The implementation of the data center required adjustments to information systems for accurate billing of customers. Due to changing rules and personnel capacity limitations, the data processing was carried out in manual mode, while the system implementation will only be completed in 2025.

In the field of electronic data exchange, we have successfully implemented changes that occurred during the year. A major challenge remains the OKTE Billing Data project, which aims, in accordance with current legislation, to centralize billing data from distribution company operators at OKTE as a central data provider. The originally planned deployment date from OKTE has been postponed, allowing for better preparation of the IT systems of all involved parties.

CUSTOMER CARE

We continued to focus on improving the quality of customer service. It was crucial for us to continue implementing automated processes that allowed us to solve customer requests faster and more efficiently in the previous year. Robotisation has helped us for a long time to reduce customer waiting times on the line, streamline agents' work, and enhance the overall customer experience. We also continued to simplify administrative processes for our customers. The online system for contract concluding related to customer changing, new connections, and reconnections in the residential segment processed 20% of the requests from the total number of contract forms received in 2024. We maintained the availability of our customer lines at over 95% throughout the year, which customers perceived as a great extra-standard.

The Customer eZone SSE, through which we process structured requests, has proven to be a more efficient tool for inquiry solving compared to traditional email requests from our customers.

Thanks to customer feedback, we can precisely identify our strengths and areas where we have room for improvement. It is important for us that customers not only have their requests resolved, but also feel heard and have the space to express their opinions and satisfaction with our services. In 2024, we received over 19,000 customer evaluations. Our services, the behaviour of our agents, and whether customers would recommend our products and services to their friends and acquaintances were evaluated.

In the previous year, satisfaction with the approach of our employees was increased by one percent, reaching 97%, while the average customer satisfaction in this area is around 85%, which we consider an excellent result. We also achieved a one percent improvement in satisfaction with the information and services provided, allowing us to raise the overall rating to 96%. These results have confirmed our decision to continue innovating, which will help us streamline our work. We also plan to introduce innovations that will provide our customers with even faster and higher quality services.

MARKETING

In collaboration with the creative agency MUW Saatchi & Saatchi, we brought a new creative concept for marketing communication. Our common goal was to embody the company Stredoslovenská energetika itself - primarily its experiences, expertise, innovations, as well as the dedication of its employees, and to fulfil the commitment to be more than just a supplier of electricity and gas for our customers. Many of our customers often need help and advice, and for that reason, EnergiQa - a digital guide to the world of energy - has become the central figure and face of our new creative concept. The IQ in her name says that she knows the solutions and answers to all customer questions. In the new online spots we launched in June, we introduced to public a digital guide to the world of energy, who is capable of helping and advising at any time. All our new product online spots are also published directly on the SSE YouTube channel. EnergiQa presents our products and services in a nice and humorous way, and we have gradually integrated her into all our marketing materials.

In our daily communication with customers, we often realize how important it is for them to have their requests resolved quickly and easily. Therefore, we have identified the processes and services that meet the needs of our customers in the household and business segments. We have prepared a series of short advisory YouTube videos for them that answer their most frequently asked customer questions.

On the YouTube channel of Stredoslovenská energetika, we have started publishing new short videos with simple and clear video tutorials and procedures for our customers. These will help them, for example, with registration and activation of their account in the SSE

eZone, as well as advise them on what to watch out for during activation and introduce the main benefits of the customer zone. In the videos, they will also find answers on how to make the most of photovoltaic or how to easily set up a Virtual Battery from SSE. We plan to expand our offering of consulting YouTube videos into next year. We are preparing video tutorials that will help customers replace a circuit breaker, understand their electricity meter, provide advice on how to resolve its malfunction, or change between single-rate and dual-rate electricity tariffs.

Advisory topics related to energy savings and practical tips on how to manage them effectively are also communicated through the social network Facebook, and we are continually working on our communication on the professional social network LinkedIn, where we focus mainly on issues related to our company and CSR activities of SSE. Nearly 180,000 customers used the SSE customer eZone last year. We are constantly striving to make it as comfortable as possible for them, thus why we have also launched the option to book an exact appointment for their visit to one of our customer centers directly through the SSE eZone, and we are gradually working on implementing more interesting and useful functions.

We are aware of the significant educational dimension that our competition with Štúkes brings to kindergartens and elementary schools. More than 600 schools have already participated in it, and we have provided them with financial support worth more than €60,000. In the future, we will also introduce the children to Štúkes's friend Štúkalka, who will be a welcome addition to the next edition of the competition.

FINANCE AND SERVICES

In the field of financial management, the year 2024 brought several changes to tax and energy legislation. Adaptation to these changes required numerous adjustments in IT systems, internal processes, and the company's products. The company continued to provide financial management services to several companies within the SSE Holding group - cash management and payment transactions, bookkeeping and tax administration, transport technology administration, registry and asset management, as well as controlling.

