

Annual Report 2024



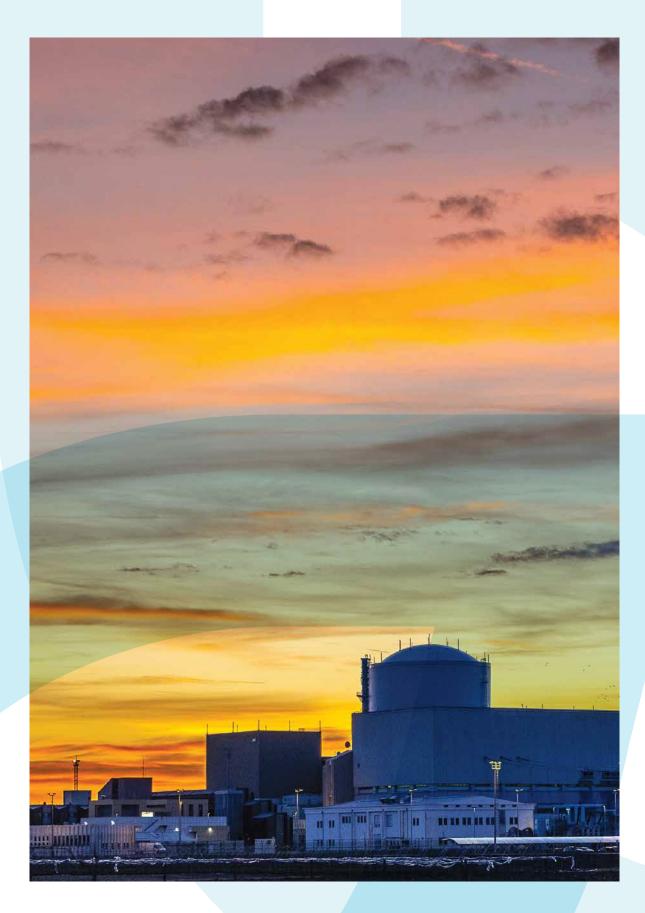
# Table of Contents

ADDRESS BY THE MANAGEMENT BOARD	5	3.4	Compr	rehensive Employee Development	8
SUMMARY REPORT AND CHALLENGES FOR 2025	9			Human Resource Management Policy	8
Challenges for 2025	15			Processes of Cooperation with	•
PRESENTATION OF NEK	19			Employees and Their Representatives	8
About Us	21			Processes for Addressing Deviations and Methods for Employees to Raise	
Mission, Vision, and Values	22			Concerns	8
Management Bodies	24			Employee Structure	8
Company Organization	24			Care for Permanent External	U
Supervisory Board Report	26			Collaborators	8
Statement on Company's Management	28			Collective Bargaining and Social Dialogue	8
Statement about Business Operations	30			Employee Diversity	8
Research and Development of the Company	31		3.4.8 A	Adequate Remuneration for Work	9
Risk Exposure Goals	32 34		3.4.9 S	Social Security	9
				nclusion of Disabled Persons	9:
BUSINESS REPORT	39			Professional Training and Continuous	/ 
1.0 HIGH LEVEL OF NUCLEAR SAFETY	41			Development of Employees	9:
1.1 Process Auditing	43			Occupational Safety and Health	99
1.2 Observations and Coaching	45			Balancing Private and Professional Life Derogations, Complaints, and Human	9
2.0 PLANT PERFORMANCE	47			Rights Impacts	10
2.1 Operation	49			ndicators	10
2.2 Nuclear Fuel and Chemistry of Water Media		3 5			100
2.3 Procurement of Goods and Services	52	0.0		mpact on Suppliers and Quality	100
3.0 SUSTAINABILITY	55			of Supplies	10
3.1 Climate Change	58			Conditions for the Entry of External	. •
3.1.1 Carbon Footprint	58			Contractors into the Power Plant	10
3.1.2 Energy Consumption for Own Needs	65		3.5.3 F	Procurement of Services and Goods	10
3.1.3 Impacts of Climate Change and the	00		3.5.4 Ir	ndicators	10
Operation of NEK 3.1.4 Indicators	68 70	3.6	Comm	unities and Users	104
	70		3.6.1 A	Administrative and Other State	
3.2 Resource Use, Emissions, and Circular	70		A	Authorities	10
Economy	70 71			ocal Communities	10
3.2.1 Respecting Restrictions 3.2.2 Control of Radioactive Emissions	7 I 72		3.6.3 N		10
3.2.3 Conventional Waste Management	72 75			Educational and Research Institutions	
3.2.4 Radioactive Waste Management	78			and Professional and Interest	40
3.2.5 Indicators	82			Associations Consumers and End Users	10
3.3 Water and Biodiversity	82			ndicators	10
3.3.1 Use of Water from the Sava River	82	0.7			
3.3.2 Use of Water from Wells	83	3.7			10 <sup>7</sup>
3.3.3 Use of Water from the Public Water				Corporate Culture Reporting Deviations	110
Supply	85			Preventing Corruption Risks and	1 11
3.3.4 Ensuring the Conservation of Biodiversity	85			Conflicts of Interest	11:
3.3.5 Indicators	85			Comprehensive Risk Management	113
				ndicators	11:

4.0 LONG-TERM OPERATION	117	4.0 FINANCIAL STATEMENTS	152
4.1 Low- and Intermediate-level Radioactive		4.1 Balance Sheet	152
Waste (LILW) and the Decision of the		4.2 Income Statement	154
Intergovernmental Commission	118	4.3 Statement of Other Comprehensive	
4.2 Third Periodic Safety Review Action		Income	155
Plan (PSR3)	119	4.4 Cash Flow Statement	155
4.3 SALTO Mission	119	4.5 Equity Changes Statement	156
5.0 MAJOR MAINTENANCE AND INSPECTION		5.0 GENERAL ACCOUNTING POLICIES	158
OF PRESSURE BOUNDARIES	121	5.1 Legal Basis	158
6.0 TECHNOLOGICAL MODERNISATION	125	5.2 Presentation of Financial Statements	158
6.1 Major Projects Completed During		5.3 Assets and Liabilities in Foreign	450
the 2024 Outage	126	Currency 5.4 Rusiness and Goographical Segments	159 159
6.1.1 Replacing the Component Cooling		<ul><li>5.4 Business and Geographical Segments</li><li>5.5 Revaluation of Assets</li></ul>	159
System Heat Exchangers	126	5.6 Changes to Accounting Policies	159
6.1.2 Modernization and Adaptation of Radioactive Waste Management		5.7 Financial Risk Management	160
Systems – Preparation for Handing Over		6.0 ACCOUNTING GUIDELINES BY INDIVIDUAL	
LILW per the Intergovernmental		ECONOMIC CATEGORIES	162
Agreement (IA)	127	6.1 Balance Sheet	162
6.1.3 Protection Against Single-Phase Failure		6.1.1 Tangible Fixed Assets	162
and Replacement of Secondary		6.1.2 Depreciation	162
Equipment in 110-kV and 400-kV Fields	128	6.1.3 Impairment of Tangible Fixed Assets	164
6.1.4 Replacement of the Ultrasonic Reactor		6.1.4 Long-term Financial Investments	164
Coolant Level Measurement System		6.1.5 Inventories and Costs of Spent Material	164
on Loop 1	129	6.1.6 Operating Receivables	165
6.1.5 Partition Wall and Guides in the Cooling Tower Basin	120	6.1.7 Short-term Financial Investments	165
6.1.6 Ensuring Safe Access and Safe Work at	130	6.1.8 Cash	165
Height	131	6.1.9 Short-term Deferred Expenses and Accrued Revenue	165
6.1.7 Additional Upgrade of the High-Pressure		6.1.10 Capital	166
Turbine and Control Valves	132	6.1.11 Reservations and Long-term Accrued	100
6.2 Projects that Took Place During Plant		Costs and Deferred Revenue	166
Operation – Online:	133	6.1.12 Long-term Financial and Operating	
6.2.1 Relocation and Modernization of the		Liabilities	166
Main and Auxiliary Security Control		6.1.13 Short-term Financial and Operating	
Centers as Part of the Modernization		Liabilities	166
of Technical Security Systems	133	6.1.14 Short-term Accrued Costs and Deferred	167
6.2.2 Comprehensive Lightning Protection	100	Revenue 6.1.15 Conditional Assets and Liabilities	167
Upgrade	133		
7.0 INTERNATIONAL COOPERATION	135	6.2 Income Statement 6.2.1 Revenues	167 167
7.1 Our Cooperation with International	100	6.2.2 Expenses	168
Organizations in 2024 7.2 Membership and Participation	136	6.2.3 Corporate Income Tax	168
in International Organizations	139	6.3 Notes to the Financial Statements	169
8.0 EVENTS AFTER THE END OF THE BUSINESS	100	6.3.1 Notes to the Balance Sheet	169
	4.45	6.3.2 Notes to the Income Statement	181
YEAR	145	6.3.3 Notes to the Cash Flow Statement	186
FINANCIAL REPORT	147	6.3.4 Notes to the Equity Change Statement	187
1.0 INDEPENDENT AUDITOR'S REPORT	148	6.4 Additional Explanations	187
2.0 STATEMENT OF RESPONSIBILITY	1-10	6.4.1 Data on Groups of Persons	187
OF MANAGEMENT BOARD	150	6.4.2 Information on Related Companies	188
	100	6.4.3 Other Disclosures	189
3.0 INTRODUCTORY NOTES ON FINANCIAL STATEMENTS	151	7.0 EVENTS AFTER THE BALANCE SHEET DATE	191
OTAL LIVILIVIO	131	LIST OF ABBREVIATIONS	193

ANNUAL REPORT 2024

ANNUAL REPORT 2024



## Address by the Management Board

### Dear readers,

Here is the annual report on the operation of the Krško Nuclear Power Plant for 2024, the first year in the plant's extended operating life! Based on objective indicators, the past year can be evaluated as extremely successful in terms of both the safety and stability of operation as well as business results.

 $\mathbf{4}$ 

ANNUAL REPORT 2024

ADDRESS BY THE MANAGEMENT BOARD

All safety systems functioned at a high planned level, and minor technical deviations that arose were resolved without impacting the safety and stability of the operation. The operational teams ran the power plant flawlessly, resulting in maximum plant availability and nearly ideal electrical energy production. With a strong safety culture, professionalism, and responsible management of the power plant, we achieved exceptional results and set ambitious goals, all while adhering to business ethics and core values. NEK is a stable and resilient organization, self-critical when necessary, and committed to continuous improvement in line with our vision of "being an example of nuclear safety and excellence at a global level."

Key events from the past year that deserve attention include the regular outage, the international peer review of the plant and its nuclear safety conducted by the World Association of Nuclear Operators (WANO), and the 50th anniversary of the laying of the foundation stone for the plant's construction.

The outage after the 33rd fuel cycle commenced on 1 April and was scheduled to last for 30 days. It was successfully completed with over 30,000 activities, involving around 1,500 external contractors in addition to NEK employees. The process was well-planned and executed with high-quality work, which is essential for safe and stable operation and achieving the set annual goals. We take particular pride in completing all these activities under challenging working conditions, with a minimal delay of 25 hours and without a single work-related injury.

WANO reviews the nuclear safety, safety culture, and operation of all 400 commercial nuclear power plants worldwide over five-year periods. After overseeing the implementation of outages and training of operating personnel for emergency situations, the review concludes with a detailed three-week comparison against the highest standards and practices in the commercial nuclear industry. The final review is thorough; it involves dozens of internationally recognized experts at the plant site. As a result of the review, WANO provides the power plants

with recommendations for improvement and classifies them into four categories based on demanding criteria. Based on the review's results, NEK was ranked among the best in the first group for the third consecutive time. The expert team emphasized that NEK is a professional, motivated, and learning organization, serving as an example for others in the nuclear industry to follow. The management and staff take responsibility and take pride in their work and organization. Despite the positive results, we carefully analyzed the recommendations for improvement, transforming them into actionable plans and allocating the necessary resources. This step is essential for maintaining our leading position; complacency could undo our progress.

On 1 December 2024, exactly 50 years have passed since the foundation stone for the construction of NEK was laid, marking the beginning of the Krško Nuclear Power Plant organization. As early as 1975, the first teams were hired and sent for training, initially to Ljubljana and then to the country of the technology owner, the United States of America. They formed the core that established the corporate and safety culture, which was a key to our industry's success. Today, 50 years later, we have developed a strong organization. We have maintained and upgraded the technological facility effectively and provided it with a vision for the future. We have successfully invested in both technology and people. The Krško organization comprises responsible, dedicated, and competent employees, making our company wellorganized and efficient. We have demonstrated that through cooperation and partnership, along with transparent and open business practices, we can overcome any challenges and achieve respectable results on a global scale.

For the first time, this annual report includes a chapter on non-financial reporting in accordance with the requirements of the Corporate Sustainability Reporting Directive. We have determined how we will independently report on and manage our environmental and social impacts through the comprehensive, single report you are currently reading.



Challenges await us in the coming years. Sufficient capacity for storing low- and intermediate-level radioactive waste at the plant site must be secured by 2028, when the first transfer of waste from NEK is expected to begin. Risks to the safety and stability of NEK operation due to the planning, construction, and operation of JEK2 must be identified and managed. Additionally, there are challenges related to climate change and further restrictions on thermal emissions into the Sava River, along with specific technical issues such as replacing the Clevis bolt insert in the reactor vessel and the unavailability of spare parts. We are aware of potential financial risks, which we experienced in our operation in 2024 and may experience even more in the upcoming years. Our challenges include significant increases in the prices of services and materials, as well as the anticipated rise in nuclear fuel prices after 2028. We are systematically assessing, eliminating, and mitigating all challenges and risks at every level of NEK.

We would also like to emphasize that we have operated successfully for more than 40 years, driven by our future plans. Given the growing trend of prolonging the operation of nuclear power plants beyond 60 years and the encouragement of the owners, in 2024, we began to determine the framework for the necessary activities, timeline, and financial costs to realize such a project.

As a well-maintained and effectively upgraded nuclear power plant with a dedicated and motivated team, NEK is undoubtedly a strong candidate for successfully extending its operating life beyond 60 years.

Gorazd Pfeifer
President of the
Management Board

M.Sc. Saša Medaković Member of the Management Board

apple



## Summary Report and Challenges for 2025

2024 marks 50 years since the foundation stone was laid for the plant and is the first year of its extended operating life. While strictly adhering to all administrative and environmental regulations and the high standards of the nuclear industry, the annual electrical energy production was slightly higher than planned. For NEK, a well-maintained plant that continually enhances nuclear safety, we plan a feasibility study for an additional extension of its operating life beyond 60 years.

In 2024, we started implementing a five-year action plan after completing the third periodic safety review of the NPP. Based on the decision of the Intergovernmental Commission, the transfer of low– and intermediate-level radioactive waste (LILW) to recipients in Slovenia and Croatia will commence in 2028. NEK will take all necessary measures to ensure the storage of LILW in existing facilities by that time.

In January 2024, we hosted the WANO Corporate Peer Review Follow-Up to check the status of two areas for improvement that were highlighted during the last such review in 2021.

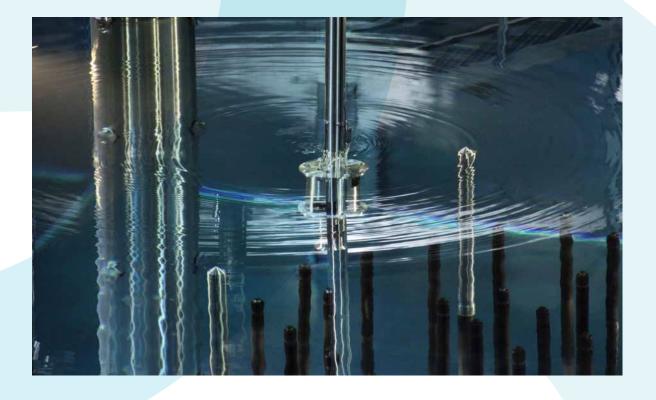
In 2024, NEK produced a total of 5.551 terawatt hours of electrical energy, which is 1.80 percent more than the planned production of 5.453 terawatt hours. The availability factor was 91.52 percent, and the capacity factor was 91.13 percent.



Total: 208.24 TWh

(output since the start of commercial operation) NEK target for 2024: ≥ 5.45 TWh



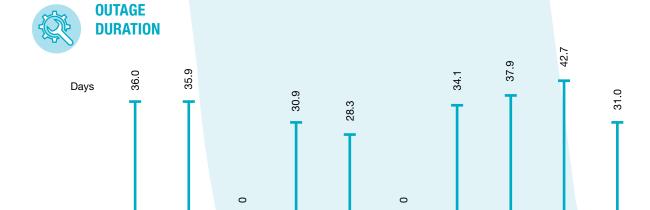


In early October 2024, we successfully defended the national report on fire safety assessment under the EU Nuclear Safety Directive with the Slovenian Nuclear Safety Administration (SNSA) at the ENSREG workshop in Luxembourg.

In October 2024, a WANO Peer Review of the plant's operation occurred. During the three-week review, two practices were identified and highlighted, which WANO will share as examples, and five areas for improvement.

In November, an external certification organization verified and confirmed the compliance of the environmental management system with the ISO 14001:2015 standard and the occupational health and safety system with the ISO 45001:2018 standard.

Emergency preparedness training (courses, drills, and exercises) was carried out in full according to the NPP's annual training plan. Regular annual exercises were held in June and November.



2022

On 1 April 2024, the power plant began an outage, which lasted several hours longer than planned due to additional work and difficulties establishing the turbine's operating parameters during startup. The plant was reconnected to the electrical energy system on 2 May 2024 at 2:55 a.m., thus extending the outage 25 hours longer than originally planned.

2015

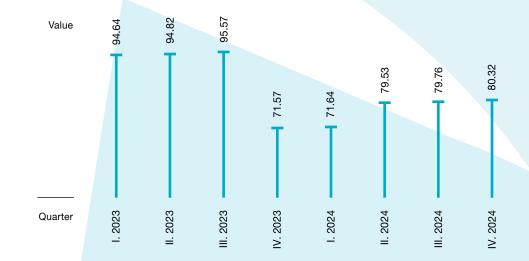
Year



There were no unplanned automatic reactor shutdowns in 2024.



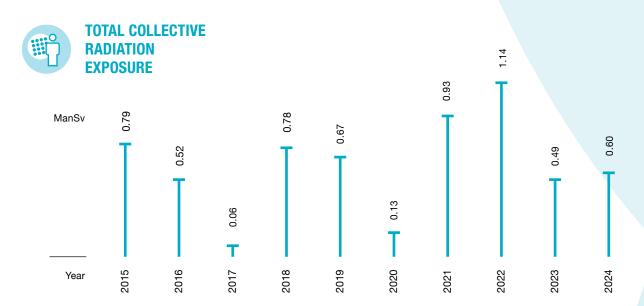
NEK target for 2024: ≥ 96



To facilitate efficiency monitoring and comparison between power plants, WANO has introduced a Performance Indicator Index. It is calculated by weighting the individual factors and has a value from 0 to 100.

The Performance Indicator Index in 2024 is slightly lower due to operation in 2023. It was also slightly affected by the Total Collective Radiation Exposure and chemical parameters of the secondary system. NEK ended 2024 successfully despite a demanding outage.





The total collective radiation exposure in 2024 was 0.6 manSv, which is slightly lower than in the last few outage years. This is an achievement of good planning and work progress in the radiologically controlled area, as well as slightly lower dose rates of primary systems; the lower dose rates were a result of two cleanings of corrosion products in a short period of time (forced shutdown – November 2023 and outage – April 2024).

In accordance with the European Corporate Sustainability Reporting Directive (CSRD), which was transposed into Slovenian legislation in December 2024, NEK will also be obliged to report on sustainability. NEK will start reporting in 2025 with comparable data from 2024. The CSRD prescribes the European Union reporting framework, while the European Sustainability Reporting Standards Delegated Regulation (ESRS) prescribes the reporting standards.

The Sustainability Report is part of the 2024 Annual Report.

### **CHALLENGES FOR 2025**

In 2024, which was the first year of the plant's extended operating life, we at NEK met our operational targets with the support of our business partners. The plant operated reliably and stably, taking into account all operational restrictions. Although meteorologists report that the previous year was by far the warmest since records began in 1950, NEK once again confirmed the predictability of production and resilience to climate change while maintaining full-power operation. The operational target for 2025 remains ambitious - we aim to produce 5,480 GWh. The autumn outage is anticipated to last less than a month, which will challenge all participants as we plan 21 modifications and 16 significant non-standard maintenance and supervision tasks in addition to refuelling. This will only be feasible with a professional and dedicated team that will responsibly and collaboratively execute all daily work processes - operational, maintenance, design, supervision, and support.

Achievements justify our optimism. On 1 December 2024, 50 years have passed since the laying of the foundation stone – the symbolic beginning of the construction of the power plant. This marked the successful completion of decisions, choices, and preparatory work. We are proud of the vision, professionalism, and commitment of all generations who participated in the strategic decisions, construction, and operation of the plant. The first generations of employees at NEK and from more than 60 domestic companies participating in the construction successfully faced great expectations and numerous challenges of transferring new technology.

The generation of domestic experts who took responsibility for all aspects of the plant's operation after construction laid a solid foundation for forming a competent team with a high level of commitment to the values of safety and business culture. The international environment was also a source of experience and knowledge related to plant operation, maintenance, and modernization. If the first generations only drew from it, now we are equally investing in this common treasury of nuclear energy knowledge through active participation in international professional associations. We are aware that this is the only way to achieve internationally comparable operational and safety results.