SSE is engaged in a group cash pool for effective sharing of group resources. Throughout the year, it had sufficient own resources thanks to excellent results and activities in cash management, such as increasing backup level or implementing a more efficient payment gateway, which allowed us to speed up transactions.

Throughout the year, work was underway on the electromobility project, which will allow us to significantly deploy battery vehicles in 2025 and 2026, thereby gradually reducing our carbon footprint. We also made progress in gradually increasing the share of customers with electronic invoices, which brings long-term environmental benefits and reduces the costs associated with printing and distributing paper documents.

In 2024, the company continued to fulfil its goals in the field of digitalization. We focus on the digitalization of internal processes as well as customer interactions. We have expanded communication options with customers through

eZone and implemented new contracting processes via electronic signature. A robotic platform, which performs tasks in supplier change processes and in processing bank statements, has been more significantly integrated into internal processes. The company also continued the modernization of information systems for customer service, sales, and predictive systems.

A new system and models for assessing business risks have been implemented in the area of risk management. Price risk is the most significant risk that SSE is exposed to. It can cause loss due to changes in market prices of commodities (electricity, natural gas), if there is an open position (surplus or deficit) of the commodity for the given period. The goal of price risk management is to prevent SSE from incurring a greater loss than permitted under approved limits. Price risk is managed using financial indicators: VaR (Value at Risk), Risk capital, and the VaR day's indicator. These indicators are evaluated on a daily basis for individual portfolios.

STRATEGY AND BUSINESS DEVELOPMENT

The entire year was marked by further stabilization of the long-term commodity market, but it also brought new challenges related to significant fluctuations in electricity prices during the day, including more frequent occurrences of negative prices. This trend reflects the growing share of renewable energy sources and the need for more efficient management of the flexibility of production and consumption. SSE continues to maintain its position as a reliable and stable partner for its customers and focuses on providing high-quality services and expert consulting.

Market dynamics and the increasing emphasis on sustainability are driving demand for non-commodity solutions and smart energy services, which will persist. Accordingly, in SSE, we are adjusting our portfolio to include also solutions from the field of modern energy that are suitably aligned with current market needs. These services reflect the changing role of customers, who are transforming from traditional consumers into active market participants (prosumers). In the context of fluctuating electricity prices and negative prices, consumption optimization and flexibility are becoming increasingly more important. Our ambition is to continue strengthening SSE's position as one of the leaders in the emerging energy services market.

A part of the transformation of the energy sector in Slovakia in 2024 is also the rapid development of energy storage technologies, particularly battery storage. These innovations play a key role in stabilizing the grid and enable more efficient use of excess electricity generated not only from renewable

sources. SSE actively monitors developments in this field and seeks further opportunities to integrate these technologies into its service portfolio to increase energy efficiency and ensure more stable supplies for its customers.

In SSE, we continue to remain a responsible and reliable partner, ready to face challenges and provide our customers with solutions that enable them to use energy more efficiently and sustainably in an ever-changing and uncertain macroeconomic environment.

INTEGRATED MANAGEMENT SYSTEM

In accordance with the main objectives of the company - to achieve and maintain a high quality of services provided and to ensure a stable position in the energy market, we continue to focus on quality, environmental, safety, and occupational health and safety management. Our aim is to positively impact the environment and to eliminate safety risks arising from work and working environment.

A certified company is a safe choice in the eyes of the customers because they know that quality standards are adhered to, without which the company would not have received the certification.

For the continuous improvement of our company's activities, we have implemented and certified an integrated management system for the following three areas:

- Quality management system in accordance with the requirements of the ISO 9001:2015 standard,
- Environmental management system in accordance with the requirements of the ISO 14001:2015 standard,
- Occupational health and safety management system in accordance with the requirements of the ISO 45001:2018 standard.

In 2024, we successfully completed either a supervisory or certification audit for all three areas mentioned above. The scope of the audited activities for electricity and gas supply was successfully expanded in 2021 to include the provision of non-commodity solutions that contribute to reducing electricity consumption and utilizing it more efficiently. The audit reports for 2024 state that no discrepancies were found and the auditors appreciated the strengths of the system.

ESG AND SUSTAINABILITY IN SSE

At SSE, we recognize the importance of transparency and responsibility in the environmental, social, and governance (ESG) aspects of our business. In line with the increasing demands for non-financial reporting, we monitor current trends and legislative changes, proceeding in accordance with the CSRD (Corporate Sustainability Reporting Directive), which fundamentally changes the approach to ESG reporting across the EU.