International supervision of our operation is also important, as it provides additional independent evaluation of various aspects of the plant's operation. After five years, international experts representing insurers will conduct another technical inspection of the plant. From an insurance risk perspective, they will review the areas of safety and reliability of the plant's operation, fire safety, and the operation and monitoring of equipment. In May, a group of experts from the International Atomic Energy Agency (IAEA) will visit the plant as part of the SALTO (Safety Aspects of Long-Term Operation) mission to evaluate compliance with the IAEA standards regarding preparedness, organization, and processes related to longterm operation. This will be the second such review - the first Pre-SALTO mission was hosted by NEK in 2021.

After NEK in 2023 had successfully completed all administrative procedures for operation until 2043, the outlook is focused on the long term. As the world continues to undergo procedures ensuring the operation of nuclear power plants for over 60 years, and as procedures are being completed to enable nuclear power plants to operate for 80 years, we estimate that NEK, as a well-maintained plant with continuous improvements in nuclear safety, is also a strong candidate for operation beyond 60 years. NEK will, therefore, in 2025, begin the activities related to a feasibility study for an additional extension of its operating life and introduce the necessary measures. We expect that its results will provide information on the technical and financial framework for an additional extension of its operating life and the associated risks and that they will serve as a basis for decisionmaking by the company's management bodies and the Intergovernmental Commission.

Formally – as in the case of extending the operating life from 40 to 60 years – the additional extension of operation will be subject to complex administrative procedures (SNSA for matters relating to nuclear and radiation safety, and the Ministry of the Environment, Climate and Energy for matters relating to environmental impacts), which may take 10 years or more. Numerous analyses and studies will need to be prepared and carried out, an upgrade program will need to be prepared, and equipment that has reached the end of its operating life or that the plant can no longer maintain will need to be replaced. This will be followed by an administrative procedure to obtain an independent expert opinion from an authorised organisation for radiation and nuclear safety and to obtain new environmental consent with an environmental impact assessment and a crossborder evaluation.

The identified short-term and medium-term challenges primarily stem from operational risks, which are assessed and managed through established processes. Important challenges include: ensuring storage capacities and managing LILW at NEK, potential impacts on the safety and operation of NEK during the construction and operation of JEK2, additional restrictions on thermal emissions into the Sava River, and the impact on NEK operation, replacement of screws in the reactor vessel, and potential financial risks due to increases in the prices of nuclear fuel, services and materials. Risks at NEK are systematically managed following best global practices, as also confirmed by the WANO association.



# Presentation of NEK

The decision to build a nuclear power plant in Slovenia was made due to the need for electrical energy. NEK operates safely and reliably and plays an important role in the Slovenian and Croatian power systems. In accordance with the high technical standards of nuclear technology, we meet the fundamental expectations and guidelines regarding safety and stability of operation, competitiveness of production compared to other sources, and public acceptance. After replacing the high-pressure turbine in 2022 and additional improvements carried out during the 2024 outage, the available net power under optimal conditions is 701 megawatts. With an 18-month fuel cycle, we also produce around 6,015,000 megawatt hours of electrical energy in years without an outage and around 5,480,000 in years with an outage. We have supplied over 208,000,000 megawatt hours of electrical energy to both power systems since the start of operation.

The status of the company is regulated by the Agreement between the Government of the Republic of Slovenia and the Government of the Republic of Croatia on the regulation of status and other legal relationships related to investing in NEK, its exploitation, and decommissioning - Intergovernmental Agreement (Official Gazette of the Republic of Slovenia 23/2003, MP 5, hereinafter referred to as IA) and the Articles of Association (consolidated text of NEK, d. o. o., dated 24 September 2019, hereinafter referred to as AA), concluded by the partners GEN energija, d. o. o., (hereinafter referred to as GEN) and Hrvatska elektroprivreda, d. d., (hereinafter referred to as HEP). With the entry into force of the aforementioned status documents in 2003, we do not sell electrical energy but supply it exclusively to the partners, who are obliged to accept it.

In 2024, we operated according to plan, the operation was stable and at full capacity, and we successfully carried out a regular outage. The foundation stone was laid for the plant 50 years ago; 2024 is also the first year of its extended operating life.

We supplied 5,551,248 megawatt hours of electrical energy to our partners. We generated 228,945,040 euros in revenue and 228,841,877 euros in expenses, with a difference of 103,163 euros in income tax expense. After calculating income tax, the net profit for the year is zero, which is in compliance with the IA.

Since implementing the IA, we have been operating successfully and in accordance with our partners' expectations.



### ABOUT US

Company Name	Krško Nuclear Power Plant, d. o. o.
Abbreviated Name	NEK, d. o. o.
Company Headquarters	Vrbina 12, 8270 Krško
Date of Establishment	29 April 1974
Registration	District Court in Krško, entry number 10012000 SRG 200300116
Share Capital	EUR 353,544,826.00
Ownership Structure	50% GEN energija, d. o. o., Krško, Slovenia 50% Hrvatska elektroprivreda, d. d., Zagreb, Croatia
Standard Classification of Activities	SKD 2008: D 35.112 – electrical energy production in thermal power plants, nuclear power plants SKD 2025: D 35.110 – electrical energy production from non-renewable sources (valid from 1 January 2025 onwards)
Registration Number	5034345
Tax Number	61082597
 VAT Identification Number	SI61082597
Bank Accounts	SI56 0292 4001 8793 453 NLB, d. d. SI56 0400 1004 8892 548 OTP Bank, d. d. SI56 1010 0005 7820 337 Bank Intesa Sanpaolo, d. d. SI56 3400 0102 2600 457 Bank Sparkasse, d. d.
Representatives	Gorazd Pfeifer, President of the Management Board M.Sc. Saša Medaković, Member of the Management Board
Website	www.nek.si
E-mail	nek@nek.si

### MISSION, VISION, AND VALUES

In NEK's umbrella document, the Code of Safety and Business Ethics, we have outlined the vision, mission, core and personal values, and principles of behavior and operation by area

We fulfill our mission and responsibility by:

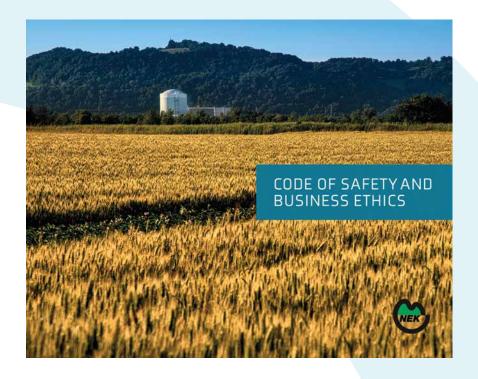
- ensuring safe and stable operation that complies with leading standards that ensure individual and collective safety,
- competitive and reliable electrical energy production,
- self-critical assessment of the achieved results and continuous improvement in all areas,

- ensuring public acceptance based on transparent and honest operation and a positive attitude towards the environment,
- taking into account the principles written in the IA on regulating the status and other legal issues related to investing in NEK, its exploitation, and decommissioning.

Our vision is to serve as a model of nuclear safety and excellence on a global scale. We understand that only extraordinary achievements ensure our long-term operation, which drives us to strive for our vision.

Core values are the foundation of our actions, serving as the basis and essential condition for achieving our vision and mission. They are integral to all our work processes and relationships. We embody our core values; they define our reputation in the professional community and our environment.





We have also written down the principles of conduct and operation in the Code of Safety and Business Ethics, which we also take into account in cooperation with other stakeholders. These principles of conduct and operation in the areas are:

- · safety culture,
- · mutual relations,
- comprehensive employee development,
- safety and health,
- business ethics,
- management of company resources,
- environmental protection,
- information security,
- public relations,
- NEK's security,
- relationship with NEK's business partners and
- sustainable attitude.

Although the other principles of conduct and operation in the Code already address the principles of sustainable business, we have added a principle of sustainable orientation.

We implement our mission with sustainability in mind. By ensuring the plant operates safely and steadily and produces reliable electrical energy, we make a significant contribution to mitigating climate change and promoting the well-being of society as a whole. Additionally, we show a responsible commitment to the natural environment by minimizing the carbon footprint of NEK. We strive for strong relationships and open communication with the local community and all stakeholders. We create a safe and stimulating working environment for our employees through systematic training and long-term employment planning. We have implemented a succession policy for management and leadership. We verify the qualifications of business partners and expect them to uphold the principles of ethical and moral conduct. We ensure that contractors have safe working conditions. We are dedicated to preventing corruption risks and conflicts of interest in our operation. We enhance our reputation both domestically and internationally through high standards of corporate governance.

### MANAGEMENT BODIES

NEK's management and supervisory bodies are the General Meeting, the Supervisory Board, and the Management Board; they are composed in compliance with the Intergovernmental Agreement and the Articles of Association. We state their composition as of the date of preparation of this Annual Report. The General Meeting is represented by two partners, each with a 50% share, namely:

- GEN, represented by CEO Dr. Dejan Paravan and, from 1 July 2024, Business Director Dr. Bruno Glaser and Financial Director M.Sc. Nada Drobne Popović, and
- HEP, represented by Vice Oršulić, President of the Management Board.

The Supervisory Board performed its supervisory function in the following composition:

- M.Sc. Kažimir Vrankić chairperson,
- Stanislav Rožman deputy chairperson,
- M.Sc. Robert Krklec member.
- Dr. Dejan Paravan member,
- Andreja Bucik Primožič member, and
- M.Sc. Matjaž Prah member.

The company is represented by the Management Board consisting of:

- Gorazd Pfeifer President of the Management Board and
- M.Sc. Saša Medaković Member of the Management Board.

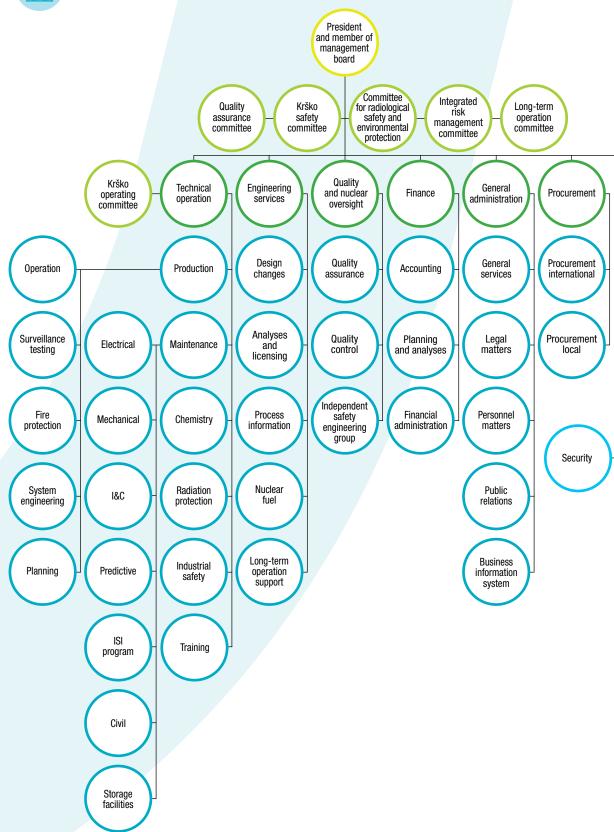
The term of office of the President of the Management Board, Gorazde Pfeifer, lasts until 11 April 2028. The term of office of the Member of the Management Board, M.Sc. Saša Medaković was extended in 2024 and will last until 3 November 2029.

### COMPANY ORGANIZATION

The company is structured to encompass all functions necessary for quality work processes in line with nuclear industry standards and regulations. The organization considers its specific role, which, in addition to operational functions, incorporates engineering and corporate functions, including independent oversight of nuclear safety. The management system, as a key document, systematically outlines the fundamental organizational characteristics and defines responsibilities for management, as well as key and support processes.

A key advantage of our organization is stable staffing with competent and responsible employees characterized by strong commitment and motivation. Knowledge and professionalism hold significant value for us, which is why we continuously prioritize employee development.





25

### SUPERVISORY BOARD REPORT

### Supervisory Board Report

Under Article 282 of the Companies Act, Official Gazette of RS No. 42/06, and the NEK Articles of Association, consolidated on 24 September 2019, the NEK Supervisory Board prepared the following report on its functions.

In 2024, the Supervisory Board was composed of the following members:

- Kažimir Vrankić, MSc chairman,
- Stanislav Rožman deputy chairman,
- · Robert Krklec, MSc member,
- Dejan Paravan, PhD member,
- Andreja Bucik Primožič, MBA member, and
- Matjaž Prah, MSc member.

In 2024, the NEK Supervisory Board had five regular and nine correspondence meetings. It monitored the company's operations and supervised its management. The basis for the board's work was written materials prepared by the company's Management Board. NEK Supervisory Board discussed, agreed upon, checked, informed itself of, and/or accepted:

- NEK Annual Report for 2023 and gave its opinion about the auditor's report
- Business plan for 2025, rev. 0, and gave its approval to the estimated electric energy price for 2025
- NEK long-term investment plan for safety upgrades for the following five-year period (2025–2029), rev. 25
- Semi-annual reports on the status of modifications II-2023 (July-December) and I-2024 (January-June)
- Approval to conclude a contract for the provision of services for the plant canteen in 2024
- Approval to conclude a contract for the operational monitoring of radioactivity in the vicinity of NEK for the period 2024–2028
- Approval to conclude an annex to the contract with Westinghouse for an additional scope of work as part of the Root Cause Analysis (RCA) of the safety injection pipeline failures
- Approval to the purchase of an additional 20% of EUP as part of the EUP order for Region 37 for fuel cycle 35
- Approval to conclude a contract for the purchase of a set of new spare bearings for low-pressure turbines
- Approval to conclude a contract on the provision of hiring out workers to a user undertaking
- Approval to conclude a contract for mechanical maintenance on the primary side of the plant for the years 2025–2027
- Investment Programs:
  - · Renovation of the spare rotor of the main generator, rev. 1
  - New technical security systems (Main Security Control Center, wireless sensor system), rev. 2
- Replacement of the refuelling machine in the reactor building, rev. 0
- Renovation of 400/110-kV switchyard equipment and installation of TMS on GT1/GT2, rev. 0
- Strategic reserves of electric motors, rev. 0

Alarm system (AS) upgrade/replacement, rev. 0

BR and WP System Evaporators Upgrade, rev. 1

Fire Probabilistic Safety Analysis Update – Fire PSA, rev. 0

EH SKID Upgrade, rev. 0

Work Efficiency Center (CDU), rev. 1

 Replacement of diesel and electric fire protection pumps and pre-action sprinkler system, rev. 0

· Renovation of the off-site warehouse, rev. 0

• Quarterly Business Reports

· Monthly Reports of the Independent Safety Engineering Group (ISEG),

Review of compliance with the ISEG recommendations and

Other matters within the Board's responsibilities.

In line with the accepted methodology, the members of the NEK Supervisory Board received certain data on operations monthly from the NEK's basic financial statements and investment reports, as well as on electrical energy supplies, employees, and average salaries.

As provided for under the Articles of Association, in March 2025, the NEK Supervisory Board reviewed the draft Annual Report for 2024 and found that it reflects a credible position of the company and complete information on 2024 operations, thus complementing information received during the business year.

The NEK Supervisory Board established that the auditing company *BDO Revizija*, *d. o. o.*, in their report assessed that the financial statements for 2024 were in all essential segments prepared in compliance with the Intergovernmental Agreement, Official Gazette of RS No. 23/2003, the Articles of Association, and Slovenian Accounting Standards in those areas not regulated by the Intergovernmental Agreement and the Articles of Association.

Under Article 546 a of the Companies Act, the NEK Supervisory Board also reviewed the Report on the relationships with related companies for 2024 together with the Report of the independent auditor on the limited assurance. The NEK Supervisory Board established that the auditor concluded that:

- information contained in the report is correct in all significant aspects;
- the value of NEK at the time of concluding legal acts with related companies was not in significant aspects unproportional; and
- there were no circumstances that would demonstrate an essentially different assessment from the one given by the management.

The NEK Supervisory Board has no comments on the Independent Auditor's Report concerning the limited assurances.

Krško, 21 March 2025

NEK Supervisory Board Chairman Kažimir Vranklo, MSc

## SATEMENT ON COMPANY'S MANAGEMENT

#### **Statement about Business Operations**

Under Article 70 Paragraph 5 of the Companies Act, the Management of the company hereby declares that in 2024, it respected all the principles concerning the operation of the company, striving to ensure their implementation.

The Management Board declares that:

- it operates the company per the Intergovernmental Agreement (Official Gazette of RS, No. 23/2003) and the Articles of Association (last consolidated version of 24 September 2019) as well as the current legislation and nuclear industry standards;
- it complies with the Code of Safety and Business Ethics published at www.nek.si, the Five-Year Development Plan, and the Management System.

The company's status is regulated by the Intergovernmental Agreement and the Articles of Association, which were concluded by GEN energija, d. o. o. (GEN) and Hrvatska elektroprivreda, d. d. (HEP). According to the Intergovernmental Agreement, GEN and HEP are the company's owners, each with a 50% share of the company's capital.

Management systems have been implemented with effective internal control systems to ensure effective operations of all business processes.

Internal controls ensure the accuracy, reliability, transparency, and clarity of all processes coupled with effective risk management related to financial reporting. The key factors of effective internal control are a clear organizational structure with a detailed listing of tasks and responsibilities and internal procedures per each working process. The internal control system is implemented in business processes at all organizational levels. Internal controls are systemized and written in internal instructions, which include the entire production process and the key support functions for the plant operation. The effective system of internal controls in the work process establishes mechanisms that ensure safe and stable plant operation and cost-effectiveness.

The accounting systems incorporate controls that ensure that:

- the umbrella regulations related to the Krško NPP's formation and operation, i.e., the Intergovernmental Agreement and the Articles of Association, are fully respected and
- business events are adequately recorded as defined by umbrella regulations and Slovenian Accounting Standards.

Appropriate and effective internal control systems and reliable risk management ensure the plant operations is in line with its mission and long-term strategic goals.

The Intergovernmental Agreement and the Articles of Association govern the General Meeting and its key responsibilities. As a company body, it is set up on a parity basis. The owners exercise all the powers of the General Meeting. There were two General Meetings in 2024, at which:

- the Annual Report 2023 was accepted,
- the discharge for 2023 was given to the Management Board and Supervisory Board,
- a decision on the appointment of a Member of the Management Board for five years was adopted,
- a decision on the confirmation of arbitrators of business-technical arbitration was adopted, and
- a consensus was given to the Management Board for the purchase of five real estates.

The supervisory and management bodies are the Supervisory Board and the Management Board, both composed on a parity basis. The Intergovernmental Agreement and the Articles of Association define their composition, responsibilities, and functions. The functions of the Supervisory Board are detailed in the Supervisory Board report for 2024.

The principles of diversity within the company are regulated by the Intergovernmental Agreement, which stipulates that the General Meeting, Management Board and Supervisory Board are composed on a parity basis, the Articles of Association, which stipulates the conditions for appointing the President of the Management Board, members of the Management Board and members of the Supervisory Board, and other internal acts and procedures. The principles of diversity are also regulated by the Rules on Ensuring the Qualification of Workers in Radiation and Nuclear Facilities (Official Gazette of the RS 162/2020), which regulate the conditions that the President and Members of the Management Board must meet regarding the level and field of education, work experience in nuclear energy and management competencies.

The company respects and values the diversity of its employees, striving for their fair integration into its operations. The Code of Safety and Business Ethics emphasizes the importance of equal opportunities for all, as the company values the diversity of employees who wish to participate in achieving shared goals. The company ensures equal rights and opportunities for all individuals in every procedure, including the hiring process for new employees.

Krško, 14 March 2025

Gorazd Pfeifer, President of the Management Board

Saša Medaković, Member of the Management Board

### STATEMENT ABOUT BUSINESS OPERATIONS

The NEK management board defines the business policy, taking into account the IA and AA. The board manages the company's operations and determines the business policy to ensure safe and reliable operation, competitiveness of production, and social acceptability.

Legislation, IA, nuclear industry standards, and effective corporate governance are the external frameworks for NEK's operation and business. Strategic documents, the Code of Safety and Business Ethics, the Five-Year Development Plan, and the Management System, guide us on the path to fulfilling our mission and vision.

The Code of Safety and Business Ethics sets out the basic principles of our ethical and moral conduct. It defines our core and personal values, vision and mission, and principles of conduct and action in our relationships with each other. The Code guides our actions and speaks to who we are, what we believe in, and what we expect from our colleagues.

Since its establishment, NEK has regularly encountered diversity in its operations, as the company's founders were electrical energy organizations from Slovenia and Croatia. Important diversity is and has been the integration of American technology into the European infrastructure, legislative and cultural space, and cooperation with suppliers from different cultures in Europe, America, and Asia.

The company's general meeting, supervisory board, and management board are aware of the aforementioned diversity and have, therefore, subordinated their management to four goals: nuclear safety, competitiveness, social acceptability, and self-critical assessment. NEK complies with the IA, which regulates its operations with the principle of parity in the composition of the general meeting, management board, and supervisory board, as well as regulations in the field of labour law on the prohibition of discrimination and harassment.

## RESEARCH AND DEVELOPMENT OF THE COMPANY

NEK invests significant funds and human resources in research and development:

- research that it finances itself due to specific needs, such as the development of new safety solutions and analyses in cooperation with Slovenian and Croatian faculties and institutes:
- research carried out with research institutes from Slovenia and Croatia; this is research that is more fundamental, generic and from which NEK benefits indirectly.





### RISK EXPOSURE

With the comprehensive risk management program, we provide systematic methods, processes, and activities for the timely identification of exposure to various types of risks that affect our operations and for addressing, mitigating, and managing identified risks.

Risk identification is carried out at all levels of the plant. More significant risks, the consequences of which could affect nuclear safety, electrical energy production or personal safety, are addressed by the Integrated Risk Management Committee, which is an advisory body to the NEK Management Board. Other risks are addressed in accordance with internal programs and procedures by the Krško Operating Committee for technical issues or the board committee for non-technical issues.