Our ambition is to fully adapt to new requirements and ensure comprehensive, accurate, and reliable reporting of ESG data. In this context, we are implementing gradual steps that will culminate in 2026 with the release of our first Sustainability Report, in accordance with the applicable standards and methodology of ESRS (European Sustainability Reporting Standards).

This process will not only enable us to communicate our sustainability activities more effectively, but also strengthen the trust of our customers, partners, regulatory authorities, and other key stakeholders. SSE is thus responsibly preparing the company for new challenges in the area of ESG and sustainability with the aim of contributing to a low-carbon future and socially responsible business in the long term.

REGULATION – MARKET SITUATION

Market prices of commodities that were included in the calculation of regulated prices for electricity and gas supply for the year 2024 remained at a significantly higher level than they were in the years before the outbreak of the energy crisis.

In order to prevent a sudden rise in prices for selected groups of vulnerable consumers, which were capped in 2023 based on measures adopted by the government of the Slovak Republic, the government decided to continue similar measures for the following year. The prices for electricity supply for households were once again determined based on a government-approved decision in the general economic interest. For other vulnerable consumers, except for so-called small businesses, the Government of the SR has capped the prices for electricity and gas supply for 2024 at the same level as in 2023 through regulations issued within the framework of the so-called crisis regulation. Thus, regarding these vulnerable consumers, suppliers will not apply the prices for electricity and gas supply set by the pricing decisions of the Regulatory Office for Network Industries (ÚRSO) in 2024, but instead, the capped prices will be used. As for other selected groups of consumers not classified as vulnerable, the Government of the SR continued its state aid scheme in the form of subsidies through calls published by the Ministry of Economy of the SR. Similarly, the Government of the SR proceeded to cap other regulated fees (system operation fee, system service fee, electricity/gas distribution fee, etc.) as part of the crisis regulation.

As it is standard practice in the field of energy legislation, the year 2024 was relatively rich in legislative changes too. One of the most significant changes was the change in the regime for concluding contracts with regulated prices for electricity/gas supply, which followed the authority's announced relaxation of the rules for changing suppliers. Another substantial change concerned the content of billing invoices, which, according to the new legislative regulation, must not include advertisements, or any other data aside from the information necessary for preparing the billing for the supply of electricity/gas.

A separate attention is warranted regarding the legislative changes adopted during the year 2024 in the area of quality standards for electricity and gas supply, which had not been amended for a long time. The amendment involved tightening some quality standards as well as the introduction of entirely new ones. At the same time, there was an increase in the required level of compliance with quality standards, as well as the abolition of the maximum amount of compensation payments made for non-compliance with quality standards by the supplier. The impacts of these changes on the company SSE will only be assessable after the evaluation of the quality standards for the year 2025, as the amendments to the relevant regulations come into effect on January 1, 2025.

Throughout the year, SSE has been actively involved in price regulation, which is the most significant aspect for it in terms of financial impacts. Therefore, from the very beginning, it repeatedly communicated to the Ministry of Economy of SR the need for expedited action regarding the supply of electricity for households for 2025, so that it could adjust its purchasing strategy to the adopted measures and minimize potential financial risks. It also alerted the Ministry of Economy of SR to the risks associated with the upcoming legislative change in the method of price regulation for the supply of electricity and gas by the Regulatory Office for Network Industries (especially in relation to the adjustment of the so-called reference price, which was included in the calculation of the price for electricity supply for households for 2025).

This year also brought an important amendment to Act No. 414/2012 Coll. on trading in emission quotas, known as EU ETS2. According to this amendment, SSE as a gas supplier to end consumers has become a regulated entity, and is required to apply for a greenhouse gas emission permit by the end of 2024. In the coming years, SSE will therefore face new activities in this regard in the form of fulfilling reporting obligations for this area.

NON COMMODITY PRODUCTS

In 2024, three main trends dominated from the perspective of the EU:

- expanding the capacity of photovoltaic and wind power plants due to the decreasing costs of these technologies,
- the boom of battery energy storage systems (BESS), which address the key issue of renewable energy sources (RES) and their unpredictable output,
- geopolitical dynamics - uncertainty regarding energy supplies and pressure for the decentralization of energy systems.

The year was crucial also for preparing new products in response to trends and challenges in the EU. Throughout the year, we were preparing a contractual collaboration with our partner for the supply and installation of battery systems linked to flexibility services in the B2B/B2C and Household segments. Another challenge was the preparation of a product related to supporting the installation of RES within the national project **'Green for Enterprises'**, which should be funded from a non-repayable financial contribution from the resources of the Slovakia Program.