We address nuclear safety risks as a priority and in-depth, as ensuring the nuclear safety of the facility is our most important task. We also manage them by constantly investing in safety and other systems, taking into account administrative decisions in the field of nuclear safety issued by the SNSA, good practices of the best power plants in the world, and recommendations of the WANO and IAEA missions. We maintain a high level of safety culture and awareness among all employees. Our assets are insured against nuclear, fire, and other hazards, and machine breakdown. We also maintain insurance contracts for third-party damages.

The main areas of risk (in addition to nuclear safety risk) are:

Operational risks can affect the reliability and availability of the power plant, unwanted transients and shutdowns, and outage duration as one of the parameters of the power plant's availability. Operational risk is the risk associated with unplanned shutdowns and subsequent loss of revenue. IA and AA ensure this. The value of a one-day electrical energy supply at cost price is approximately 700,000 euros, and at the market price, it is slightly more than 1,600,000 euros (taking into account the average HUPX price for 2024).

Radiological risks mean the potential impact on the radiological safety of an individual or group of people due to unplanned radiation exposure, external or internal contamination, or the spread of radioactive hot particles.

Personal risks include the exposure of workers to classic occupational injuries or sources of radiation.



**Environmental risks** mean the likelihood that emissions from a power plant could affect nature or human health.

Facility management risks refer to the inability to make key decisions regarding investment, maintenance, and operation of the facility and its financing, which also include financial risks.

Market risk refers primarily to the risk of a price drop in the electrical energy market.

Financial risks refer to price risk, which is associated with rising prices of raw materials and materials, liquidity risk, capital adequacy risk, currency risk, interest rate risk, and credit risk.

Risks in procuring goods, services, and construction relate to delays or even the inability to realize public contracts due to public procurement and related processes with the National Review Commission.

Other risks include suppliers failing to meet their obligations, inadequate commercial-grade item dedication process, component obsolescence, unavailability, and counterfeit products or declarations for installed components and materials.

### **GOALS**

We set goals with the Business Plan for 2024. We list indicators and their values, which show the success in achieving some of the set goals for 2024 and the planned goals for 2025.

PLANT PERFORMANCE		Plan 2024	Realization 2024	Plan 2025	
Performance Indicator Index		≥ 96	80.32	≥ 91 <sup>1</sup>	
Unit Capability Factor (UCF)		≥ 91%	91.13%	≥ 98%²	
Electrical Energy Produced (in	GWh)	≥ 5,453	5,551.2	≥ 5,480	
Outage Duration		≤ 30 days	31.04 days	≤ 29 days	
OPERATING EVENTS					
Unplanned Automatic Reactor	r Trips	≤ 1 every three years	0 for three years	≤ 1 every three years	
Operating Events, Levels 1 an	d 2	≤ 3	0	≤ 3	
UNPLANNED AND PLANNE	D SHUTDOWNS				
Number of Unplanned Shutdo	wns	≤ 1 every two years	1 every two years	≤ 1 every two years	
Forced Capability Loss		≤ 0.65%	0%	≤ 0.65%	
OPERATING RISKS ASSESS	MENT				
Reactor Core Safety:					
CDP/12 weeks – online		≤ 7 E-7	3.62 E-7	≤ 7 E-7	
CDP/outage – during out	age	≤ 3 E-5	2.12 E-5	≤ 3 E-5	
Reactor Fuel Reliability (Ci/m <sup>3</sup> )		≤ 5.2 E-5	1.0 E-6	≤ 5.0 E-5	
ENSURING SAFETY AND HE	ALTH				
Collective Radiation Exposure	(manSv)	≤ 0.9	0.6	≤ 0.9	
Individual Dose Exposure (mS	v)	≤ 10	7.94	< 10	
Industrial Safety Accident Rat	e	≤ 0.37	0	≤ 0.37	
ECONOMIC AND PROJECT	GOALS				
Estimated Price / Realized Co	st Price (in EUR/MWh)	≤ 43.05	40.79	≤ 43.20	
Total Operating Costs (exclud	ing depreciation in EUR million)	≤ 177	169	≤ 181	
Investment in Technological U	lpgrading (in million EUR)	52	43	/3	
Capital Ratio		/	1	≥ 70% <sup>4</sup>	

MAJOR PROJECTS	Plan 2024	Realization 2024	Plan 2025	
Replacing Component Cooling System heat exchangers	100%	100%	/	
New technical security systems (Main Security Control Center – MSCC, Wireless Sensor System, etc.)	90%	90%	95%	
Modernization and adaptation of RW Processing Systems – preparation for the handover of LILW per IA	100%	100%	/	
Work Efficiency Center	70%	10%	70%	
Renovation of the 400/110-kV switchyard equipment and installation of the Transformer Monitoring System – TMS on GT1/GT2	100%	100%	/	
Replacement of the SW System trash rakes	50%	50%	100%	
Revitalization of the Radioactive Gas Handling System	70%	70%	100%	
Water Treatment System upgrade (WT)	30%	30%	90%	
Lightning protection update	100%	70%	/	
Ensuring safe access and safe work at height	60%	60%	80%	
Bridge under the NEK's industrial track above the backwater drainage channel to ensure the NEK's flood safety	70%	40%	100%	
Process Information System (PIS) update, Level 1 and 2	/	1	40%	
High-Pressure Electro-Hydraulic Oil System (EH) renovation	/	1	100%	
Alarm System (AS) upgrade/replacement	/	1	100%	
Replacement of Containment lighting	/	1	50%	
Replacement of diesel and electric fire pumps and replacement of pre-action Sprinkler System	/	/	10%	
Upgrade of Liquid Waste Processing System (WP) evaporator	/	1	40%	
Refurbishment of the old generator rotor	/	1	100%	
ATTITUDE TO THE ENVIRONMENT AND THE PUBLIC				
All releases to the environment	Subject to regulatory restrictions	Subject to regulatory restrictions	Subject to regulatory restrictions	

Based on the operational and business results achieved, 2024 was a successful year, as most of the set goals were accomplished.

A new method for calculating the WANO Performance Indicator Index (Method 10)¹ came into effect in 2025, establishing a target value of 91. Under the previous Method 4, which was used until 2024, this indicator value would have been 96.

The main contribution of the change in the value of the Performance Indicator Index is that the Unit Capability Rate (UCR)² will now be used instead of the Unit Capability Factor (UCF). Unlike the UCF factor, the calculation of the new UCR takes into account the planned loss of electrical energy in the denominator, meaning that short outages typical of NEK are no longer considered. The weighting value of UCR has changed from 0.15 to 0.10, decreasing its influence on the WANO Performance Indicator Index.

Other changes in individual factors are:

- Instead of the automatic reactor trips (UA7), we now have the total number of reactor trips indicator (US7), which counts both automatic and manual reactor trips.
- Instead of the traditional industrial safety accident (ISA) rate, we now have the total industrial safety accident (TISA) indicator. TISA represents industrial safety-related events for both plant staff and external contractors.
- The weighting factors for the UCR and US7 indicators in calculating the Performance Indicator Index have changed according to Method 10. UCR now has a weighting factor of 0.10, while US7 has a factor of 0.15.
- The threshold values for the UCR, FLR, US7, and TISA indicators in the Performance Indicator Index calculation according to Method 10 have changed.

From 2025, we will no longer monitor Investment in technological upgrading among the goals<sup>3</sup>.

### Capital Ratio4

The capital ratio is the ratio between capital and all sources of funds. A ratio of 70% means that 70% of assets are financed with equity. When the capital ratio is high, it signifies that the company finances most of its assets with capital, which indicates a high level of business security. A capital ratio of at least 70% is also one of the requirements of banks when approving long-term loans.



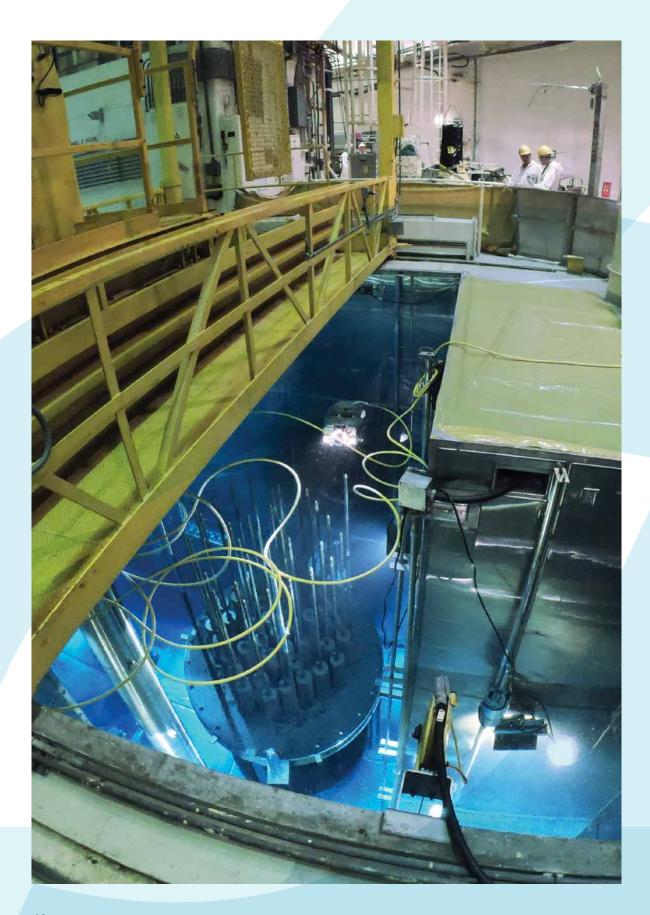




# Business Report

BUSINESS REPORT

HIGH LEVEL OF NUCLEAR SAFETY



## 1.0 High Level of Nuclear Safety

Nuclear safety is always our top priority.
We maintain a high level of nuclear safety
through independent verifications and a
self-critical assessment of our achievements,
ongoing improvements in human behavior and
safety culture, modernization of equipment and
processes, learning from both our operating
experience and international practices, and
comparing ourselves with the best
facilities worldwide.

BUSINESS REPORT HIGH LEVEL OF NUCLEAR SAFETY

Because of the unique nature of the nuclear facility, NEK established a responsible approach to environmental considerations in the foundational project (which included thorough research prior to siting and strict compliance with standards during construction). Throughout the start-up phase and ongoing operation, independent monitoring of environmental impacts was implemented (radioactive substances in water and air, measuring radioactivity in the environment, and managing nuclear fuel, radioactive, and hazardous waste). The attitude toward the environment is a part of the business policy, where we prioritize safe and stable operation with the lowest possible impact on the environment. Environmental management practices at NEK follow the ISO 14001-2015 standard, the most internationally recognized environmental management standard. The NEK Protection and Rescue Plan has also been developed, defining the organization, measures, and resources for managing emergency events that may have radiological impacts on the environment.

One of the important elements of maintaining and improving safety in the nuclear industry is taking into account operating experience. Based on experience from the industry, we implemented the NEK Safety Upgrade Program (PNV) at the request of the regulatory authority – SNSA.

Our permanent tasks and work expectations are an integral part of the Internal Commitments and Goals document. They are determined according to management expectations, core values, defined policies, and priority areas. In 2024, we focused on developing human resources potential, consistently adhering to the principles of occupational health and safety, and ensuring an appropriate level of protection and supervision in the field of radiation protection.

# 1.1 PROCESS AUDITING

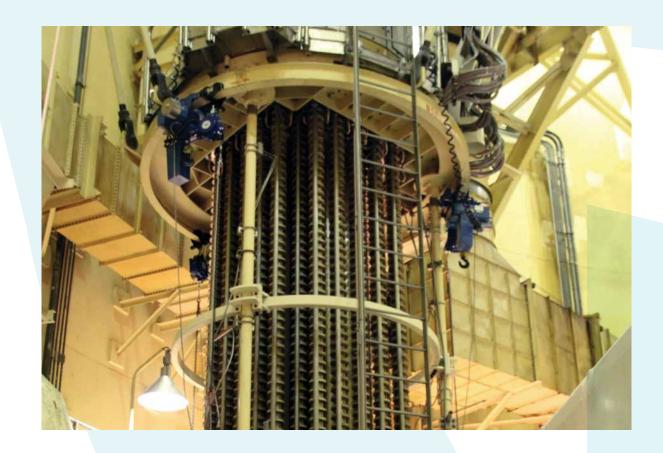
The formally defined NEK management system establishes the fundamental starting points and outlines the processes for ensuring nuclear safety. In doing so, we place nuclear safety as a priority in all areas of our work. By fostering and following the principles of safety culture at all levels, every NEK employee contributes, within their responsibilities and competencies, to ensuring nuclear safety, as well as the safety of employees, the public, and the environment. The principles of our operation are reflected in the effectiveness of interdependent processes at NEK, which support the plant's operation.

The adequacy of NEK programs and the effectiveness of the processes determined by these programs are verified through regular internal audits. Taking into account the impact on the safe and reliable plant operation, we assess the effectiveness of all measures that affect safety structures, systems, and components. Audits are regularly planned in accordance with the NEK QA Plan. Qualified auditors carry out the audits without having direct responsibility in the areas they evaluate. A written report detailing the process and results of each audit is forwarded to the person in charge. The report includes coordinated proposals for corrective measures to enhance the situation. NEK management is informed of the audit conclusions during a management review.



BUSINESS REPORT

HIGH LEVEL OF NUCLEAR SAFETY



In 2024, quality assurance engineers, in cooperation with other organizational units at NEK, conducted 12 internal audits in the following areas:

- organization and administration: assessing compliance of the environmental management system with the ISO 14001 standard and the occupational health and safety system with the ISO 45001 standard;
- radiation protection, which also includes verification of compliance of accredited laboratories with the ISO 17025 standard;
- chemistry and radiochemistry, which also includes verification of the accredited laboratory's compliance with the ISO 17025 standard;
- radioactive waste management;
- production operation;
- production fire protection;

- maintenance;
- engineering licensing and documents and records control;
- engineering emergency response planning;
- procurement process;
- training and
- security physical and cyber (audit).

The conclusions of internal audits confirm that the established processes at NEK operate in accordance with legal and standard requirements and achieve the set policies and objectives. The identified discrepancies are recorded in the Corrective Action Program, and the responsible parties and deadlines for implementing corrective measures are determined. The implementation of corrective measures is regularly monitored, and their effectiveness is checked.

# 1.2 OBSERVATIONS AND COACHING

Observations and coaching are among the most important tools for preventing human errors at work, ensuring high-quality work processes, and strengthening safety culture. Observation with coaching involves observing an individual's behavior at work, emphasizing desired behavior and immediately correcting behavior that does not meet expectations. The primary purpose of observation is not to criticize an individual but to identify deviations or opportunities for improvement in work processes.

The group for monitoring the effectiveness of the observation program continued its activities. Its purpose is to monitor the findings of the analysis of observations and guidance from various organizational units, identify deviations in work processes, and propose improvements. The meeting minutes collected the main findings of the analysis of individual activities from the e-form (402 observations), observations in the Occupational Health and Safety Department as part of inspections of construction sites or workplaces (212 observations), observations of shift personnel carried out by qualified personnel (shift supervisors, operation manager, production manager, and technical director - 6 observations), and observations of shift personnel on the simulator (64 observations). In the annual report, the group proposes actions to improve the observation process. The annual report of the group for monitoring the effectiveness of observations thus collects the results obtained from 684 observations.

The most positive findings were in the areas of:

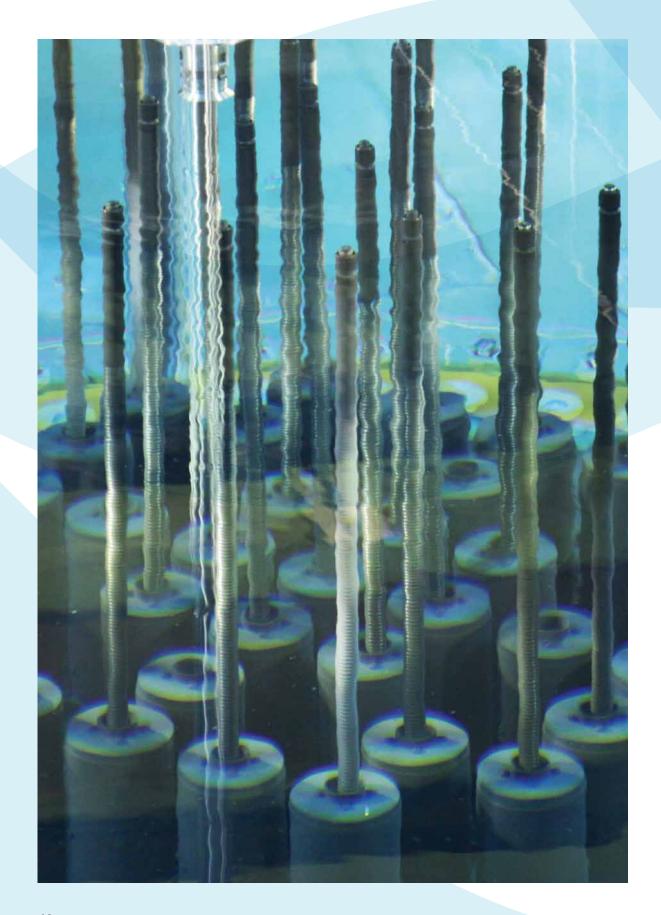
- 1. General contractor's practice and knowledge
- 2. Occupational safety and health

The areas with the most potential for improvement in 2024 are:

- Documentation, use and adherence to procedures
- 2. Occupational safety and health

The area of Occupational Safety and Health appears in both categories because ADP-1.0.005, Presence of Management in the Field and Observation with Coaching, expects that at least half of the documented observations focus on this area.

BUSINESS REPORT PERFORMANCE



# **2.0**Plant Performance

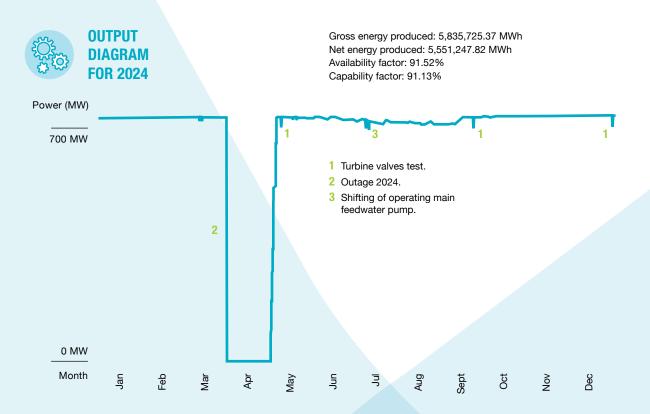
Performance indicators, which are used to continuously monitor the achievement of goals, efficiency, and progress in individual areas of the power plant's operation, enable the setting of new goals after improvements have been made, the alignment of priorities, and the provision of resources for more successful plant operation.

The indicators also enable comparison with other nuclear power plants.

BUSINESS REPORT

PLANT PERFORMANCE

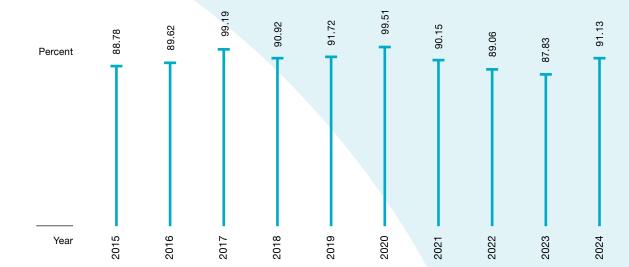
In 2024, NEK produced 5,835,725.37 megawatt hours of gross electrical energy at the generator output or 5,551,247.82 megawatt hours of net electrical energy. The availability factor was 91.52 percent, and the capacity factor was 91.13 percent.

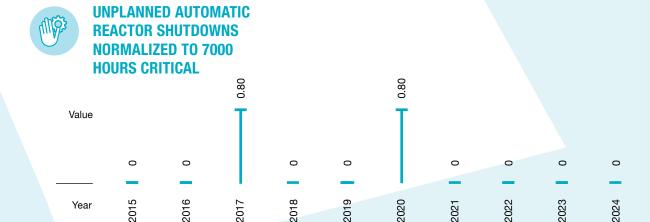


### 2.1 OPERATION



NEK target for 2024: ≥ 91 %



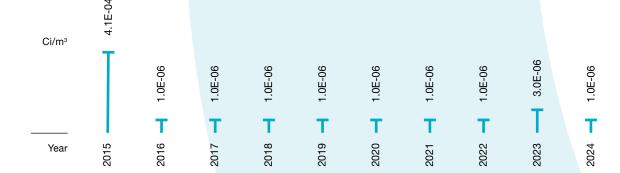


# **2.2**NUCLEAR FUEL AND CHEMISTRY OF WATER MEDIA

The primary coolant's specific activity and contamination were below the legally permitted limits in 2024 (completion of fuel cycle 33 and continuation of fuel cycle 34). Also, by the end of 2024, there was no damage to the nuclear fuel or deterioration of its integrity. The nuclear fuel reliability indicator met the target values of NEK and WANO in 2024, which confirms the reliable operation of the reactor core without nuclear fuel leaks.

NUCLEAR FUEL RELIABILITY INDICATOR

NEK target for 2024: ≤ 5.2E-5



Chemical and radiochemical parameters in the cooling water media systems were maintained without deviations in accordance with the requirements of the chemical specifications. The WANO target values for key control chemical parameters, which are also NEK's target values, were adequate for most of the year. The reason for the occasional exceeding of some chemical target values was the plant start-up after a regular outage and the cleaning of the media to establish optimal parameters for the chemical program.

Monitoring chemical parameters was effective; cleaning systems that contributed to a good chemical program were available and effective.

With the chemistry of water media in NEK systems, we ensure the long-term availability of the plant systems, significantly contribute to limiting degradation mechanisms and doses, and ensure the integrity of nuclear fuel and reactor coolant.





BUSINESS REPORT PLANT PERFORMANCE

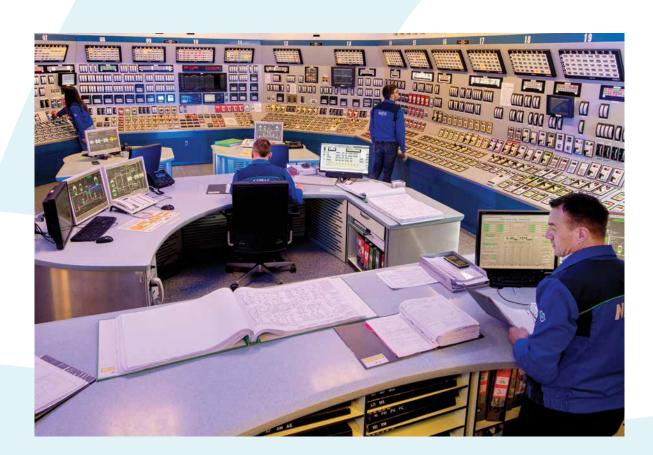
# **2.3**PROCUREMENT OF GOODS AND SERVICES

We initiated public procurement for the supply of goods and services for the 2025 outage, concluded contracts for continuous services for a period of (usually) three years, and followed the procurement process for all other public and record orders and various projects related to the NEK's modernisation.

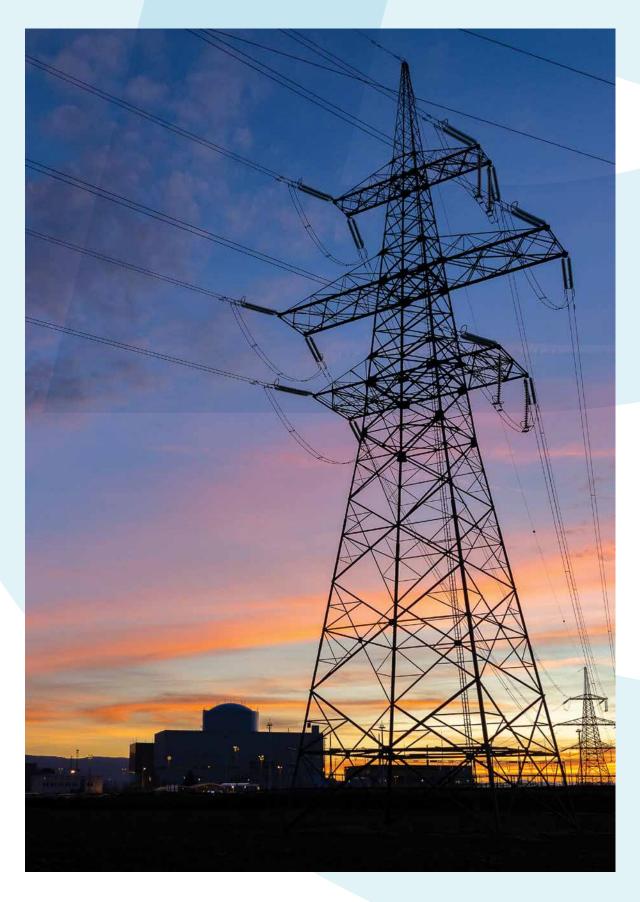
We published 172 public procurement contracts on the Public Procurement Portal, 77 of which were also published in the Official Journal of the EU. Based on the announcements, we received offers from over a hundred different providers. In 2024, we collaborated with suppliers in concluding new contracts and carrying out work. We paid additional attention to effectively addressing the challenges of the labor market and the lack of qualified labor. The challenge remains in recruiting experts to work at the NPP, especially for one-month work during the outage. There is a noticeable shortage of workers on the labor market, so we offered suppliers the opportunity to operate long-term for certain services (concluding contracts for two outages) and collect proposals for risk reduction.

We observed a certain stabilization of (high) and carrying out prices. The trend of rapid price growth has somewhat stopped, which has enabled the conclusion of contracts for the supply of bor. The challenge goods and services at (mostly) fixed prices to work at the with a certain percentage increase, which onth work during was mostly the same for all contractors. The challenge remains long delivery times, which et, so we offered are a characteristic of the nuclear industry's operate long-term supply chain. This issue is pronounced among ading contracts for American suppliers of safety-grade materials.

Disruptions in supply chains, geopolitical tensions, rising prices of materials and services, labor shortages, and legislative regulations and restrictions affect the procurement of goods and services.







# **3.0**Sustainability

**The Corporate Sustainability Reporting Directive** (CSRD) was adopted by the European Parliament and the Council of the EU in 2022. The Directive was published in the Official Journal of the EU towards the end of 2023. The Republic of Slovenia introduced it into its legislation in November 2024 with the Act on Amendments to the Companies Act (ZGD-1M). The CSRD refers to the European Sustainability Reporting Standards (ESRS), which contain twelve standards – two general and ten substantive ones - on sustainability reporting in accordance with the requirements for sustainable business operations, which are covered by the three pillars of sustainability: environmental, social and governance, and are illustrated by the abbreviation ESG (Environmental, Social, Governance). According to the CSRD criteria, NEK will also be required to report and provide data for 2025 that is comparable to that of 2024. We prepared the first sustainability report based on the ESRS for 2023 as a stand-alone report. The Sustainability Group prepared a sustainability report for 2024 as part of the Annual Report.

Every company impacts the natural and social environment through its operation, and factors from both environments affect the company's operation. With the dual importance analysis, we aim to evaluate the company's ESG impacts externally and the impacts of ESG factors from the external environment on the company. Due to its specificity – the management of radioactive materials – NEK prioritizes the commitment to protect the natural and social environment through its operation and to maintain public trust by ensuring reliable and competitive electrical energy production. Safe operation, which we prioritize and ensure by strengthening a safety culture, means protecting the barriers that prevent radioactive materials from leaking into the environment. Safe and stable operation, in accordance with modern standards that ensure individual and broader collective safety, competitive and reliable electrical energy production, public acceptance based on transparent and honest operation, a positive attitude towards the environment, selfcritical assessment of the achieved results and continuous improvement in all areas, are the principles of our mission, broken down in basic documents such as the Code of Safety and Business Ethics, programs and administrative and implementation procedures. In accordance with the aforementioned documents, we constantly collect information about our impacts on the natural and social environment and the impacts of external environments on our operation. Our sources of information are: Corrective Action Program, self-assessments by organizational units, team self-assessments of work processes, department quality checks of processes carried out by the Quality Assurance, quality checks of suppliers, purchased materials, equipment and services, observation of managers on construction sites, annual development interviews, checks of our operation by external domestic and foreign organizations, meetings and other communication with external contractors, training of employees and external contractors, monitoring of legislation, cooperation with administrative bodies, internal and external analyses, social dialogue and communication with the public.

We analyze the information obtained, adopt corrective actions, determine the vision and mission, form values, define key policies, determine key objectives and working methods, provide guidelines, determine priority areas for each year, prepare implementation plans, develop action plans, communicate and monitor execution. In accordance with internal guidelines and goals, we have determined 18 key objectives with appropriate indicators. Each year, we set annual targets for these key objectives for the next five-year period. We have developed over 150 key performance indicators to monitor our performance in various areas against the targets set.



In 2023, we established a Sustainability Group with experts from various fields: operation of plant systems and devices, environmental protection, hazardous materials management, human resource management, finance, procurement of services and goods, public relations, legal affairs, and management. In 2024, we supplemented the group with experts from the fields of radioactive waste management, quality assurance, and analyses and licensing. Based on the ESRS, the group members examined the external impacts of NEK and the internal impacts of factors of the natural and social environment, i.e., on NEK. They assessed the significance of NEK's impacts on the natural and social environment and the consequences of the risks and opportunities that sustainability aspects represent for NEK's operation.

They highlighted important topics of sustainable operations by area. We conclude that through umbrella programs, other programs, administrative and implementation procedures, we are well able to identify impacts, opportunities, and risks and manage them in the area of sustainable operations. To determine the performance of individual areas, we used appropriate indicators from the set of key indicators and important performance indicators or incorporated new ones.

### AREAS AND IMPORTANT TOPICS OF SUSTAINABLE OPERATIONS AT NEK

Area	Important topics
Climate change	<ul> <li>carbon footprint</li> <li>energy consumption for personal needs</li> <li>impacts of climate change and the operation of NEK</li> </ul>
Resource use, emissions, and circular economy	<ul> <li>supervision to ensure compliance with administrative permit restrictions</li> <li>radioactive emissions control</li> <li>waste management</li> </ul>
Water and biodiversity	<ul><li>supervision to ensure compliance with administrative permit restrictions</li><li>water usage control</li></ul>
Comprehensive employee development	<ul><li>occupational safety and health</li><li>motivation and commitment</li><li>professional training</li></ul>
Partnership with suppliers	<ul> <li>quality and timeliness of product and service deliveries</li> <li>meeting the conditions for entering the plant area</li> <li>reliability of procurement of services and goods</li> </ul>
Communities and users	• public support for the plant operation
Sustainable business	effective leadership

3.1 CLIMATE CHANGE

NPP has a negligible impact on climate change. Its greenhouse gas emissions are extremely low, especially considering the large amounts of electrical energy produced. In the core of the NEK's reactor, nuclear energy is converted into heat based on a nuclear chain reaction. The core consists of 121 fuel elements, each with 235 fuel rods. The fuel rods contain uranium dioxide pellets. In a nuclear chain reaction, there is no combustion in the uranium dioxide pellets, so no combustion products are formed. Otherwise, the fuel rods, filled with uranium dioxide pellets, are hermetically sealed tubes that, together with other barriers, prevent radioactive material from entering the environment in the event of any events. NEK, therefore, does not generate process greenhouse gas emissions (GHG) when converting nuclear energy into electrical energy, which takes place 24 hours a day, regardless of external influences.

### 3.1.1 CARBON FOOTPRINT

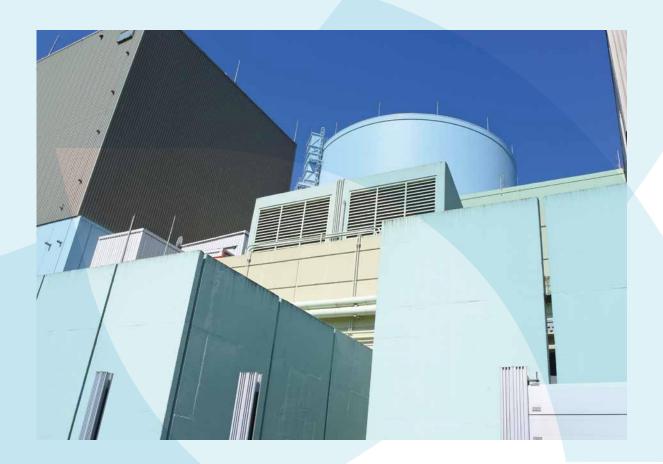
We have calculated the carbon footprint of NEK for 2024 according to the guidelines of the GHG Protocol. The GHG Protocol is the most widely used international tool for measuring, reporting, and managing greenhouse gas emissions and provides a solid foundation for other methodologies for calculating carbon footprints. To calculate NEK's carbon footprint, we utilized the Corporate Accounting and GHG Protocol Reporting Standard. Scope 1 and 2 emissions were considered.

In accordance with this standard, emissions from sources owned or controlled by the company are included in Scope 1. The following definition of emissions is proposed for Scope 1:

- stationary,
- mobile,
- process and
- fugitive emissions.

Stationary emissions originate from fixed sources and typically involve devices that burn solid, liquid, or gaseous fuels to generate electrical energy and produce steam or heat. The total amount of stationary GHG emissions in 2024 was 933.3 tonnes of CO<sub>2</sub>e. The devices with the highest emissions are auxiliary steam boilers, which heat the plant systems before producing heat in the nuclear reactor, and heat buildings in the non-technological part. Their emissions of 620.46 tonnes of CO<sub>2</sub>e in 2024 represent 66.48 percent of all stationary emissions. Three safety diesel generators, on the other hand, caused 300.77 tonnes of CO<sub>2</sub>e.

Mobile emissions are direct emissions of Scope 1 greenhouse gases from owned or leased mobile sources within the company's inventory boundaries. They include emissions from company cars and trucks, cranes, forklifts, and similar vehicles. The total amount of mobile emissions in 2024 was 74.98 tonnes of CO<sub>o</sub>e.



NEK does not cause process emissions.

Fugitive emissions result from leaks from cooling and air-conditioning systems and devices. At NEK, fugitive emissions are generated during the operation of cooling devices in the technological and nontechnological parts of the plant, at the customs warehouse, and in the rented premises of the Krško Cultural Center. There are no fugitive emissions when servicing cooling and air-conditioning systems and devices, as the refrigerant gases are exhausted before servicing, stored, and then returned to the device or handed over to an authorized servicer for destruction in accordance with the Regulation on the Use of Fluorinated Greenhouse Gases and Ozone-Depleting Substances. Fugitive emissions at NEK are also generated during the operation of the main generator (hydrogen leaks, replacement of the hydrogen atmosphere with CO<sub>a</sub> at the beginning of the outage, and replacement of CO<sub>2</sub> with hydrogen at the end of the outage) and when using CO<sub>2</sub> cylinders to freeze water in pipes during maintenance interventions. Total fugitive emissions for 2024 amounted to 483.72 tonnes of CO<sub>o</sub>e, which is a large increase compared to 2023 when they amounted to 278.56 tonnes of CO<sub>2</sub>e. We are still experiencing problems with the operation and subsequent leaks of the emergency control room cooling units. There were also problems with the operation and leaks of the main control room cooling units. The latter amounted to almost as much as all the leaks in 2023.

### GHG EMISSIONS OF SCOPE 1 IN 2024

Emission type	Amount of CO <sub>2</sub> e in tonnes	Share of emissions of Scope 1 in %	Share of total emissions in %	
Stationary	933.30	62.55	39.50	
Mobile	74.98	5.03	3.17	
Process	0	0	0	
Fugitive	483.72	32.42	20.48	
Total	1492.00	100	63.15	

Scope 2 includes emissions resulting from energy consumed which another company provided. A company in Scope 2 reports on purchased energy consumed by equipment or activities owned or controlled by the company. This includes purchased electrical energy, heat, steam, or cooling. For NEK, this includes electrical energy purchased during power plant shutdowns for on-site needs and electrical energy purchased by NEK throughout the year for individual locations outside the plant that it owns. During the plant operation, all the necessary heat and electrical energy for on-site needs is provided by the nuclear process. In the calculation, emissions related to Scope 2 were divided into the locations to which they are related or due to which they are generated.

Emissions related to the plant location are related to the outage or shutdown, namely to the electrical energy purchased from both partners. If there is no outage or shutdown in the year in question, then we do not need this electrical energy. In 2024, we purchased electrical energy from our two partners upon a successful regular outage. The amount of emissions from this title amounted to 782.54 tonnes of CO<sub>2</sub>e. All emissions are related to HEP's energy mix, as GEN has its energy mix entirely consisting of nuclear and renewable sources.

In the immediate vicinity, emissions are generated at three other locations besides the power plant, namely the customs warehouse and the automatic measuring stations (AMP) in Libna and Brežice. All emissions at these locations are related to the purchase of electrical energy; in 2024, they amounted to 63.18 tonnes of CO<sub>2</sub>e.

Among its complementary activities, NEK also owns holiday facilities in Slovenia and Croatia, namely in Izola, Kranjska Gora, Rogla, Lopari, Bučanje, Gajac and Duga uvala. Emissions at these locations are related to the purchase of electrical energy. The total amount of these emissions in 2024 was 25.15 tonnes of CO<sub>2</sub>e.

### GHG EMISSIONS OF SCOPE 2 IN 2024

Emissions location	Amount of CO <sub>2</sub> e in tonnes	Share of emissions of Scope 2 in %	Share of total emissions in %	
Plant location	782.54	89.86	33.12	
Customs warehouse and measuring stations – AMP	63.18	7.25	2.67	
Holiday facilities	25.15	2.89	1.06	
Total	870.87	100	36.85	

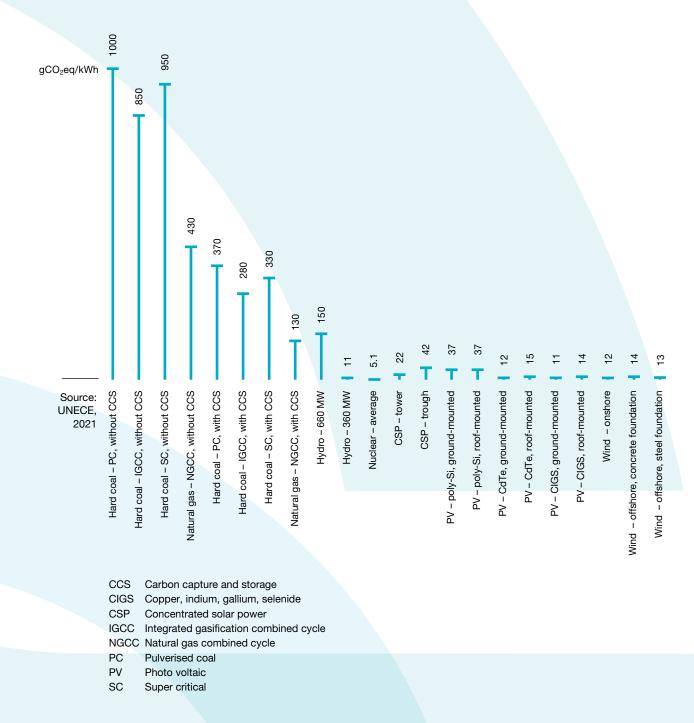
The NEK's carbon footprint of Scope 1 and 2 for 2024 is 2,362.87 equivalent tonnes of carbon dioxide. In 2024, NEK had 656 full-time employees. When calculating emissions per person, we find that NEK produced 3.60 tonnes of CO<sub>2</sub>e per employee in 2024. In the year under review, NEK generated 5,551.25 GWh of electrical energy, thereby generating 0.4256 tonnes of CO<sub>2</sub>e/GWh.

The total NEK's carbon footprint for 2024 is lower than in 2023, while Scope 1 emissions have increased slightly. In Scope 1, stationary and mobile emissions have decreased, while fugitive emissions have increased due to operational problems and, thus, leaks in the cooling units of the emergency and main control rooms. It is urgent to improve the preventive maintenance of these cooling devices. Compared to 2023, Scope 2 emissions are much lower; most of them are generated by purchasing electrical energy from the power plant during the outage. The amount of purchased electrical energy depends on the length and structure of the outage and its emission factor. Due to higher electrical energy consumption, emissions at the customs warehouse have increased slightly. Emissions due to energy consumption at the holiday facilities have decreased.

Unlike fossil fuel power plants, the majority of greenhouse gases in the operating cycle of nuclear and renewable power plants are released during the extraction of raw materials, the manufacture of materials, components, and fuel, their transportation, and the construction of such power plants. Nevertheless, nuclear power plants are the sources of electrical energy with the lowest carbon footprint.

Various studies estimate similarly. United Nations Economic Commission for Europe (UNECE, 2021), for example, states in its report that greenhouse gas emissions in the operating cycle of various coal-fired thermal power plants range from 330 to 1000 grams CO<sub>a</sub>e/kWh, natural gas-fired power plants from 130 to 430 grams CO<sub>2</sub>e/kWh, solar power plants from 11 to 42 grams CO<sub>2</sub>e/kWh, wind power plants from 12 to 14 grams CO<sub>2</sub>e/kWh, 360-megawatt hydroelectric power plants 11 grams CO<sub>2</sub>e/kWh and 660 megawatt hydroelectric power plants 150 grams CO<sub>o</sub>e/kWh, and nuclear power plants 5.1 grams CO<sub>o</sub>e/kWh. The operating cycles of nuclear power plants also take into account the nuclear fuel supply chain, construction, connection to the grid, operation, and decommissioning of the plant, and the storage and final disposal of spent fuel.





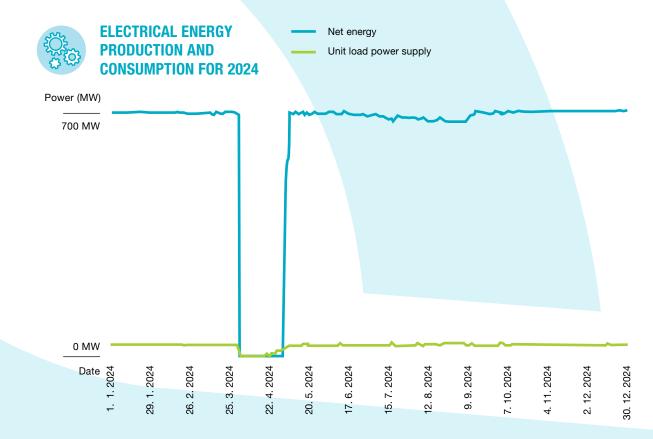
NEK operates on an 18-month fuel cycle, meaning that outages occur every 18 months and that there is no outage every third year. The largest share of the carbon footprint in the outage year is the outage. A 30-day outage causes as much as 75% of the carbon footprint due to the operation of auxiliary steam boilers and testing of large safety diesel generators, as well as the purchase of replacement electrical energy for the plant's needs during the outage.

Despite its very small carbon footprint, NEK complies with policies to further reduce greenhouse gas emissions. First of all, this is the safe and reliable operation of the power plant, as this reduces the need to operate other power plants with a larger specific carbon footprint. We plan outages in a timely and accurate manner so that they are as short as possible; we carefully prepare for their implementation and consistently monitor their progress so that there are no delays. Given that we are obliged to purchase replacement electrical energy for the period of the plant shutdown from our owners, we are interested in them supplying us with electrical energy with the smallest possible carbon footprint. With advanced maintenance techniques, we ensure the high reliability of equipment and devices, their operation with maximum efficiency, and prevent leaks of greenhouse gases from the devices they contain. During maintenance interventions, we handle greenhouse gases carefully in accordance with the legislation (Regulation on the use of fluorinated greenhouse gases and ozone-depleting substances - Official Gazette of the Republic of Slovenia 60/2016). We use our own or other authorized service providers for cooling, ventilation, and air conditioning systems. When replacing equipment, we install more efficient systems and substitute greenhouse gases in cooling devices with gases that have a lower greenhouse potential. We have replaced the auxiliary steam boilers, which are the largest source of carbon dioxide in the power plant, with more modern models. We regularly maintain and replace our air conditioning units. We have installed 16 charging stations for electric vehicles in the parking lot in front of the power plant. We are gradually replacing vehicles with internal combustion engines with electric ones.