The new product is also **DOMOV+ from SSE** - property insurance. SSE, as a subordinate financial agent, offers an insurance service focused on family houses and apartments. Since we deal with products directly related to energy, our requirement is that the customer has insurance coverage for their supply point (house/apartment), not only for natural disasters but also for technical and technological equipment in the property/home, i.e., insurance

coverage for photovoltaic systems, boilers, air conditioning, or heat pumps. We have launched the pilot sale of the product at the end of 2024.

In addition to the development of new products, we have also prioritized existing non-commodity products that showed increased demand in the previous year. This was primarily related to photovoltaic systems in the B2B/B2C/Home segment and the related product "Virtual Battery" or the offers of "Green Energy from SSE." Additionally, there are additional programs from the Recovery and Resilience Plan of the Slovak Republic, specifically programs supporting the reduction of energy intensity in older family homes, partial energy self-sufficiency, and the reduction of CO2 emissions to improve the quality of the environment.

As part of the national project **"Green for Households II and Green Solidarity,"** installations of devices for using renewable energy sources in households are supported in all regions of Slovakia between 2023 and 2029. We have participated in the call for low-income households **"Green Solidarity"**, where the voucher from the program can cover up to 90% of eligible expenses. A total of €28.4 million from European and national sources has been allocated for these calls.

Based on surveys and feedback from the market, we have launched an option for customers to finance through an external partner. The market situation is more complicated compared to previous years, and the number of contracts sold reflects the state in the electricity supply segment, which is

provided to households at a discounted, non-market price.

In 2024, we also carried out the installation of photovoltaic for family houses with the contribution "Green for Households" with a total of 460 installations and a cumulative installed capacity of 2.9 MW. The total number of photovoltaic installations for family houses from 2017 to 2024 was 1,450 with a total installed capacity of 7.2 MW.

With the installation of photovoltaic systems for households, interest in the **'Virtual Battery'** product is significantly increasing, which balances the production from renewable energy sources against household electricity consumption. By the end of the year, we are recording over 8,000 contracts.

Another project to support the reduction of energy intensity in the Household segment is the product **"RENEW HOUSE WITH SSE"**. At SSE, we provide a comprehensive service from the preparation of an energy certificate or project energy evaluation, through energy studies, administration related to the submission of grant applications, as well as applications for the disbursement of grants, all through our contractual partner. In 2024, we exceeded our sales plan by more than 130%. We also focused on launching the **"RENEW HOUSE MINI"** initiative, which targets low-income households at risk of energy poverty. Through this initiative, they have the opportunity to receive €10,000 in designated regions of Slovakia.

The priority for the B2C segment was the product **"Photovoltaic for companies from SSE"**. The decrease in panel prices in the EU market leads to greater competition among suppliers of these solutions. The product "Green for Enterprises" is a service related to the installation of photovoltaic systems for small, medium, and large enterprises. We have streamlined the process with so-called package solutions for small sources with a capacity of 10/15 kWp. Despite the drop in equipment prices, customers are not as interested in implementing photovoltaic systems as in previous years and are

in a "waiting" position for the announcement of calls and support from the Recovery and Resilience Plan of the Slovak Republic. Another limitation in the installation of photovoltaic systems is often the insufficient capacity for connecting production sources into the distribution networks. It frequently happens that distribution companies do not allow flows into the grid, which affects the further options for utilizing these services for the client.

In the period from 2021 to 2024, we installed 224 local photovoltaic sources for corporate customers with a total installed capacity of more than 11 MW. During the production of electricity from the implemented photovoltaic for companies and family houses in 2023, with a total capacity of 13.3 MW and an estimated amount of produced electricity of 14 MWh, an annual CO2 savings of a total of 16.38 t was achieved.

Changes also occurred in other non-commodity products and services, such as the assistance service **"SSE OPRAVÁR"**. During the year, we changed the service provider in order to expand further new products. We prepared a process for re-contracting existing customers and adjusting the contractual documents for both new and existing customers.

Another product that is in high demand is **"Green Energy from SSE"**, for which we guarantee households 100% coverage of their entire electricity consumption from renewable energy sources.

In addition to the aforementioned non-commodity products, there are others in our portfolio that plays a significant role:

- E-mobility / charging stations - in 2024 we launched the selection of a new supplier
- Gas condensing boilers (GCB) - last year we raised customer awareness for their sale through SSE
- Public lighting - we provide service and maintenance in municipalities that are leased by SSE
- Industrial lighting
- Compensations

In 2024, we installed the first battery storage with a capacity of 200 kW and 200 kWh as an uncertified support service, which is mainly used to support system deviation.

From the perspective of the development of new products, we realize that the trend of photovoltaic devices and their installation will gradually decline, and it is necessary to consider other energy-efficient solutions. There are also new trends in the field of heating and cooling, innovations in building technical security, and energy management.