### 3.1.2

### ENERGY CONSUMPTION FOR OWN NEEDS

The generator produced 5,835,725 megawatt hours of electrical energy, 5,551,248 of which were delivered to the electrical energy system.



Thermodynamic efficiency is one of the most important indicators of energy conversion efficiency; it represents the ratio between the generated electrical energy delivered to the grid and the thermal energy released from the nuclear fuel. To achieve optimal utilization as close to the physically possible, many parameters in the secondary circuit of the power plant must be optimized.

One of the limitations that NEK must take into account during operation, which is also important from the perspective of long-term and sustainable operation, is the limitation of the heating of the Sava River. The plant must ensure that the daily average temperature of the Sava River at the point of complete mixing, which is in the stilling basin of the Brežice Hydropower plant, does not exceed 28°C and that the Sava River at this point does not heat up by more than 3°C above its natural temperature, measured at the Sava water intake for the NPP. In the event of approaching the limit value, the plant begins to partially close the tertiary circuit and reduce the thermal load on the river. This is achieved by gradually switching on the cooling towers, and if this is not enough, it reduces the reactor power accordingly. In 2024, the cooling towers operated for a total of 55 days. For comparison, in 2023, the cooling towers operated for only 13 days. In 2024, there was no need to reduce the reactor power due to the limitations of the Sava River heating.

In 2024, we upgraded the high-pressure turbine that had been replaced in 2022. Following the turbine replacement and upgrade, the power plant's electrical output increased by 9 megawatts, bringing the total to 736 megawatts of gross electrical energy and 701 megawatts of net electrical energy. A program for monitoring the thermal efficiency of the power plant will be established in 2025. It will be intended to develop a computer application for modeling the primary, secondary, and tertiary components of the plant. This application will enable detailed monitoring of thermal efficiency, allow for a more precise definition of measured values, predict production, suggest accurate system settings, and recommend physical changes, thereby further enhancing the power plant's efficiency.

The average unit load power supply for 2024 is 35 MWe. Of the total electrical energy produced, just under 5 percent is used to power the unit load power supply. The remaining 95 percent is transmitted to the 400 kV high-voltage grid system in Slovenia and Croatia.

Approximately 97 percent of the power, or just under 34 MWe, is used to operate important equipment in the production process, while approximately 1 MWe is consumed for the general operation of the entire company.

In 2024, the self-consumption was 284,477.90 megawatt hours of electrical energy. During the regular outage, we purchased electrical energy from both partners in equal shares. During the year, we also purchase electrical energy for a customs warehouse in the immediate vicinity of NEK, two measuring stations and holiday facilities in Slovenia and Croatia. Here, we consider data on primary sources of electrical energy provided by suppliers.

The electrical energy we produce has a clear origin: it is nuclear energy. Therefore, the energy mix we supply to our partners is also entirely nuclear. In calculating our total electrical energy consumption, we sum the electrical energy we have produced and consumed for our own needs and include the electrical energy purchased from others. The table below displays the total consumption of our own energy in megawatt-hours, categorized by the source of electrical energy.

### TOTAL UNIT LOAD POWER SUPPLY IN MWH BY SOURCE IN 2024

Energy source	Quantity in MWh	Share in total consumption in %	
Fossil resources	1,895.29	0.65	
Nuclear resources	287,745.51	98.53	
Renewable resources	2,383.99	0.82	
Total	292,024.80	100	

In 2024, only 2.58 percent of the total energy consumed was purchased from external sources; our own nuclear energy production generated the remainder.



BUSINESS REPORT
TRAJNOSTNA NARAVNANOST

### 3.1.3

### IMPACTS OF CLIMATE CHANGE AND THE OPERATION OF NEK

Weather conditions affect the economics of power plant operation and its safety. Therefore, NEK monitors short-term and long-term climate changes and adjusts its operation accordingly. According to the data collected and analyzed by the Environmental Agency of the Republic of Slovenia (ARSO), there are several possible climate change scenarios. Projections, which are the result of complex models, are based on the expected amount of greenhouse gas emissions; behind each individual scenario is a combination of socio-economic factors, such as the population growth rate, gross domestic product, and technological development in the 21st century. In the past decade, the global scientific community has determined four scenarios of typical greenhouse gas content trends (RCP - Representative Concentration Pathways, Van Vuuren et al., 2011); possible impacts on nature are being investigated in relation to them.

For efficient NEK operation, the conditions of the Sava River are among the most important external influences. The flow and temperature of the Sava River determine the efficiency of technological processes at the power plant. The flow depends on the air temperature, precipitation, and the amount of snowmelt in the mountains. According to ARSO projections, the reduction in snowmelt will lead to a decrease in the spring excess flow of the Sava River; rising air temperatures will accelerate summer water evaporation, resulting in the lowest flow value during the summer. The combined result of both effects will be visible in the gradual reduction of the difference between individual annual flow regimes. The decline in river flows is expected to be mainly a result of lower annual precipitation and an increase in the average annual air temperature, which affects the increase in evapotranspiration and the reduction of runoff from the river basins. High and low flows of the Sava River are also less favorable for the power plant.

The average annual surface water temperature is also an indicator of the impact of climate change on the water temperature regime. The Sava's temperature is increasing due to higher air temperature, greater solar radiation, and a decrease in the height of the snow cover.

In the future, an increase in the Sava River's average temperature, a decrease in its average flow, and an increase in extreme events of low or, less frequently, high flows are expected.

Climate change is resulting in more intense weather events. NEK constantly reviews the assumptions in its analyses and compares them with new scientific findings and developments in the near and distant surroundings. This is how decisions are made to repeat the analyses, taking into account the new assumptions' values.

In recent years, due to the more frequent occurrence of very low flows of the Sava River, we have built an additional cooling tower, which allows us to operate the power plant at full capacity even when the Sava River flow is lower. We repeated the analysis of the power plant's flood safety and, based on new findings, improved flood safety by raising the embankments at the power plant along the Sava River. In addition, we ensured the possibility of additional protection of the nuclear part of the power plant with floodgates and barriers. With the plant safety upgrade project, we set new criteria for the resistance of equipment and devices to extremely low and high atmospheric temperatures. We reanalyzed the impact of glaze on the safety and reliability of the plant's operation.

We conducted a comprehensive analysis of possible discharges in the atmosphere and prepared a project to improve the lightning protection of buildings, systems, and devices. We reanalyzed the probabilities, scope, and size of hail and began preparing measures to increase the resistance of basic systems and devices to extreme hail. A reanalysis of the power plant's flood safety and an update or refresh of meteorological data in the safety report are currently being prepared. Due to the increased frequency of very low flows on the Sava River, an additional feasibility study will be conducted to upgrade the cooling towers for better efficiency. In 2025, protection will be installed to increase the resistance of safety systems and devices to extreme hail.



An important aspect of sustainable electrical energy generation is the environmental footprint of power plants. In this regard, nuclear power plants significantly outperform other types. For instance, the technological part of NEK, where electrical energy is generated, occupies approximately 17 hectares of land and produces an average of 690 MWe, or 41 MWe/ha annually. Compared to other types of power plants, certain gas-fired thermal power plants and wind power plants have similar footprints, while solar power plants and hydroelectric power plants have much larger ones. By calculating the electrical energy that can be produced with solar panels, it is found that power plants of this type have an average peak production of only about 2 MWe/ha. This means that for the same amount of energy produced by NEK in one hour, the solar panels would require 20 times more area on an ideal sunny day. Considering that solar power plants only operate during daylight hours, the area of solar panels needed is 40 times larger than that of NEK to generate the same daily amount of energy. When using renewable sources, it is crucial to consider their variability in energy production, which directly relies on external weather conditions. In contrast, nuclear power plants consistently generate electrical energy at full capacity, irrespective of weather conditions, making them more suitable for energy production in the power system.

We can conclude that nuclear power plants like NEK have a minimal or negligible impact on climate change and play a crucial role in the energy transition and in reducing adverse climate effects.

### 3.1.4

### **INDICATORS**

The following key indicators are important for monitoring performance on climate change:

- Performance Indicator Index
- Unit Capability Factor (UCF)
- Outage Duration
- Reactor Core Safety

### And two more:

- Amount of GHG Emissions per Employee
- Amount of GHG Emissions per GWh Produced

# **3.2**RESOURCE USE, EMISSIONS, AND CIRCULAR ECONOMY

Caring for the environment, along with ensuring safe and reliable plant operation, is one of the central goals of the plant's function. The only natural resource that NEK uses, besides the resources required to produce nuclear fuel and the materials needed for maintenance. improvements, and operation, is water. Water from the Sava River is used to cool the primary and secondary parts of the plant. Water from its own well on the right side of the Sava River is used to produce process water. Water from three wells in the power plant area is pumped to maintain the groundwater level in the plant area after filling the Brežice HPP reservoir. Most of the water from these three wells is discharged into the Sava River via the stormwater drainage system, but it can also be used to produce process water. Water from the supply is used for food preparation, hygiene, and sanitary facilities, and, if necessary, for process purposes.



## 3.2.1 RESPECTING RESTRICTIONS

Limits on the impacts on water resources or emissions into the aquatic environment are set out in the environmental permit (OVD) and environmental consent (OVS). The maximum amount of water from the Sava River is required to provide a heat sink in the process of converting thermal energy into mechanical energy in the secondary circuit of the power plant. The remaining water from the Sava River is used to cool the water, which cools the components of the primary and secondary parts of the plant. The most important limitation resulting from the OVD is the limit on the Sava heating by 3°C.

To ensure that NEK does not exceed this limit, it must activate cooling towers during low Sava flows. If that is insufficient, electrical energy production must be decreased. Operators in the main control room monitor the warming of the Sava River and take appropriate measures to ensure that the limits are not surpassed. In 2024, NEK fulfilled all the OVD and OVS requirements, eliminating the need to reduce electrical energy production.

The OVD and OVS also set wastewater limits and prescribe regular monitoring of all discharges into the Sava River. An external authorized organization carries out the monitoring. The monitoring specified in the OVD also measures chemical and biological pollution, which NEK does not cause through its operation.

In 2023, the Krško plant also received environmental consent (OVS) to extend its operating period from 40 to 60 years. This includes additional restrictions on heating the Sava reservoir following the construction of the Brežice HPP. A point of complete mixing of the Sava water was established below the Brežice HPP dam, where the river's temperature is continuously monitored. According to the OVS, the daily average of this temperature must not exceed 28°C.

The power plant, along with authorized organizations, regularly monitors groundwater by continuously measuring the level and temperature at three wells and two locations on the Sava River and conducting biweekly measurements at ten wells in the Krško–Brežice field. The groundwater level at the monitored wells near the watercourse increased by approximately two meters following the construction of the Brežice HPP reservoir. Since that time, the groundwater level has remained relatively stable.

3.2.2 CONTROL OF RADIOACTIVE EMISSIONS

NEK pays close attention to controlling radioactive emissions, which primarily occur in water and air. The power plant itself manages these emissions using various monitors – radiation detectors – that prevent uncontrolled releases into the environment. In line with international standards in this field, monthly, quarterly, and annual limits are set for each individual release. NEK is also monitored by an administrative body and independent authorized organizations that simultaneously measure samples of emissions from the plant and various samples from the environment. All sampling is outlined in the radioactivity monitoring program for the NEK area.

The potential environmental impacts of the power plant are monitored by 57 monthly passive dosimeters within a radius of ten kilometers around the plant, 16 thermoluminescent dosimeters on the power plant fence, 10 thermoluminescent dosimeters in Croatia, and 14 continuous external radiation dose rate meters. In addition, air, soil, water, food, and feed samples are measured at several dozen locations. An extensive report on the implementation of this program (Radioactivity Monitoring in the Area of the Krško Nuclear Power Plant - Report for 2024) is published annually and prepared by the organizations that carry out the measurements. The measurement results and the report are published on the power plant's website; some printed copies are also regularly sent to the interested public. In this way, we ensure transparent plant operation in the field of environmental protection and care. We are also monitored by international organizations from the nuclear industry with periodic operational reviews, just like other nuclear power plants around the world.

Due to the natural radioactivity present around us, practically the only measurable contaminant caused by the plant is the radioactive hydrogen isotope tritium (H-3). This is produced during the fission reaction in the reactor and during the reaction of the element boron in the primary coolant with neutrons. Boron is used as boric acid in the primary coolant to moderate (slow down) the neutrons that sustain the fission reaction in the reactor. Tritium spontaneously integrates into individual water molecules and, in the event of controlled releases, passes into the Sava River water. The tritium limit, which applies to most pressurized water nuclear power plants, such as NEK, is 45 terabecquerels. In the history of NEK operation, the highest tritium activity released was 24.3 terabecquerels in 2022. Tritium emits beta rays, which are much less harmful to the human body than gamma emitters, which are recorded in extremely low values in releases into the Sava River (below one-tenth of a percent of the annual limit).

The activity of the tritium released was 12.7 percent of the prescribed annual limit. The activity of fission and activation products (excluding H-3 tritium, C-14 carbon and alpha emitters) was 0.025 percent of the additional annual activity limit for liquid discharges. In 2024, we complied with the administrative and technical regulations of the power plant, according to which the concentration of radioactivity in the wastewater discharge channels may not exceed the prescribed values.

### DATA ON RADIOACTIVITY IN LIQUID DISCHARGES FOR 2024

Radioactive substances	Annual limit	<b>Emission activity Percentage</b>	of the limit	
Fission and activation products	100 GBq	0.025 GBq	0.025	
Tritium (H-3)	45 TBq	5.73 TBq	12.7	

Similar to liquid discharges, we also monitor emissions into the air. The most crucial piece of information regarding pollution levels is the total dose value attributed to individual gaseous radioactive isotopes. These chiefly include tritium, the carbon isotope C-14, noble gases, iodine isotopes, and aerosols of gamma emitters (cesium, cobalt). The total dose limit for the population is 50 microsieverts, and discharges from NEK account for 1 to 5 percent of this limit value each year.

Compliance with the total annual dose limit of 50 microsieverts for releases into air and water is monitored monthly. For air, the potential dose that an individual could receive in a year from external and internal radiation is calculated for a distance of 500 meters from the reactor. This calculation considers the least favorable monthly average atmospheric dilution and ground release for each wind direction. The result for 2024 is 0.81 microsieverts (1.61% of the annual limit). Additional detailed data is provided in the table below.

#### DATA ON RADIOACTIVITY IN AIR RELEASES FOR 2024

Radioactive subst	ances	Total annual limit	Dose	Percentage of the limit	
Fission and activat	ion gases (total)		5.44 E-02 μSv		
lodine (I-131 and o	thers)		1.72 E-05 μSv		
Dust particles (Cob	alt, Cesium, etc.)		2.52 E-06 μSv		
Tritium (H-3)			7.27 E-01 μSv		
Carbon (C-14)			2.30 E-02 μSv		
		50 μSv	Total 0.81 µSv	1.61	

The NEK radiation protection laboratory uses an accredited method to continuously measure air and environmental samples, thus meeting the requirements of the SIST EN ISO/IEC 17025 standard since 2007, as verified by the Slovenian Accreditation. The NEK radiochemistry laboratory performs accredited radioactivity measurements of samples of occasional controlled liquid releases.

### 3.2.3 CONVENTIONAL WASTE MANAGEMENT

NEK has had an environmental management system in place in accordance with the ISO 14001 standard since 2008. Regular annual audits are conducted yearly, and recertification audits are conducted every three years by an external certification organization. During these audits, the area of waste management at NEK is also regularly reviewed (Waste Management Plan, annual reports, etc.). In 2024, Bureau Veritas conducted a regular control audit on 21 and 22 November. No deviations were issued, only recommendations were made. These recommendations based on the analysis in the NEK Corrective Action Program.

Since NEK generates waste exceeding 200 kilograms of hazardous waste per calendar year, we have prepared a Waste Management Plan in accordance with the requirements of the Waste Regulation, which is amended or supplemented accordingly with each decision to change waste management. The purpose of this document is to collect basic data on waste generation locations, types of waste generated during the plant operation, existing and planned measures to prevent and reduce waste generation, existing and planned waste management methods, and measures to reduce harmful impacts on the environment and human health. At NEK, waste is produced through various processes and procedures - most waste occurs in the technological part, while the remainder is produced during maintenance activities in the workshop, warehouse, administrative offices, kitchen and dining areas, and sanitary facilities.

NEK has several measures to improve the situation with waste generation:

- consistent separation of waste at source;
- regular indoctrination and awareness-raising of staff on the proper handling, collection, and storage of waste;
- preventing the mixing of hazardous and nonhazardous waste;
- Good practice example: replacing single-use plastic beverage cups with paper cups in the plant canteen.

The waste management system at NEK is established in such a way that waste is collected separately and then handed over to various authorized recipients or collectors (in accordance with the waste categories according to the List of Waste under the legislation):

- waste oils,
- biodegradable kitchen waste,
- edible oils and fats,
- waste electrical and electronic equipment (WEEE), waste lamps and batteries, waste containing asbestos,
- other hazardous waste.

#### Hazardous waste:

- Hazardous waste is collected separately and, in accordance with the waste categories, is handed over by number to authorized waste acceptors (collectors or treatment providers, or waste traders in the Republic of Slovenia). Hazardous waste includes: waste oils, used batteries and accumulators, oil or grease-contaminated rags, waste packaging of waste chemicals, residues of hazardous chemicals, hazardous chemicals that have expired, and other substances that are marked as hazardous waste.
- After use in technological processes, part of the empty packaging of process chemicals is returned to the supplier, who rinses the packaging thoroughly and reuses it.
- Used WEEE, batteries, and accumulators:
   Waste electrical and electronic equipment,
   batteries and accumulators, and portable
   batteries and accumulators are part of the
   common waste management scheme. They
   are temporarily stored in the company in
   designated and marked locations, and then
   handed over to authorized collectors.

#### Construction waste:

- The amount of construction waste depends on upgrades, renovations, or new construction. During these works, the amount of said waste increases.
- We hand over this waste to an authorized collector.

#### Mixed municipal waste:

 We want to continue reducing this type of waste.

#### Other waste:

 Paper, cardboard, cardboard packaging, plastic, cans and composite packaging, wood, and glass are collected separately in separate and covered containers, which the municipal utility company takes over.

- We collect used cartridges and toners separately and hand them over to an authorized collector for further processing and reuse, where possible.
- We rent computers, laptops, and tablets for a specific period from a selected provider. After the predetermined rental period, we return this equipment to the lessor.

We treat municipal wastewater with our own treatment plant. At its outlet, an external authorized contractor periodically independently measures pH, temperature, undissolved substances, chemical and biological oxygen consumption, and treatment efficiency in compliance with the requirements of the environmental permit. The monitoring results show that the treatment plant is operating properly, as all values were in accordance with the regulations.





The reason for the significantly higher amount of other waste generated in 2022, shown in the graph above, is the greater volume of upgrades, renovations, and new construction in 2022.

### 3.2.4 RADIOACTIVE WASTE MANAGEMENT

Radioactive waste is also generated during the plant operation. It is divided into low- and intermediate-level radioactive waste (LILW) and high-level radioactive waste (HLW). Low-level radioactive waste is a consumable material used in the operation, and especially in the maintenance, of the plant's primary systems and devices. Intermediate-level radioactive waste is spent ion resins used in primary water purification and evaporator sludges produced during the purification of primary water with evaporators. High-level radioactive material is spent nuclear fuel. One of the great advantages of a nuclear power plant, in addition to the fact that it does not generate process emissions of greenhouse gases (GHG), is that it does not produce large quantities of waste, such as coal-fired and gas-fired power plants. It is often ignored that coal-fired power plants release more radioactivity into the environment than nuclear power plants due to the naturally radioactive substances in coal. Another great advantage of nuclear power plants is the volume of radioactive waste they produce, as it is very small; therefore, all radioactive waste generated during the operational life of the plant can be temporarily stored at the power plant. The final disposal of the Slovenian half of the radioactive waste is the responsibility of the Radioactive Waste Agency (ARAO), which is financed from a fund into which GEN pays the appropriate amount for each megawatt hour of electrical energy it takes over from NEK (50% of NEK's total available power and electrical net energy). The final disposal of the Croatian half of the radioactive waste is the responsibility of the Croatian Decommissioning Fund, into which HEP pays the funds.

NEK has a prescribed radioactive waste management program, which includes measures to reduce the generation and volume of LILW. In compliance with regulations and standards, LILW is processed, prepared and stored in such a way that the activity and volume of LILW are kept as low as possible and reasonable. LILW is classified and processed separately (according to radionuclide content, half-life, concentration, volume, etc.). Measures to reduce the generation of LILW are substantively considered in the internal plant procedures. The volume of LILW is reduced by decontamination, supercompaction, heat treatment, and melting. Part of the medium from liquid technological systems is recycled and prepared for reuse.

In 2024, 216 new packages of LILW were stored at NEK, totaling 97.1 cubic meters. The volume of LIRW was reduced by taking 144 packages of LILW to external contractors for incineration and performing supercompaction. The final inventory of NEK as of 31 December 2024 consisted of 4,325 packages of LILW totaling 2,513.5 cubic meters with a total activity of 19.2 terabecquerels.



Volume of waste generated during the year
 Volume of waste generated at the end of the year







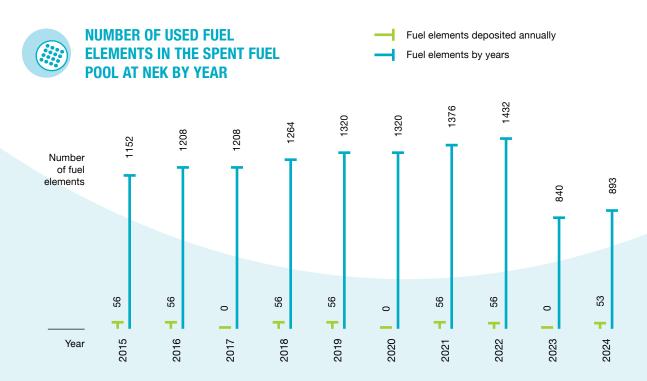
ARAO has started building a permanent repository for the Slovenian part of the LILW in the immediate vicinity of the plant, while the decommissioning Fond is preparing to accept the Croatian part of the LILW in Croatia. Both countries must ensure they receive their half of the LILW from NEK by early 2028. Due to the natural law of radioactive decay of isotopes into stable nuclei, the radioactivity of the permanently stored LILW in the final repository will, in two to three hundred years, reach a level when additional monitoring will no longer be necessary.

In 2024, the number of spent fuel elements increased due to a regular outage in April. During this outage, 53 new fuel elements were used, which means that the same number of spent ones were transferred to the spent fuel pool. After the outage, 893 spent fuel elements were stored in the pool, and 592 spent fuel elements were stored in the dry storage. The circulation of water in the spent fuel pool ensures the removal of residual heat released during the radioactive decay of fission products. An eight-meter layer of water above the spent fuel elements offers sufficient radiation protection. In this so-called wet storage of spent fuel in the pool, heat exchangers and pumps are utilized to cool the water. These systems need water and electrical energy to function.

In 2023, NEK completed the construction of a dry storage facility for spent fuel with a capacity of 2,600 spent fuel elements. Special casks provide better mechanical and radiological protection, and cooling is passive with air. Such dry storage means greater safety and lower environmental risks compared to the existing storage method in the pool. The robust technical solution of the casks protects against extreme weather and earthquake hazards and the possible fall of a commercial aircraft with minimal radiological impacts on the environment. The new facility will not affect the existing environmental restrictions, which will remain unchanged. Dry storage also provides the potential for transporting fuel elements in the future for a permanent solution – either permanent disposal or reuse. Approximately 95 percent of the material in spent fuel elements can be reused. As the residual heat and radiation from an individual spent fuel element decreases over time, transitioning to dry storage is feasible after five years of storage in a spent fuel pool.

NEK filled the first 16 casks and transferred 592 spent fuel elements to dry storage in 2023. The second filling (16 casks, 592 fuel elements) is planned for 2028 or 2029.

At the end of 2024, 893 spent fuel elements from 33 fuel cycles were stored in the spent fuel pool.



#### 3.2.5

#### **INDICATORS**

For monitoring performance in the areas of resource use, emissions and the circular economy, the key indicator set is *Nuclear Fuel Reliability*.

Other important indicators are:

- Liquid Effluent Activity
- Gaseous Effluent Activity
- Volume of Low-Level Radioactive Waste

#### And two more:

- · Amount of Other Waste
- Quantity of Hazardous Waste

### 3.3 WATER AND BIODIVERSITY

For its operation, NEK uses water from the Sava River, water from its own wells, and tap water from the public water supply network. Water from the Sava River is used to cool the primary and secondary parts of the plant through heat exchangers. It uses water from its own well on the right side of the Sava River to produce process water. It draws water from three wells in the plant area to monitor the groundwater level in the plant area after filling the Brežice HPP reservoir. Most of this water is discharged into the Sava River via the stormwater drainage system, but it can also be used to produce process water. Water from the public water supply network is used for food preparation, hygiene, and sanitary facilities, and, if necessary, to produce process water.

### 3.3.1

### USE OF WATER FROM THE SAVA RIVER

The largest amount of water from the Sava River is needed to provide a heat sink in the process of converting thermal energy into mechanical energy in the secondary circuit of the plant. For this purpose and to cool the components of the secondary circuit, NEK withdraws up to 26 m<sup>3</sup>/s of water from the Sava River through the secondary pumping station. To cool the components of the primary circuit, which are cooled via an additional intermediate cooling system, NEK withdraws up to 1.6 m<sup>3</sup>/s of water from the Sava River through the primary pumping station. The amount of water withdrawn from the Sava is almost the same as the amount returned. At lower Sava flow rates, NEK must activate cooling towers due to the restriction on warming the Sava River by a maximum of 3°C. At that time, approximately 2 percent of the water evaporates and is released into the atmosphere as water vapor.

The permitted water withdrawal from the Sava River and wells is specified in the water permit and is limited to the annual withdrawal of 915,000,000 cubic meters of water. However, the actual withdrawal varies between 600,000,000 and 750,000,000 cubic meters, depending on weather conditions and days of online operation. The power plant, therefore, pays a water refund of around five million euros annually.



### 3.3.2

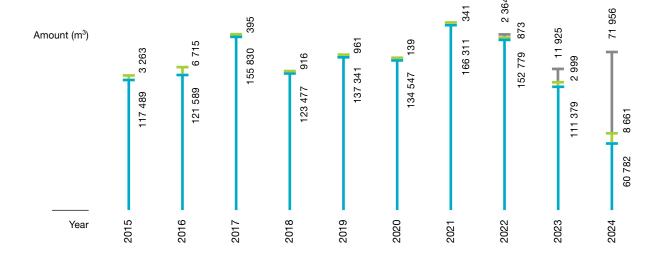
#### USE OF WATER FROM WELLS

The power plant also produces its own process water for its own needs. As raw water, it therefore extracts groundwater from its own well, which is located next to the dam on the right bank of the Sava River. The annual quantities withdrawn are included in the permitted withdrawal specified in the water permit.

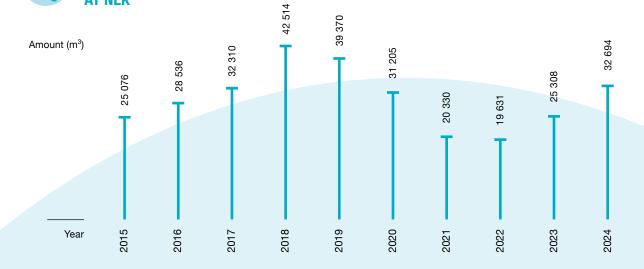
### WATER WITHDRAWAL FOR THE PRODUCTION OF PROCESS WATER

New wells
Public water supply

Well



### PUBLIC WATER CONSUMPTION AT NEK



### 3.3.3

#### USE OF WATER FROM THE PUBIC WATER SUPPLY

The amount of water consumed from the public water supply has significantly decreased in recent years compared to previous years, mainly due to the modernization of processes for the production of process water; in the past, we also used tap water for this production, but now we only groundwater from a well. The graph below shows water consumption from the public water supply network.

### 3.3.4 ENSURING THE CONSERVATION OF BIODIVERSITY

Ensuring the preservation of biodiversity in and along the Sava River is regulated by the Act on the Conditions of Concession for the Exploitation of the Energy Potential of the Lower Sava. Concessionaires under this Act own HPPs upstream and downstream of NEK on the Sava River. The construction of the Brežice HPP changed the previous flow of the Sava River, established an accumulation, and, with it, changed the water regime. Replacement habitats have been created for the habitats of animals that were most affected by the changes. NEK has no direct influence on the new conditions, but by strictly adhering to the requirements of the OVD, water permit and OVS, it takes care of the ecosystems of the Sava River and their biodiversity.

### 3.3.5

#### **INDICATORS**

To monitor performance in the areas of water and biodiversity, we are introducing additional indicators:

- Average Monthly Warming of the Sava River
- Amount of Water Withdrawn from Wells
- Amount of Water Withdrawn from the Public Water Supply Network

### 3.4 COMPREHENSIVE EMPLOYEE DEVELOPMENT

#### 3.4.1

### HUMAN RESOURCE MANAGEMENT POLICY

At NEK, we are creating a business environment where employees – through their knowledge, values, energy, abilities, experience, personal qualities, motivation, creativity, and desire for learning and growth – play a central role.

We recognize that employees represent the true value of our company. We ensure that our relationships align with the principles of NEK's core and personal values.

We utilize a comprehensive human resources development strategy that encompasses long-term needs planning, timely and professional staffing, and systematic training based on an inventory of competencies for independent work and job responsibilities.

At NEK, we uphold the concept of human resource management, which emphasizes ongoing, comprehensive development of our personnel, ensures that qualified individuals hold their positions, and encourages employees to enhance their skills in alignment with their interests and motivations while considering NEK's strategy, mission, goals, and needs.

We recognize the importance of career planning in ensuring succession and the professional development of individuals.

We are enhancing the system that upgrades human resources activities toward personal career counseling in individual career planning and reemployment in horizontal and vertical directions. It also connects more robustly with the planning of education, training, and the systems of formal and informal knowledge transfer.

### 3.4.2 PROCESSES OF COOPERATION WITH EMPLOYEES AND THEIR REPRESENTATIVES

We ensure cooperation with employees and their representatives through regular, constructive, and respectful communication between the partner parties who accept the Corporate Collective Agreement. NEK has a trade union that is a member of the Trade Union of Energy Workers of Slovenia. The trade union also coordinates with the management on other matters that significantly affect the motivation and commitment of employees, such as social and community activities, recreation, etc.

By implementing management by objectives, we establish transparency and clear rules that, considering well-defined strategic and operational goals, form the basis for assessing each individual's success and contribution.

By introducing new ways to communicate with employees, we promote dialogue at all levels, facilitating direct exchanges and a better flow of quality information. Annual development interviews also provide an opportunity for the direct exchange of opinions, views, expectations, and the setting of personal and professional goals.

#### 3.4.3

### PROCESSES FOR ADDRESSING DEVIATIONS AND METHODS FOR EMPLOYEES TO RAISE CONCERNS

At NEK, we adhere to the Code of Safety and Business Ethics, a set of fundamental guidelines for our ethical and moral conduct. This code serves as our foundation and aids decision-making at all levels and in various business situations. The document reflects the shared values, practices, and safety culture of NEK, its employees, contractual partners, and the public. It supports the highest possible nuclear safety and the sustainable development of employees and the business environment and promotes excellence in all activities and relationships.

Employees can report violations of their rights or other breaches of established rules. Heads of organizational units communicate regularly, openly, and positively with employees. They convene regular meetings and conduct annual development interviews for in-depth discussions. The Corrective Action Program enables employees to submit requests for reporting deviations while ensuring their anonymity.

For more serious deviations, employees can contact union representatives in their organizational units, and the Rules on Internal Reporting of Violations and Protection of Whistleblowers are also in force.



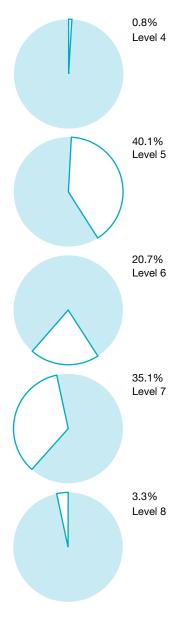
### 3.4.4 EMPLOYEE STRUCTURE

We guarantee the prerequisites for the long-term safe and stable operation of the power plant through comprehensive human resource planning, timely recruitment, and systematic employee development. We recognize that only professionally trained and competent individuals are essential for the safe, efficient, and exemplary execution of work processes and for ensuring continuous improvement across all areas of operation. We have documented the requirements and responsibilities related to effective human resource management in the human resource management program.

From a human resources perspective, 2024 was a year when the gradual generational change observed over the past decade became even more noticeable, as we hired 28 new employees to meet our needs. As expected, the trend of employees retiring upon meeting retirement eligibility continued. As a result of these retirements, the annual turnover rate reached 4.7 percent, indicating a stable human resources structure.

At the end of the year, NEK had 656 employees, of whom 47.9 percent held higher professional and university degrees or academic titles. Ten were doctors, and twelve were masters of science (distribution by professional education: up to level 4: 0.8%; level 5: 40.1%; level 6: 20.7%; level 7: 35.1%; level 8: 3.3%). The percentage of women in the organization is 13.9%.





### 3.4.5 CARE FOR PERMANENT EXTERNAL COLLABORATORS

We provide permanent external collaborators who work at the plant with the same status as our employees. We have 18 suppliers whose workers spend at least 80 percent of their working hours at NEK.

The organization significantly influences permanent external employees by ensuring health and safety at work, along with training and personal development. This approach fosters the inclusion of external employees in the work environment and ensures they receive appropriate treatment. We also allow external employees to participate in NEK's organized recreational activities and utilize NEK's holiday facilities.

### 3.4.6 COLLECTIVE BARGAINING AND SOCIAL DIALOGUE

We cultivate a business culture and work environment that attracts and motivates employees to perform diligently and responsibly. At NEK, we honor individuals and their rights, providing them with occupational safety and suitable working conditions. We continuously enhance employee competencies and are dedicated to business excellence. We foster mutual trust through open, honest, and clear communication. We are committed to accepting responsibility, listening to our colleagues, collaborating, and acting positively.

The union also collaborates with management on various issues impacting employee motivation and commitment, including social and community activities, recreation, and more.

### 3.4.7 EMPLOYEE DIVERSITY

We value the diversity of our employees who wish to contribute to our common goals through their skills, sense of responsibility, and commitment. These employees are the foundation of our company's success. We seek cooperation based on knowledge and clear development objectives. We ensure equal rights and opportunities for all individuals, including during the recruitment process.

At NEK, we are creating a work environment that excludes no one based on gender, religion, political beliefs, union membership, ethnicity, social origin, family status, financial situation, or any other personal circumstances. The principle of non-exclusion applies to all work situations and starts with the hiring of new employees.

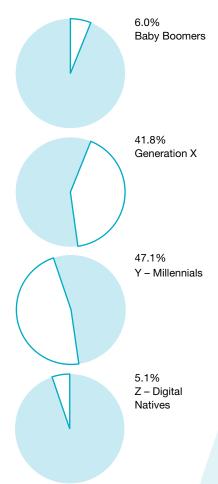
The average age of employees at the end of 2024 was 44.1 years, reflecting the ongoing gradual shift of generations that has occurred over the past decade. According to professional foundations and literature in this area, NEK also tracks the distribution of employees by generation, considering their birth year. It is important to note that the oldest and youngest generations are the least represented:

- Baby Boomers (1946–1964): 6.0%
- Generation X (1965–1980): 41.8%
- Y Millennials (1981–1997): 47.1%
- Z Digital Natives (1998-): 5.1%

By the end of the year, we had 22 scholarship recipients in the Bologna first– or second–degree university study program. Consistent with prior years' experience, we offer active scholarship support, especially for students in technical and natural science disciplines.

At NEK, expertise, knowledge, and continuous employee development are among our most important values. Therefore, we support employees in pursuing their professional education while they work. This primarily involves education at the first or second level of study in the fields of energy, mechanical engineering, or electrical engineering. In 2024, 20 NEK employees engaged in on-the-job education, while some are advancing their studies at the doctoral level.





### 3.4.8 ADEQUATE REMUNERATION FOR WORK

We value employee motivation and incentive rewards. We promote commitment to work and offer a salary system that provides incentive rewards for achieving above-average performance.

Regular, constructive, and respectful communication between the partners who jointly adopt the Company Collective Agreement ensures an important part of NEK's salary policy. The starting basic salary at NEK is adjusted based on the growth of the cost of living and starting points, which are coordinated at the level of industry negotiations.

At NEK, employee remuneration is outlined in an internal policy that aligns with relevant labor laws, the Electric Power Industry Collective Agreement, and NEK's Corporate Collective Agreement. Remuneration is calculated monthly based on the employment contract, records of hours worked, and the annual work hour allocation plan. The salary includes base pay, bonuses, and variable components determined by employee performance evaluations. The department heads are accountable for evaluating work performance based on set criteria.

The reward for achieving established goals is also distributed based on a performance evaluation if it is determined, according to the criteria, that the organizational-level goals have been met.



### 3.4.9 SOCIAL SECURITY

Employment at NEK is highly valued for the quality of the working environment, relationships, and, above all, job security. As a rule, all employees are hired indefinitely, except for trainees and new employees, who are initially hired for a fixed term of one year. This period is meant for initial training, acquiring knowledge, skills, and experience, integrating into work processes, and gradually taking on responsibility. NEK has experienced a low turnover rate for many years, primarily due to the gradual retirement of employees.

A corporate culture built on mutual trust and respect, along with the safeguarding of integrity and personal dignity, forms the foundation for a positive work environment at NEK and is a crucial prerequisite for employee satisfaction and quality of life.

### 3.4.10 INCLUSION

### OF DISABLED PERSONS

At NEK, we ensure smooth, high-quality administrative and operational processes necessary for determining and confirming employees' disability levels. The HR department, occupational safety unit, occupational medicine, and the department head are all involved in this process. Based on the assessment, employees are reassigned to other suitable positions. By the end of 2024, eight individuals were classified as third-degree disabled.

### 3.4.11

### PROFESSIONAL TRAINING AND CONTINUOUS DEVELOPMENT OF EMPLOYEES

The core values that are an integral part of our work processes and relationships are safety culture, excellence in relationships, and comprehensive employee development. These values are both the starting point of our operation and the basis for achieving our vision and mission. We ensure systematic training and knowledge management of employees, thereby ensuring a high level of professionalism and commitment.

Leaders encourage and ensure the systematic transfer and documentation of knowledge, with special emphasis on skills and content not covered in operational documents. We provide professional training staff and mentors with andragogical, technological and process knowledge, as well as the necessary resources and rewards.

At NEK, we have written a commitment to measuring employee engagement in our internal policies and objectives program. The purpose of measuring engagement is to ensure effective management of the organization and the use of available resources. The engagement index results from an anonymous employee survey using the Gallup method.

Annual development interviews are held by managers with employees as a form of effective direct communication for systematic monitoring and coaching of employees, their development capabilities, and work performance. Through effective and equal dialogue that values the past, plans the future and connects everyone's work into a successful whole, they create a motivating working environment and conditions for optimal development of employees and the company.

We proactively cooperate with educational institutions, conduct a scholarship policy, participate in student practical training, and actively support young people's research work, thus ensuring the long-term provision of appropriate personnel.

We recognize that systematic training is NEK's fundamental responsibility, contributing to achieving the company's established goals. Well-trained and skilled individuals are essential for the efficient, high-quality, and safe implementation of work processes, which in turn ensures the safe and stable operation of the power plant. For specialized training, we offer programs from external educational organizations. Managers support, co-design, and participate in these training programs, reinforcing work standards and the safety culture.

Systematic professional training programs are designed to acquire and update both general and professional knowledge and skills that facilitate the performance of all job duties at a high professional standard and in line with international benchmarks. We ensure the preservation of knowledge and the transfer of experience from more experienced employees to younger ones through on-the-job training programs and mentoring. In 2024, more than 20,000 individuals attended courses, totaling 377 courses, with an average attendance of 53 participants. A total of 20,349 individuals participated in the courses. Specifically, 11,551 participants from NEK joined 365 courses within or outside of NEK, while 8,798 participants took part in 209 courses for external contractors. Some training is also conducted online using various communication tools. We regularly monitor participant feedback and, based on this input, we track the effectiveness indicators of individual training.

In 2024, there were 108,977 hours of training, 49,723 of which were for NEK employees, or an average of 83 hours per employee.

Professional training can be divided into three main groups: training for Production, Maintenance, Engineering, and other support functions, as well as other legally required and general training.

#### Production Staff Training

In accordance with NEK procedures, we organize initial training for licensing personnel, initial training for equipment operators, continuous professional training for licensed personnel, continuous professional training for equipment operators, and training for shift engineers.

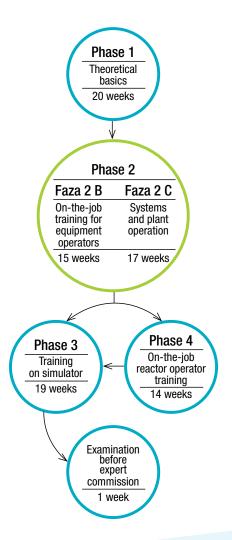
Initial personnel training for the reactor operation license is carried out in accordance with the requirements of domestic legislation (ZVISJV and the Rules on Ensuring the Qualification of Workers in Radiation and Nuclear Facilities) and practice in the nuclear industry. The training, which lasts approximately 85 weeks, is designed to prepare participants for independent work in the main control room of NEK in four phases of different training forms. In 2024, we had two groups of participants in the Initial Staff Training for Licensing (ZUOD) program.

In the first group, on 18 January 2024, six candidates successfully completed the two-year training under the ZUOD program and obtained their first reactor operator license.

The second group continued the training, which began with Phase 1, Theoretical Fundamentals, on 2 October 2023, in Phase 2, Power Plant Systems and Operation, on 18 March 2024. 22 participants completed the training on 28 December 2024.

Eight of these continued their training through Phase 3, Simulator Training, and Phase 4, On-the-job Training for reactor operators in the main control room. They are expected to complete their training on 18 December 2025 after successfully passing their knowledge tests before the SNSA expert committee.





The purpose of the initial training of equipment operators is to train workers to become equipment operators in one of four areas of work and then for other areas of work. In 2024, four equipment operators were trained for their first area of work. However, there were no candidates who would be trained for the additional position of equipment operator.

Continuous professional training for licensed personnel was conducted according to the approved program and internal procedures. The training included lectures and simulator scenarios delivered in four weekly segments for all operating teams and other licensed staff. Control room personnel receive 60 hours of lectures in the classroom and 80 hours of practical training on a full simulator each year. The simulator replicates the main control room and computers. Through specialized programs, we ensure that the simulator control room is an exact replica of the power plant's main control room and that the computers simulate responses that effectively mimic the plant's operation. The computers can replicate all processes and operating states of the power plant - ranging from normal and transient to accident and beyond-design conditions, along with all system and device responses to operator actions.