In the future, the important attribute of the success of non-commodity products will be data sources, their quality, and the ability to work with them. Intelligent energy systems will play a significant role with access to a more efficient and environmentally friendly energy mix not only in electricity but also in gas, heating, and so on. With quality data, we can build additional products and services, with which SSE will continue to be a leader in the non-commodity products market.



INTERNAL AUDIT

Internal audit helps the company's management maintain effective management and control systems by assessing their functionality, efficiency, and providing recommendations for their improvement. It provides independent information on the management of significant risks and offers advice on preventive measures in risk management.

Internal audit operates based on an approved annual audit plan that reflects the results of risk assessments and suggestions from top management. In 2024, internal audits were focused on assessing market, credit, and operational risks related to the company's business activities. Internal auditors also examined the level of measures to reduce the risk of sensitive data leakage from the company. They evaluated compliance with legislative requirements and examined the functionality of the internal management and control system in relation to dynamic changes in the market environment and the subsequent changes in processes. In all audits conducted, auditors also assessed the risk of fraud.

The output of the conducted audits consists of written reports that document all findings and related risks. The reports also include recommendations from the internal audit to minimize the identified risks and the corrective measures taken by the responsible employees. The top management of the company is informed about the results of the individual audits.

The constant activity of the Internal Audit is to oversee the implementation of measures taken to eliminate identified risks, which it evaluates on a semi-annual basis, as well as providing advice and serving as an independent expert guarantor in the process of ensuring the company's compliance with the requirements of the Cybersecurity law.

PROJECTS

The year 2024 was also a year of full innovations and changes for the company Stredoslovenská energetika, carried out through projects.

The strategic project initiative focused on the generational exchange of obsolete SAP IS-U and CRM systems continued, represented by the SOZ 2.0 project. Its main goal is to unify processes for electricity and gas into one modern solution and to prepare for the transition to the SAP S/4HANA platform. Throughout the year, extensive implementation activities, repeated migration runs, and intensive testing took place, which were extremely challenging for the organization in terms of coordination and workload. The project will continue into the next year with the aim of ensuring a stable operating environment for SSE customer services.

We have also made progress in the project Trading and Prediction System for trading energy commodities in SSE. Its main goal is to replace technologically and functionally outdated trading systems. The ETRM (Energy Trading and Risk Management) trading system went live on July 1, 2024. The launch of the FMS (Forecast Management System) predictive system is planned for the summer of 2025.

The PricingTool project brings a replacement for the morally outdated system for pricing and offer management. Its aim is the creation, implementation, and operational launch of the Xenergie PricingTool system. SSE expects this project to reduce operational risk due to inaccurate price calculations and increase the efficiency of corporate processes supported by the new information system



SOCIAL RESPONSIBILITY

Social responsibility at SSE means that we take responsibility for our impact on society, the environment, and the economy and we do not think only about our profit. This approach involves integrating ethical, environmental, and social aspects into our business. Our goal is to contribute to sustainable development and improve the quality of life in the society in which we operate.

Support for health and family life has a firmly reserved place with us and is one of the fundamental social values of the company. For five years, we have been one of the top partners of the civic association Svetielko nádeje (Beacon of Hope), which provides help and support to child patients and their families in dealing with serious illnesses, especially cancer. This is done either directly at the Clinic of Paediatric Oncology and Haematology in Banská Bystrica or even beyond the hospital gates throughout central Slovakia.

Thanks to the regular financial contribution from SSE, last year Svetielko nádeje was able to provide first contact packages for patients as well as psychological help and support. We also supported the services of the children's hospice and the transportation service, which not only reduces the costs for families of sick children but also helps protect the weakened immune system of the paediatric patient.

In addition to financial support, our support also takes the form of blood donation. In 2024, we donated more than 20 liters of this most precious liquid during two mass donation events. Dozens of employees regularly participate in the events, appreciating that we allow them to donate blood directly at the workplaces during working hours, and they do not have to plan it individually.

Among the events aimed at the general public, it is definitely worth mentioning the assistance in organizing the largest Slovak family festival "Za siedmimi horami" (Beyond the Seven Mountains). This interactive and vibrant summer event is filled with puppet theatre performances, creative

workshops, and physical activities for families with children. Its goal is not only to entertain children but also to educate them: to discover the magic of theatre, to learn to distinguish between good and evil through fairy tales, as well as to understand the value of money, sort waste, and protect the environment and their own health. SSE has been financially supporting it as the main partner for the third year.

The environmental protection projects that we support are characterized not only by financial assistance but also by volunteer work. For 15 years, we have been collaborating with the Rescue Station in Zázrivá, which cares for injured, weak, or otherwise incapacitated wildlife from all over Slovakia. We regularly go to Zázrivá for spring and autumn work camps, and in addition to a symbolic check, we also donate the work of our muscles.