Continuous professional training of equipment operators was conducted in parallel with the training of licensed personnel in four weekly segments. The emphasis was on updating technical skills and practical training using operating procedures in a technological facility and with the help of a full simulator. Other content was intended to maintain and upgrade the knowledge and skills that equipment operators need in their work.

A group of 28 people from Production attended a four-day practical training course on handling fuel change equipment at Westinghouse in the USA. The purpose of this training was to prepare participants for the safe and high-quality performance of this important activity during an outage.

Every year, we also utilized a full-scope simulator to train operational personnel before conducting important operational activities.

The simulator is also used for the practical exam, which is a written and oral exam before the state examination board, which is a prerequisite for the first acquisition or renewal of licenses to work in the control room. Namely, work in the control room requires licenses from the reactor operator, the main operator or the shift engineer. All 21 candidates successfully passed the exam before the state expert board appointed by the SNSA: three obtained the first license for the main reactor operator, six successfully renewed the license for the main reactor operator, seven the license for the reactor operator, and three candidates the license for the shift engineer. Two candidates also reactivated the license for the reactor operator.

#### Training of Maintenance, Engineering, and Other Support Functions Personnel

Professional training of technical personnel includes courses for acquiring new general and specialized knowledge for the needs of Maintenance, Engineering and other support functions.

Courses were designed to help technical personnel acquire and maintain the legally required general and specialized knowledge and skills necessary for maintenance and other support functions.

An eight-week course in Fundamentals of Nuclear Power Plant Technology is organized as part of the initial training of technical personnel. In 2024, it was held in the spring term for thirteen participants from NEK.

Training programs for maintenance personnel were implemented to provide specialist and legally required knowledge. Training needs were identified based on matrices of required qualifications. The courses were held partially at the maintenance training center and the technological facilities of the power plant, and partially in collaboration with external institutions. In addition to the professional training staff, we also actively involved practical training mentors from individual maintenance units in the preparation and execution of the training.

As part of the continuous professional training program for maintenance personnel, we completed the renewal content required by law in two training sessions. The maintenance staff were updated on the latest developments in power plant processes and domestic and international operating experience.

### Other legally required and general training

Legally required training primarily concerns occupational health and safety, fire protection, and hazardous chemicals. General training primarily includes the General Employee Training Program and the First-Line Supervisor Training Program.

In 2024, established initial and refresher training programs were regularly held in areas such as occupational health and safety, fire protection, hazardous chemicals, protection and rescue plans, movement around electrical installations, etc.

Initial and refresher training in radiation protection was conducted in compliance with the legislation.

Two more extensive exercises, supported by a full-scale simulator, were also conducted to organize the protection and rescue plan.

In addition to the previously mentioned training, several courses were offered for other departments of the power plant. These courses aimed to familiarize employees with new legislation and integrate new developments into individual processes. We also continued our general computer literacy classes, foreign language courses, and soft skills training.

### 3.4.12 OCCUPATIONAL SAFETY AND HEALTH

At NEK, we are dedicated to providing a safe working environment, appropriate protective measures, and employee training to prevent work-related injuries and illnesses. We ensure and improve working conditions and fire safety based on modern standards and our operating experience. We maintain and update our occupational health and safety and fire protection management system in accordance with the ISO 45001:2018 standard. Bureau Veritas conducted the audit on 21 and 22 November 2024. No deviations were found during the audit; only recommendations were made. We consistently comply with the requirements of applicable legislation and other standards adopted by the company related to occupational health and safety and fire protection. We promote healthy and safe working conditions to prevent work-related injuries and health issues through appropriate preventive measures. We enhance the effectiveness of our management system by consulting and collaborating with employees or their representatives and ensuring its ongoing improvement. We incorporate essential safety and fire requirements into development plans, modifications, annual goals, and the Corrective Action Program.

We assess and monitor the impacts of the power plant's operation on employees and take preventive measures based on objective facts when necessary. We train employees and external contractors in safe work practices and fire protection while raising their awareness about the importance of occupational safety and health. We inform all individuals and organizations working for NEK about our occupational health and safety and fire protection policy. We offer interested parties insight into the management system policy, and through personal example and presence on construction sites, managers at all levels review, encourage, and enhance behavioral standards during work. From 6 to 11 November 2024, we also conducted an internal assessment of occupational safety and health. Four actions were documented; one has been completed.

To raise awareness of the importance of continuous concern for occupational health and safety, we have installed a monitor at the entrance to the power plant that displays the number of consecutive days without a work-related injury requiring absence from work. In 2024, there were no work-related injuries requiring sick leave.

We provide employees with regular preventive health check-ups and health services on the NEK premises. We pay special attention to ensuring the good mental and physical condition of our employees, with the importance of ensuring a healthy and safe working environment and encouraging sports activities, a balanced diet, and a healthy lifestyle.



Due to its specific nature, NEK pays special attention to radiation protection for its employees and external contractors at the power plant. The goal is to ensure that personnel exposure is as low as reasonably achievable (ALARA principle).

The power plant has an organized radiation protection unit that deals with radiation protection. The unit monitors the radiation conditions at the power plant and, before work begins in a radiologically controlled area, ensures that a radiation work permit is issued for work in the radiation field. The radiation work permit prescribes, depending on the conditions (radiation, contamination) and the type of work, the protective equipment that workers use in their work, and the method of radiological control in order to prevent the spread of contamination or unnecessary exposure of personnel.

Depending on the dose rate, air contamination, and surface contamination, three different zones are distinguished: green, yellow, and red. The green zone is the zone with the lowest air contamination (< 0.1 DAC) and surface contamination (< 400 Bq /100 cm²) and the lowest dose rate (<0.025 mSv/h), the yellow zone allows air contamination between 0.1 DAC and 1 DAC, surface contamination between 400 Bq/100 cm² and 4000 Bq/100 cm² and a dose rate between 0.025 mSv/h and 1 mSv/h; the red zone contains air contamination greater than 1 DAC, surface contamination greater than 4000 Bq/100 cm² and a dose rate greater than 1 mSv/h.

All activities in the radiologically controlled area are carefully planned and the ALARA principle is followed, which also means limiting the spread of contamination. Contamination in the power plant is limited by control points placed at the boundaries between areas with different contamination conditions; workers must use protective equipment correctly.

Workers may only work in a radiologically controlled area if they have completed a radiation protection course, which is periodically renewed, and possess a valid medical examination.

We also perform personal dosimetry. We monitor the doses received by personnel with electronic and passive dosimeters. The annual internal limit for the received dose is 10 mSv, which is half the legally prescribed limit.

In 2024, we did not exceed the annual internal limit, the highest personal dose received was 7.94 mSv. The collective dose of personnel was 0.60 man-Sv.

The Radiation Protection unit also monitors the number of personnel contaminations and internal contaminations.

We are constantly improving processes in accordance with global standards to reduce the doses received and their rates.

The power plant also has a workers' representative for occupational health and safety. He is a representative of the workers having the position and role of a works council. Through the workers' representative, the employer enables workers to participate in addressing issues of occupational health and safety.

We build and consider our employees' safety culture, which is why we encourage and develop behavioral patterns and value principles that ensure the inclusion of safety culture in every business process activity and mutual relationship.

We ensure a healthy working environment through various activities, including keeping workplaces tidy, providing appropriate ergonomic equipment, limiting negative environmental effects, and regularly ensuring hygiene and cleanliness.

### 3.4.13 BALANCING PRIVATE AND PROFESSIONAL LIFE

Taking care of overall health and wellbeing in the workplace is part of our Health Promotion program. Recently, there has been an increasing focus on achieving a proper balance between personal and professional life. At NEK, we offer various activities aimed at enhancing family quality time. One example is NEK's vacation facilities, which are allocated to employees based on established criteria for use during school breaks, national holidays, and beyond. Employees also have access to various recreational options and medically-quided active vacations. In line with our commitment to fostering engagement, we also organize other forms of employee socialization, such as professional outings, social events, and visits to cultural activities.

Working hours at NEK are defined in an internal act, which is based on the applicable labor legislation, the Collective Agreement of the Electrical Energy Industry, and the Company Collective Agreement of NEK. The NEK management determines the annual distribution of working hours before the start of the calendar year. Full-time working hours are 40 hours per week, including a paid halfhour daily break. Working hours are generally distributed evenly over five working days (Monday-Friday) with an eight-hour daily work obligation. By redistributing working hours, work tasks are carried out during a more workintensive period. In the event of an uneven distribution and temporary redistribution of working hours, this may not last more than 56 hours per week, and a maximum of 96 working hours may be redistributed in a single calendar year. If, due to the needs of the work process, more working hours are realized than planned through uneven distribution and temporary reallocation of working hours, this work is calculated as overtime, taking into account legal restrictions. The heads of organizational units are responsible for planning, monitoring, and approving the realization of working hours.

### 3.4.14

### DEROGATIONS, COMPLAINTS, AND HUMAN RIGHTS IMPACTS

At NEK, we treat everyone with respect and uphold ethical standards. We do not tolerate discrimination, violence, or harassment. We ensure that no one is subjected to unacceptable sexual conduct, including unwanted physical, verbal, or nonverbal behaviors based on gender, which create intimidating or degrading working relationships and offend the dignity of both women and men in the workplace.

Therefore, NEK has issued internal Rules for the Protection of Workers from Violence, Discrimination, Harassment and Bullying in the Workplace (mobbing), which regulate the protection of workers from mobbing and determine procedures and measures for the protection of dignity and health at work. Occurrences of violence, discrimination, and bullying in the workplace violate human dignity and personal rights, which are incompatible with NEK's corporate culture. Thus, mobbing in any form breaches the provisions of the Employment Relations Act and the Occupational Safety and Health Act.

We respect all employee rights, including human rights, and consider relevant international and national laws.

### 3.4.15

#### **INDICATORS**

The following key indicators are essential for monitoring performance in the area of comprehensive employee development:

- Industrial Safety Accident Rate
- Collective Radiation Exposure
- Employee Motivation and Commitment

Along with these indicators, we also include significant power plant performance indicators for this area:

- Number of Human-Related Deviations / Events
- Proportion of Courses not Completed or Missed in Required Skills Matrices – total count
- Training Attendance
- Industrial Safety Accident Rate (WANO)

### **3.5** PARTNERSHIP WITH SUPPLIERS

NEK cooperates with numerous business partners, suppliers, and contractors who contribute a significant share of their expertise, knowledge, and experience. Therefore, we know the importance of fair, mutual, and long-term cooperation. Our procurement procedures are standardized and clearly defined. We are also directly bound by the Public Procurement Act, which ensures the economical and efficient use of funds, compliance with regulations, competitiveness, proportionality, transparency, and equal treatment of bidders.



### 3.5.1 IMPACT ON SUPPLIERS AND QUALITY OF

**SUPPLIES** 

Services, equipment, and materials are supplied worldwide, but most are from Slovenia, Croatia, and the US. Great Britain and the US are the most important suppliers of enriched uranium and fuel elements. These suppliers ensure crucial supplies for NEK, which must ensure uninterrupted electrical energy production.

We manage our procurement risks and our commitment to sustainable development by ensuring that we collaborate with suppliers who adhere to regulated labor laws and provide their employees with suitable working conditions, equal treatment, development opportunities, and other work-related rights. This approach allows us to uphold our reputation and mitigate the risks of failing to meet standards for fair and ethical treatment of employees.

The most important elements in the selection of suppliers doing business with NEK are ensuring the required quality and the timeliness of deliveries of goods and the performance of services. To ensure quality, NEK has an extensive Quality Assurance program in accordance with legislation and nuclear standards, which includes the control of purchasing documents, materials, equipment, and services, the control of handling, storage, and transport, the control of nonconformity of materials, parts and components, and the provision of records and quality checks at suppliers.

For the supply of materials, equipment, and services that could affect the safety and reliability of the power plant, NEK has established a list of approved suppliers. Suppliers who demonstrate the quality of their products and services with appropriate Quality Control programs can be included in the list. In 2024, we included two new suppliers to the list of approved suppliers that meet all the conditions for the supply of materials and the performance of services.

In accordance with an internal procedure, NEK periodically (at least every three years) checks the quality programs of suppliers included in the list of approved suppliers. In 2024, a control program was carried out at twenty suppliers, of which eleven were local (Slovenian, Croatian) and nine were foreign. To enhance the quality of services and goods ordered by NEK, we conducted a risk assessment at three key suppliers with whom we developed an improvement plan for future deliveries and performances. The purpose of this assessment is not only to evaluate quality but also to enhance personal relationships and assist suppliers in improving their performance to meet the standards necessary for safe plant operation.



3.5.2

### CONDITIONS FOR THE ENTRY OF EXTERNAL CONTRACTORS INTO THE POWER PLANT

Only individuals who meet the conditions outlined in the law and general acts of NEK and for whom no security concerns exist are permitted to enter and work independently at NEK. Therefore, external contractors providing services at the power plant must undergo a security check in accordance with internal procedures and the lonizing Radiation Protection and Nuclear Safety Act. A security check involves an inquiry in which the employer and the operator of a nuclear facility gather information regarding any security concerns before issuing a permit to enter the physically controlled area of the nuclear facility.

Before starting work at the power plant, external contractors must complete at least one training session according to the General Employee Training program, which lasts five hours for workers in the technological area and three hours for those in the non-technological area. The training covers various topics, including NEK's commitments and goals, safety culture, internal organization of NEK, technological design, rules of conduct regarding security, quality assurance, environmental management system, prevention of foreign object introduction, occupational health and safety, fire safety, performance of work activities, provision of first aid, and handling accidents according to the Protection and Rescue Plan.

3.5.3

### PROCUREMENT OF SERVICES AND GOODS

The procurement of services and goods is carried out based on internal procedures and in accordance with the Public Procurement Act. We ensure correct, open, and respectful communication with suppliers. After concluding a contract, we provide all necessary training for entering the work site and a reliable introduction to work. After the work is completed, we analyze the work performed to look for good practices and opportunities for improvement. We resolve deviations quickly and in accordance with the complaint procedures.

We include an anti-corruption clause in every contract concluded with suppliers. This clause obliges all contractual partners to act transparently and ensure that there is no abuse of position, unjustified acceptance of rewards or gifts, or other actions that would violate the provisions of the Code. Suppliers are informed about the Code's content before joining NEK during mandatory training, which they must complete before starting work.

We also ensured that payment terms were as short as possible. Payment terms that comply with the law and timely settlement of obligations, which we are also bound by, are additional foundations for maintaining business trust with contractors and suppliers.

BUSINESS REPORT
TRAJNOSTNA NARAVNANOST



### 3.5.4 INDICATORS

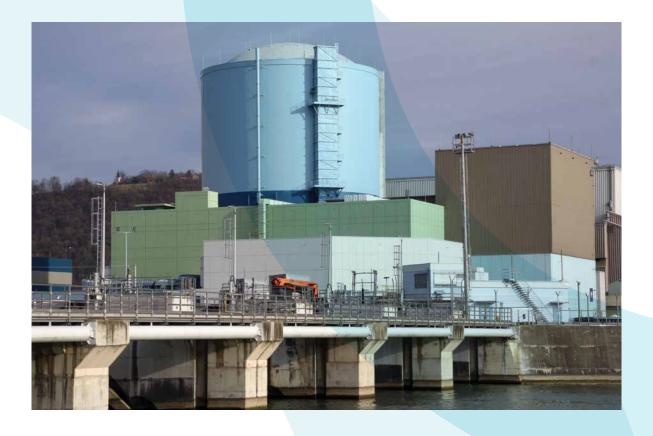
The following indicators are important for monitoring the performance of employees at contractors and suppliers (value chain):

- Supplier Audit Schedule Adherence
- Number of Overdue Actions from Supplier Audits
- Number of Contractor-Related Deviations / Events
- Contractor Industrial Safety Accident Rate, WANO
- Unsolved Obsolete Components
- Number of risk assessments according to the procedure: Measures to Improve the Quality of Services and Goods

### 3.6 COMMUNITIES AND USERS

In addition to internal stakeholders and suppliers, which are discussed separately in the report, our key stakeholders are:

- administrative and other state authorities,
- local communities,
- media,
- educational and research institutions, as well as professional and interest associations,
- electrical energy users the general public.



Our relationship with stakeholders, in line with the Code of Safety and Business Ethics, is founded on professionalism, honesty, operational transparency, mutual understanding, and trust. For each stakeholder, we select the appropriate forms of cooperation and communication channels. NEK actively monitors public dialogue within its environment and provides relevant information to stakeholders through various channels. We have established requirements, guidelines, and responsibilities for communication with both internal and external audiences in our internal documents.

### 3.6.1 ADMINISTRA

### ADMINISTRATIVE AND OTHER STATE AUTHORITIES

We regularly monitor changes in legislation, ensure compliance with laws and administrative restrictions, and report on operation based on legal regulations, administrative procedures, contractual obligations, and requirements written in internal documents.

BUSINESS REPORT

### 3.6.2 LOCAL

vicinity.

**COMMUNITIES** 

# Through ongoing communication, we focus on the local area. We present our development plans to representatives of local authorities and the public, or we consult on them. Current data on the power plant's operation, including information on environmental impacts, is available on the NEK website, along with monthly and annual reports, as well as yearly reports on radioactivity monitoring in the NEK area. Updates on the power plant's operation are included in the regional newspaper, which is distributed to all households in the immediate

As a major employer and consumer of materials and services, NEK significantly impacts the surrounding communities. In accordance with government regulations, NEK, as the operator of the nuclear facility, compensates local communities for the limited use of land and the planning of intervention measures. These funds offer local communities an investment source that enhances residents' quality of life and aligns with the objectives of sustainable development.

We primarily allocate donor funds for humanitarian purposes and for activities that promote volunteerism and enhance the quality of life in society.

### 3.6.3 MEDIA

We provide the media with transparent information about NEK's operation and changes through press releases, press conferences, and visits to the power plant, and we provide up-to-date answers to their questions. In 2024, we prepared more than 40 press releases and organized two press conferences for media representatives.

### 3.6.4

### EDUCATIONAL AND RESEARCH INSTITUTIONS AND PROFESSIONAL AND INTEREST ASSOCIATIONS

To understand energy, particularly nuclear energy, we have established various partnerships with primary and secondary schools and universities. In collaboration with Krško High School, we are implementing the Basic Knowledge of Nuclear Engineering module for students majoring in electrical engineering. We also participate in information days for primary and secondary school students and in roundtable discussions organized by them. Together with a Slovenian partner, we are organizing the Young Geniuses project, which enhances awareness of energy and sustainable development while introducing young people to scientific and technical professions. In 2024, 17 primary schools from our region participated in the project. Visits to the power plant are also a vital form of collaboration with educational institutions, and among the 4,559 visitors last year, a significant portion came from educational organizations.

Through our involvement in international and domestic professional associations, we facilitate the exchange of knowledge, experience, and best practices, contributing to the advancement of professions. NEK actively participates in the Nuclear Society of Slovenia and the Nuclear Society of Croatia, as well as other professional societies and associations in the region.

The power plant recognizes the significance of engaging with international organizations and international oversight of operation, as this allows us to achieve operational and safety results that are comparable on an international level. We dedicate a specific chapter to our collaboration with international organizations.

### 3.6.5 CONSUMERS AND END

USERS

In accordance with the IA and AA, NEK is structured as a limited liability company. Each of the two partners, GEN and HEP, receives half of the electrical energy produced. Therefore, NEK does not operate in the electrical energy market and has no direct relationship with end consumers.

As a major producer of low-carbon electrical energy, it accounts for 20 percent of all electrical energy consumed in Slovenia and 15 percent in Croatia. By fulfilling its mission to ensure competitive electrical energy production prices and reliable, predictable output, it enhances the accessibility of electrical energy for consumers.

With a policy of transparency and open communication with the public, we provide up-to-date information on various aspects of plant operations and environmental data on our website (https://www.nek.si/). We encourage the public to ask questions via phone or email. Through our "always open door" policy and organized visits to the power plant, we facilitate direct personal communication and allow visitors to become familiar with the plant's operation. In 2024, although we did not receive visitors during the one-month regular outage, the power plant welcomed 4,559 visitors, compared to 4,817 visitors in 2023.

### 3.6.6 INDICATORS

### The key indicator, *Public Support for the Operation of the Power Plant*, is important for monitoring performance in the area of community, users, and end consumers. We also added the indicator, *Number of Visitors in One*

### 3.7 SUSTAINABLE BUSINESS CONDUCT

### 3.7.1 CORPORATE CULTURE

The goals of NEK include establishing a stable organization with clearly defined responsibilities, modern management practices, and awareness among all employees. To enhance understanding of the management concept, the Code of Safety and Business Ethics, along with other NEK documents, outlines processes with clear definitions of their purpose, interdependence, and interrelationships. The management system aims to illustrate the connection between work processes and key NEK documents that define the foundational starting points, interrelationships, policies, objectives, and overall organization of NEK. The aim of the management system, which aligns with legislative requirements and the policies of the nuclear industry, is to create a comprehensive and transparent platform for achieving long-term high efficiency in safety and operational reliability.

Two documents – management manuals, define the company's management system. The first defines what we want to achieve, defines our vision and mission, and highlights policies or guidelines in priority and key areas of our work. It also defines key goals for a five-year period, strategies for achieving goals, and action plans for organizational units. The second defines work processes and their integration with the Code and Internal Commitments and Goals, and thus the path along which we achieve the set goals.

To enhance the corporate culture, approximately one hundred members of NEK's management team undergo continuous professional training, including the management board, executive directors, heads of organizational units, managers who lead a permanent group of workers in accordance with the internal organization, project managers, shift supervisors, and candidates for promotion.

In 2024, several lectures on internal policies and objectives were attended by 1,115 employees and external contractors working at NEK. Additional training on leadership was organized, averaging 27 hours per participant. In 2023, several lectures on internal policies and objectives were attended by 936 employees and external contractors working at NEK. Some training specifically targeted managers in the company, averaging 43 hours per participant.