The annual Christmas markets not only pleased us but also the children in the crisis center Náruč (Embrace), which is our long-term partner. Our joint contribution from the last year was more than €7,500. This time, the proceeds will cover the costs associated with the reconstruction of the center.

If a company acts and operates responsibly, in practice it means that it behaves responsibly and respectfully towards its entire environment: towards employees, business partners, the region in which it operates, and the environment. And this is what we at SSE strive for, so that the name SSE is associated not only with the reliable supply of electricity and gas but also with the spreading of positive energy.

EMPLOYEES

As of December 31, 2024, the company Stredoslovenská energetika employed 372 employees (excluding members of the Board of Directors and Supervisory Board and employees working on agreements). Of the total number of employees, 74% were women and 26% were men, with the largest portion of our employees being from the Sales and Services division at 59%. In the Finance and Services division, we employ 24% of the staff, in the Strategy and Business Development division 9% of the employees, and in the General Director's Departments, we employ 8% of the staff. The average age of our employees is 43.77 years, and the average number of years worked per employee is 11.98 years. Of the total number of employees, 67% have completed university education.

During the year 2024, Stredoslovenská energetika hired as many as 33 new employees from external sources into permanent positions, of which one was a school graduate who worked with us as a part-time employee during his studies. The new employees were primarily hired for customer service and financial areas. Voluntary turnover in 2024 was at a level of 3.0%.

Even this year, we emphasized the stability of employees in our teams, their development, and the effective utilization of their potential. As an employer, we offer them support in both professional and personal development, opportunities for career growth, transparent working conditions, and a stable and modern work environment. We continually strengthen a company culture based on trust and responsibility. Since last year, we have successfully implemented a hybrid working model in the company, which combines work performed at the employer's workplace with home-based work. In 2024, we continued with the MENTAL WELL-BEING PROGRAM to support the mental health of our employees and their family members, which focuses on short-term psychological counselling for their personal or work life.

We continued to support the continuous education of employees, where they develop existing and acquire new skills to respond to the dynamic demands of the market. We invested 155 thousand EUR in educational and development programs. In that year, up to 343 employees attended numerous professional training sessions and language courses in addition to mandatory legislative training, as well as training and workshops focused on improving IT skills, effective communication, teamwork, effective team leadership, and motivation. Internal educational activities were still primarily focused on the development of new products and services offered to customers. We also provide internal education for our employees in the field of cybersecurity and GDPR.

SSE is an attractive employer also in terms of supporting the balance between work and private life of its employees. In addition to new work arrangements, our social policy includes a wide range of activities and benefits provided to employees in the form of monetary and non-monetary benefits. This includes a 7.5-hour work shift and an extended vacation entitlement of 5 days beyond the Labour Code. We also support flexibility in the workplace and shortened work hours.

Among the numerous benefits provided are, for example, contributions for supplementary pension savings, contributions for preschool facilities for employees' children, and contributions for blood donation. We organize various sports and cultural events for employees and their family members. Health Days are organized at the workplace several times a year, during which employees can undergo various health examinations. We continue to actively support women on maternity and parental leave and assist them in reintegrating into their work duties.

Our employees have the opportunity to take advantage of better conditions or discounts with various retailers and service providers.

FUTURE

of energy supply is no longer just a question of physical infrastructure, but increasingly of cybersecurity as well. With the growing digitization and integration of smart systems, data protection and the security of digital processes are becoming key aspects of the reliable functioning of energy services. Therefore, at SSE, we emphasize strengthening cybersecurity and implementing modern technological solutions that ensure safe and efficient operations in an ever-changing environment.

In the future, we expect the growing importance of digitalization and artificial intelligence (AI) not only in the energy sector. SSE is actively working on transforming the digital skills of its employees, implementing automated solutions to improve efficiency, optimize customer consumption, and predict market developments. Digital tools allow for increasingly precise management of flexibility, better data analysis, and process automation, thereby enhancing the quality of our services and our ability to respond to dynamically changing conditions.

We expect further growth in the number of customers who generate part of their electricity themselves and actively manage a run of their consumption, with decentralization of energy production and consumption as a dominant trend in the energy market in the long term. In order to meet these customer needs, SSE is actively strengthening its own capacities or seeking strategic partnerships in the field of energy services.

At the same time, we are aware of the growing importance of social responsibility. We approach it pragmatically, with an emphasis on real and achievable results. Our approach to sustainability is based on practices that aim to reduce the carbon footprint and increase energy efficiency. We support the development of renewable resources and future technologies where it makes sense, we implement solutions to optimize consumption and flexibility, and we seek ways and advice customers on how to connect innovations with practical impacts on everyday life.

In addition to environmental measures, we perceive social responsibility also in a broader context – as a commitment to long-term sustainability and transparency. Therefore, we actively communicate with partners, customers, and regulators so that our current and future initiatives are not just formalities, but bring about real improvements. Our goal is not only to keep up with trends but to genuinely contribute to shaping the energy of the future, making it safe, reliable, and truly sustainable.

REPORT ON MANAGEMENT AND ACTIVITIES OF SSE IN 2024

Individual Income Statements of SSE, a. s.		(in thousands EUR)
Description	2024	2023
Sales	991 026	1 824 903
Purchase of electricity, gas, distribution and related charges	-929 041	-1 767 618
Staff costs	-17 366	-16 886
Material consumption and sub-deliveries	-343	-335
Other operating income	60 716	105 916
Other operating costs	-60 430	-113 478
EBITDA	44 904	32 501
Depreciations and provisions of assets	-3 498	-3 575
Operating profit	41 406	28 926
Interest income	2 119	1 513
Interest expense	-570	-2 084
Dividend income	0	0
Other financial income	-197	-226
Financial income, net	1 353	-797
Profit before tax	42 759	28 129
Income tax	-8 401	-6 521
Profit for the accounting period	34 358	21 608

SSE's individual financial statements for 2024 have been prepared in accordance with the Slovak Financial Accounting Standards under No. MF/18009/2014.

For the year 2024, the achieved operating economic results expressed by the EBITDA indicator represented a value of EUR 44.9 million, which is an increase of EUR 12.4 million compared to 2023 (mainly thanks to the growth of the gross margin by EUR 6.7 million, lower creation and dissolution of provisions by 3,2 million EUR).

The main subject of the company's activity is the supply of electricity and gas, mainly in the central Slovakia region. Revenues from the sale of electricity and gas accounted for the largest share of total sales. Another part of the revenue came from services for subsidiary companies based on SLA contracts and also from revenues from energy efficiency projects.

Similarly, the most significant portion of total costs was made up of the costs of purchasing electricity and gas.

Profit after taxation in amount of EUR 34,4 million is higher by EUR 12,8 million in comparison with 2023, mainly thanks to the above mentioned effects (higher gross margin).

More detailed financial information is provided in the Independent Auditor's Report on the Financial Statements as at December 31, 2024.

REPORT ON THE ACTIVITIES OF THE SUPERVISORY BOARD OF STREDOSLOVENSKÁ ENERETIKA, A. S., FOR THE YEAR 2024

DURING 2024, THE SUPERVISORY BOARD WAS COMPOSED AS FOLLOWS:

JUDr. Jozef Pajer	Chairman	up to 31.08.2024
Ing. Rudolf Urbanovič	Chairman	from 01.09.2024
Ing. Jozef Antošík	Vice-President	
Bc. Ing. Slavomír Božoň	Member	up to 31.08.2024
Ing. Tomáš Husár	Member	up to 31.08.2024
Mgr. Miroslav Procháska	Member	up to 31.08.2024
Ing. Marián Smorada, PhD.	Member	up to 31.08.2024
Bc. Jána Baka	Member	from 01.09.2024
Mgr. Štefan Balošák	Member	from 01.09.2024
Ing. Andrej Stašiniak	Member	from 01.09.2024
PaedDr. Tomáš Zanolit	Member	from 01.09.2024
Peter Sňahničan	Member elected by the staff	
Mgr. Elena Martoníková	Member elected by the staff	
Mgr. Juraj Kadaši	Member elected by the staff	

The Supervisory Board met five times in 2023 with a quorum at each meeting.

In the exercise of its powers under the Company Articles of Association and the Commercial Code, the Supervisory Board:

(a) elected:

- Chairman of the Supervisory Board;

(b) approved:

- proposals for variable remuneration of the members of the Board of Directors for individual periods;
- Report on Activities of the Supervisory Board in 2023;
- Opinion of the Supervisory Board on the Ordinary Separate Financial Statements prepared as at 31 December 2023 in accordance with Slovak Accounting Standards and on the proposal for settlement of the 2023 loss;
- minutes of the individual meetings of the Supervisory Boards;

(c) noted:

- the Company's draft individual annual plan and business plan for 2024;
- Separate Financial Statements in accordance with Slovak Accounting Standards (hereinafter referred to as "SAS") as at 31.12.2023;
- quarterly management accounts comprising the profit and loss account, balance sheet and cash flow statement for the relevant periods;
- written reports to the Supervisory Board on all transactions of SSE Holding Group Companies with Related Parties for the relevant periods;
- a statement by the Board of Directors to the members of the Supervisory Board pursuant to Article XII(22)(a)(ii) of the Articles of Association on financial transactions entered into by the Company with Related Parties where the value

of any such transaction individually or a series of related transactions together exceeds the amount of one hundred thousand Euros (EUR 100,000), and transactions of the Company entered into on other than Ordinary Business Terms and Conditions;

- information on the fundamental intentions of the business management of SSE, a. s., as well as information on the expected development of the Company's assets, finances and revenues within the meaning of Section 193 of the Commercial Code for the period of 2024;
- general information related to the price regulation of electricity supply for households.

The Supervisory Board did not request the Board of Directors of the Company to convene an Extraordinary General Meeting during 2024.


There was no increase or decrease in the Company's share capital during 2024.

CONCLUSION:

Throughout the period, the Supervisory Board duly fulfilled its supervisory function in accordance with the Company's Articles of Association and Section 197 et seq. of the Commercial Code. The Supervisory Board did not observe any violation of the Articles of Association and applicable laws by the Board of Directors in the performance of the Company's business activities. This report was approved at the meeting of the Supervisory Board of SSE, a. s. held on 14 May 2025.

Žilina, May 14, 2025.

Ing. Rudolf Urbanovič
Chairman of the Supervisory Board
Stredoslovenská energetika, a.s.



PROPOSAL OF THE BOARD OF DIRECTORS OF STREDOSLOVENSKÁ ENERGETIKA, A. S. FOR THE DISTRIBUTION OF PROFIT FOR THE YEAR 2024

Profit (loss) for 2024	EUR 34 357 655,00
Allocation to the statutory reserve fund	EUR 0,00
Contribution to the social fund	EUR 30 000,00
Remuneration for members of the Board of Directors and the Supervisory Board	EUR 0,00
Use of profits to offset prior period losses	EUR 0,00
Total profit or loss retained in equity as result of previous years	EUR 0,00
Share of profit or loss proposed for distribution	EUR 34 327 655,00
Share of retained profit of prior periods proposed for distribution	EUR 0,00
Proposed dividend payment to shareholders	EUR 34 327 655,00

EVENTS OF SPECIAL SIGNIFICANCE OCCURRING AFTER THE END OF THE ACCOUNTING PERIOD FOR WHICH THE ANNUAL REPORT IS DRAWN UP

No events of particulars importance occurred after the end of the accounting period.

COSTS OF RESEARCH AND DEVELOPMENT ACTIVITIES

SSE had no expenditure on R&D activity in 2024.

ACQUISITION OF TREASURY SHARES, TEMPORARY WARRANTS, SHARES AND STOCK

The Company did not acquire any treasury shares in 2024.

ORGANISATIONAL UNITS OF ACCOUNTING ENTITY ABROAD

The Company has no organisational units abroad.

OPINION OF THE SUPERVISORY BOARD OF STREDOSLOVENSKÁ ENERGETIKA, A. S. ON THE ANNUAL FINANCIAL STATEMENTS AS AT 31 DECEMBER 2024 AND ON THE PROPOSAL FOR DISTRIBUTION OF PROFIT FOR 2024

The Supervisory Board of Stredoslovenská energetika, a. s., at its meeting on 15 May 2025 reviewed the Company’s Annual Financial Statements as at 31 December 2024, drawn up on 15 January 2025 and the Board of Director’s proposal for the distribution of the Company’s profit for 2024.

Based on the above, the Supervisory Board of Stredoslovenská energetika, a. s. **recommends** to the Ordinary General Meeting of Stredoslovenská energetika, a. s. the following:

- 1. approve the Annual Financial Statements of Stredoslovenská energetika, a. s. as at 31 December 2024;
- 2. approve the proposal for the distribution of Stredoslovenská energetika, a. s. profit for the year 2024 as follows:

Profit (loss) for 2024	EUR 34 357 655,00
Allocation to the statutory reserve fund	EUR 0,00
Contribution to the social fund	EUR 30 000,00
Remuneration for members of the Board of Directors and the Supervisory Board	EUR 0,00
Use of profits to offset prior period losses	EUR 0,00
Total profit or loss retained in equity as result of previous years	EUR 0,00
Share of profit or loss proposed for distribution	EUR 34 327 655,00
Share of retained profit of prior periods proposed for distribution	EUR 0,00
Proposed dividend payment to shareholders	EUR 34 327 655,00

The Supervisory Board of Stredoslovenská energetika, a. s. also recommends the Ordinary General Meeting of Stredoslovenská energetika, a. s. to approve the proposal for the distribution of profit for the year 2024.

Žilina, May 15, 2025

Ing. Rudolf Urbanovič
Chairman of the Supervisory Board
Stredoslovenská energetika, a.s.



**STREDOSLOVENSKÁ
ENERGETIKA**