### Integrating sustainability into business

To more effectively integrate sustainability into NEK's operation, the Management Board established a Sustainability Group, which includes appointed representatives of all organizational units. The group is composed of employees from the technological and non-technological parts of the power plant with the aim of covering the widest possible scope of NEK's operation from a sustainability perspective. Its tasks include promoting a sustainable approach among employees, collecting proposals for improvements in sustainable operation, collecting data to prepare the annual carbon footprint calculation, and preparing a sustainability report.

In 2024, we adopted an internal management manual that defines the integration of sustainability topics into NEK's operation. The document also sets out the responsibilities of the management board, directors, and individual organizational units regarding the sustainable orientation of NEK's operation.

In March 2024, we issued an updated and revised Code of Safety and Business Ethics. The Code now includes a chapter on Sustainability, which also defines the company's commitment to acting sustainably in implementing its mission. The revised version of the Code was received by all NEK employees and permanent external contractors.

#### Succession planning for management and leaders

We are aware of the importance of proper management of NEK and its impact on the effectiveness of the organization and our relationships. Management competence and effectiveness, coordination of management on key issues, and understanding of responsibility for the development of young talents are key to the long-term stability of NEK.

The succession policy for management and senior staff is regulated in a document that defines the systematic planning, preparation and introduction of staff for senior positions at NEK, taking into account short-term and long-term needs. It is a process of identifying and assessing the suitability of candidates for promotion to senior positions. In 2024, 26 employees were included in the program, four of whom have already occupied senior positions.

### Code of Safety and Business Ethics

The Code of Safety and Business Ethics is a set of guidelines for our ethical and moral conduct, assisting us in making daily decisions across various levels and situations. Additionally, the Code serves as a recommendation or tool for providing clearer guidance on conduct both within NEK and in our dealings with business partners, owners, and the broader social environment. It establishes the fundamental values and principles that guide NEK's conduct and operation.



The Code is published in Slovenian, Croatian, and English. All three language versions are published on the internal web portal and the NEK website Publications | Krško Nuclear Power Plant. Each employee also receives a printed copy upon starting employment. In March 2024, an updated version of the Code was published with new chapters on Sustainability and Artificial Intelligence. All NEK employees and permanent external contractors received it.

Employees and all external contractors at NEK are informed about the contents of the Code through professional training. In 2024, 28 individuals participated in the training on this topic, 275 attended lectures on security culture, and 28 took part in lectures on cybersecurity. In 2023, 53 individuals joined the course on the content of the Code, 57 attended lectures on security culture, and 165 participated in lectures on cybersecurity and the basics of information security.

### 3.7.2 REPORTING DEVIATIONS

### Reporting violations and protecting whistleblowers

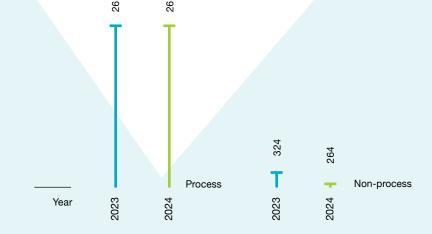
NEK has established a system for reporting violations, which ensures the protection of whistleblowers and protection against retaliation. The procedure is defined in the internal Rules on Internal Reporting of Violations and Protection of Whistleblowers. A confidant has been appointed for reporting violations, and all information for reporting is published on the NEK internal web portal. In 2023 and 2024, we did not receive any reports of violations.

#### **NEK Corrective Action Program**

A program has been established that enables the documentation, monitoring, and analysis of all deviations, inconsistencies, and improvement proposals through a computer application. The shared computer environment enhances efficiency in addressing deviations and inconsistencies, resolving improvement proposals, increasing transparency in task performance, and improving monitoring of the overall process's efficiency. Comprehensive and transparent reporting of deficiencies in the Corrective Action Program fosters continuous improvement of work processes and technological standards and the elimination of recurring errors. This approach helps maintain the expected level of nuclear safety. The use of the Corrective Action Program application is outlined in the internal administrative procedure. In 2024, 2,914 requests for the Corrective Action Program were submitted. Of these, 2,650 were process requests, and 264 were non-process. Process requests pertain to systems, components, or buildings involved in the power plant's technological processes, or they indirectly impact its safe and reliable operation. Non-process requests relate to equipment, components, and buildings outside the technological part of the power plant and do not affect its operation.

In 2023, 2,982 requests were submitted, including 2,658 process requests and 324 non-process requests. The year 2023 was special due to an unplanned emergency outage, during which we only carried out the most necessary work.





#### **Trust box**

In the area of occupational health and safety, employees and external collaborators have the option of anonymous communication with NEK management. This allows us to submit initiatives, suggestions, opinions, criticisms, or praises. The procedure for using the trust box is governed by ISO 45001:2018 Standard for Occupational Health and Safety Management Systems, as well as the internal Rules of Procedure for environmental management systems and occupational health and safety management at NEK. The head of occupational health and safety and the technical director are informed about the content of the records, which is also presented to the NEK management board during the annual management review of the occupational health and safety management system. Four records were submitted in 2023, and none in 2024.

### 3.7.3

### PREVENTING CORRUPTION **RISKS AND CONFLICTS OF INTEREST**

We pay particular attention to preventing

business practices that could lead to corruption risks or conflicts of interest. The Code of Safety and Business Ethics clearly states that at NEK, we avoid any activities, interests, or investments that could compromise our independent judgment or work obligations in the best interests of NEK. Neither NEK employees nor their family members may: act as a supplier of services to NEK, represent the supplier in transactions with NEK, or serve on its management board;

- hold financial interests in an organization or company that does business with NEK, if such interests would create a conflict of interest:
- use NEK funds for personal purposes or for other organizations.

We consistently observe the above restrictions in our operations and investigate and respond appropriately to any doubts that indicate a conflict of interest.

All contracts we conclude with business partners and general terms and conditions include an anti-corruption clause. Employees and external contractors working at NEK are presented with content related to corrupt practices during professional training on the Code of Safety and Business Ethics. Acts of corruption can be reported in the company's whistleblowing system.

Employees and external contractors at NEK receive education about the company's policy on conflicts of interest during training sessions on the Code. In 2024, we did not record any reports or incidents at NEK related to violations of legislation concerning corruption and bribery. NEK operates based on professionalism and adherence to the law. We do not engage in lobbying activities.

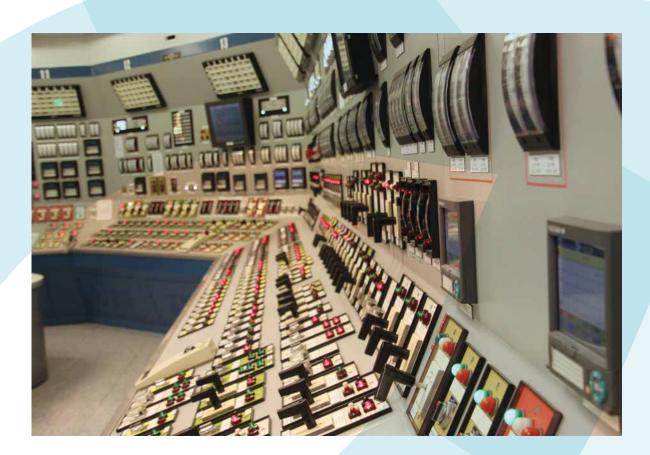
### 3.7.4

#### **COMPREHENSIVE RISK** MANAGEMENT

The risk management process aims to systematically identify, address, evaluate, and implement appropriate measures for managing risks. It is governed by an internal document that outlines the primary risk areas and the processes used to ensure the identification and management of individual risks. The requirements, guidelines, and responsibilities related to these processes are also clearly defined. Risks are divided into major and minor categories. Major risks are addressed by the Comprehensive Risk Management Committee, which functions as a body within the NEK management board.

#### **Cybersecurity**

We are also aware of the risks in the field of cybersecurity. When establishing systems to strengthen cybersecurity, we take into account domestic and European legislation (Information Security Act, Rules on Radiation and Nuclear Safety Factors – JV 5), but we also rely on American legislation and recommendations from international organizations.



Two senior engineers oversee cybersecurity. At NEK, information systems are segregated into two environments: business (Information Technology – IT) and technological (Operational Technology – OT). OT systems encompass the hardware and software necessary for electrical energy generation. Most safety-related (SR) systems are analog. IT and OT systems are maintained according to internal programs. Following the internal program and NRC RG 5.71 guidelines, all computer systems are inventoried, and a detailed list of all digital assets is compiled. Systems are categorized as follows: Safety-related, Important to Safety, Security, Support Systems, RG 5.71 SSEP classification, and Environmental Protection and Business Continuity. Each system undergoes an assessment to determine its criticality in terms of cybersecurity. The systems are integrated into a cyber defense-in-depth model (RG 5.71). If a system is deemed critical, a CDA analysis is conducted using the EPRI method (as described in the procedure) to evaluate attack vectors, associated risks, and necessary security measures for cyber protection. At the same time, the embedded digital equipment is actively and passively inspected for known cyber vulnerabilities.

Cyber incidents are reported in accordance with the National Cyber Incident Response Plan (NCRP). Cyber Procedure Security Incident Response outlines steps and actions to be taken before, during, and after a cyber incident. In 2024, there were no cyber incidents at NEK that required reporting to the response center.

### Protection of personal data and trade secrets

Risk management in the area of personal data protection is regulated at NEK in accordance with legislation and internal acts. To ensure the adequate protection of personal data, strict measures have been implemented to prevent unauthorized individuals from accessing this data. Security measures include a password system and file access management, locked cabinets and rooms, and other technical and organizational measures, which are precisely defined in the internal Rules on Personal Data Protection.

We enable individuals to exercise their rights under applicable law. The possibility of objection is clearly defined in the internal regulations, and individuals also have the right to file a complaint with the competent authority for personal data protection: Personal data protection | Krško Nuclear Power Plant. In 2023 and 2024, no objections or complaints were filed regarding the processing of personal data at NEK.

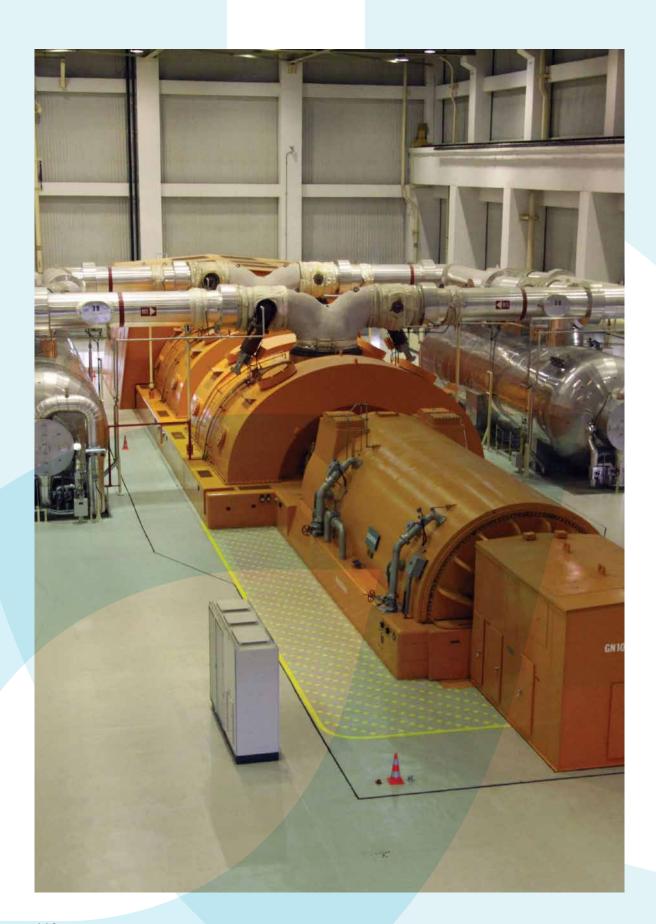
Personal data protection is also an important aspect of our collaboration with business partners. All contracts and general terms and conditions include provisions that oblige clients to protect business secrets and personal data in accordance with applicable legislation and NEK's internal regulations. This ensures a high level of security and compliance in all areas of business.

### 3.7.5 INDICATORS

Organizational efficiency is the most effective way to ensure sustainable business practices. The most important factors of organizational efficiency are the established management model, highly qualified and motivated employees, and effective management. In order to achieve and monitor management efficiency, we set key goals in accordance with the umbrella program. Our key goals are presented in the form of indicators in the chapter Presentation of NEK, Goals.



BUSINESS REPORT LONG-TERM OPERATION



### 4.0 Long-term Operation

By the end of 2023, all prerequisites had been fulfilled, and the administrative authorities' decision to extend the operation of NEK until 2043 had been executed. Therefore, 2024 marks the beginning of the extended operating period for NEK, and the outage in 2024 represents the initial outage of this extended period. The ongoing challenges for successful long-term operation include the transition of the LILW to ARAO and the Fond, the implementation of the action plan from the third periodic safety review, and the SALTO mission, which will assess NEK's adherence to the IAEA's guidelines for long-term operation.

BUSINESS REPORT

## 4.1 LOW- AND INTERMEDIATE-LEVEL RADIOACTIVE WASTE (LILW) AND THE DECISION OF THE INTERGOVERNMENTAL COMMISSION

One of the more demanding prerequisites for the long-term operation of NEK is ensuring the storage capacity of LILW. At the end of 2023, the Intergovernmental Commission determined that neither party (the Slovenian Radioactive Waste Agency, ARAO, and the Croatian Fond) was prepared to take over the waste in the scope and within the time limits specified in the Intergovernmental Agreement and therefore ordered Fond and ARAO to begin construction of the long-term Čerkezovac storage facility and the Vrbina LILW repository as soon as possible and to begin taking over LILW from NEK no later than the beginning of 2028.

The Intergovernmental Commission also orders NEK to ensure sufficient storage capacity for LILW by the start of its transfer in early 2028. Therefore, support activities for incineration, melting, and supercompaction of radioactive waste are underway at NEK. The greatest emphasis is on decontamination because, in the event of successful decontamination of the cleaned material, radiological monitoring can be abandoned, thereby minimizing the volume of LILW generated.



### 4.2 THIRD PERIODIC SAFETY REVIEW (PSR3) ACTION PLAN

NEK, which holds an unlimited operating license, must conduct a comprehensive PSR every ten years in accordance with current Slovenian legislation. The first such review was completed in 2003, the second in 2013, and the third in 2023. Over the past three years, NEK has verified the compliance of the power plant project with legislation and international safety standards. It has also reviewed the actual condition of the facility, equipment, organization, and personnel, as well as other technical and organizational areas, which are classified into 18 safety contents, including a new area of physical protection.

In addition to NEK employees, external experts also participated in the very extensive and professionally demanding review. The comprehensive safety review revealed a significant improvement in the safety level of NEK since the previous PSR, primarily due to safety improvements resulting from the Safety Upgrade Program.

In previous years, the following was completed: a review by safety factors, classification of findings by significance, preparation of a plan of changes and improvements, and a final descriptive assessment of the safety of NEK; in 2024, the implementation of the action plan began, which is expected to last for the next five years. NEK regularly reports to the SNSA on the progress and development of the PSR3 action plan.

### 4.3 SALTO MISSION

The SALTO Mission (Safety Aspects of Long-Term Operation) is a special two-week review mission conducted by the IAEA. It is intended to review the plant's readiness for long-term operation in accordance with the SSG-48 guidelines for aging management and development of a program for long-term operation of nuclear power plants. During the mission, IAEA experts assess the aging control programs, organization, and preparations for the safe long-term operation of the plant.

NEK already completed the Pre-SALTO mission in 2021, which was part of its preparations for long-term operation. In May 2025, experts from six thematic areas will perform plant tours, review procedures, and conduct interviews to verify NEK's compliance with SSG-48 guidelines.



# 5.0 Major Maintenance and Inspection of Pressure Boundaries

Through maintenance, operational monitoring, and upgrading, we ensure maximum system, assembly, and device availability. In maintenance, we prioritize prevention. Preventive maintenance is performed at specific intervals justified by manufacturer recommendations, international practices, and our analyses and experience. In some cases, instead of scheduled preventive maintenance, we use maintenance based on operating hours or an assessment of the device's condition. Here, we analyze the device's condition using diagnostic data measurements to determine the optimal scope and timing for servicing or renewing the component.

If a failure or degradation of a component or assembly occurs, corrective action is taken that generally includes diagnostics, error correction, and analysis of the failure's causes.

Maintenance interventions are carried out according to pre-prepared procedures and instructions. Interventions are concluded with a post-maintenance test, which proves the flawlessness of the equipment and the success of the intervention. In the case of corrective interventions on equipment included in the preventive maintenance program, a detailed root cause analysis is performed after the intervention, and the preventive maintenance program is updated accordingly based on the findings. The goal of maintenance is to minimize failures and maximize equipment availability.

The most intensive maintenance work occurs during the power plant outage; in 2024, it was scheduled for April. During this time, various regularly scheduled activities were conducted, including valve and pump outages, ventilation system inspections, high-voltage and low-voltage motor outages and revisions, electrical control equipment outages, calibration of measurement and regulation equipment, and testing and trials of the reactor protection system. Less frequently performed tasks that require additional preparation, coordination, or resources included:

- Outage of connecting valve 10065 on the component cooling system
- Outage of auxiliary feedwater pump AF102PMP-01A
- Replacing the compensation joint between the condenser and the turbine

- Full outage of the main electric generator
- Oil change on the polar crane in the reactor building
- Inspection of the condition of the reactor vessel sealing flange using laser scanning
- Replacing the power distribution measurement system guides in the reactor
- Inspection of Steam Generators' U-tubes using the eddy current method
- Preventive inspection of steam reheater relief valves
- Renovation and modernization of lighting in the reactor building

During the outage, in addition to working on active components in accordance with regular preventive maintenance programs, we also conducted several activities to support long-term operational stability. These primarily included inspections of larger components, such as the steam generator, reactor and its internal parts, turbine section, heat exchangers, cables, and pressure pipelines. All of these inspections showed good condition. We also inspected the pipelines connecting to the primary circuit using the non-destructive ultrasonic method.

In the 33<sup>rd</sup> fuel cycle and outage of 2024, we completed maintenance on 11,939 work orders. Of these, 3,537 were completed during the outage when the power plant was shut down, providing access to systems and devices that cannot be maintained during operation, while 8,402 work orders were processed online. Planning all maintenance interventions posed a significant challenge, as devices and assemblies must be isolated from the technological process, and all energy sources must be shut down beforehand. The intervention needs to be as brief as possible to minimize the unavailability of assemblies and devices due to maintenance, thereby shortening the critical path of the outage. Well-prepared instructions, qualified contractors, readily available spare parts, an optimal timeline, and coordinated actions across various departments are essential.

Maintenance efficiency is measured by various indicators, which are periodically monitored and checked according to established programs. One of the indicators is the number of corrective work orders in relation to the total number of orders performed; this is 4.6 percent during operation (online) and 4.5 percent during outage. In 2024, there were six rework work orders during outage and 15 during operation. Rework work orders are those that are performed when the initial intervention was unsuccessful. No failure resulted in a violation of the time frames for operational restrictions arising from the Technical Specifications, nor an interruption of operation.

The condition of the assemblies and devices shows no degradation that would impact further operation. Minor deviations that cannot be resolved during plant operation have been recorded and are currently being monitored. All assemblies, systems, and devices are in a state that allows for continued long-term operation. If work continues per the maintenance programs within the same scope, we expect the situation to remain unchanged.

BUSINESS REPORT TECHNOLOGICAL MODERNISATION



# **6.0**Technological Modernisation

In 2024, we were intensively preparing for the outage work in April 2024; major modifications are presented below.

Among the major technological improvements that took place outside of the outage, during regular operation, were: relocation and modernization of the main and auxiliary security control centers as part of the modernization of technical security systems, modernization of lightning protection and the water treatment system.

We have been intensively developing project documentation and purchasing and manufacturing equipment for projects that are expected to be implemented during the outage in October 2025.

BUSINESS REPORT

TECHNOLOGICAL MODERNISATION

Among the projects that we completed in 2024 or will continue in 2025, we highlight the most important ones:

### **6.1**MAJOR PROJECTS DURING THE 2024 OUTAGE:

### 6.1.1 REPLACING THE COMPONENT COOLING SYSTEM HEAT EXCHANGERS

On the old heat exchangers used for cooling components, we found degradation of the structural materials, primarily in the form of corrosion and erosion, which caused leaks in the pipes and their subsequent plugging. For the long-term operation of NEK, both were required to be replaced. In the 2022 outage, the first was replaced on Safety Train A, and the second was replaced in the 2024 outage on Safety Train B.

### 6.1.2

### MODERNIZATION AND ADAPTATION OF RADIOACTIVE WASTE MANAGEMENT SYSTEMS – PREPARATION FOR HANDLING OVER LILW PER THE INTERGOVERNMENTAL AGREEMENT

The purpose of the modification, which took place between 2023 and 2025, was to modernize the waste disposal system (WD) and the liquid radioactive waste processing system (WP) to create the prerequisites for transferring LILW to the receivers, ARAO, and Fond. The modernization concerns the equipment for handling LILW packages, as well as all additional equipment necessary for organizing the filling and transfer of transport containers, as specified in a special study prepared by an external organization specializing in this field.

We also ensured necessary radiation protection (shielding, remote monitoring, and control). We purchased the necessary equipment, including that which complies with the ALARA principle and reduces the doses received by personnel handling the LILW packages.

By modernizing its RW management systems, NEK is prepared to initiate the transfer of LILW to ARAO and Fond, as stipulated in the Intergovernmental Agreement. However, per the agreement reached at the 17th session of the Intergovernmental Commission, the original transfer deadline has been postponed from 2023 to 2028 due to the lack of preparedness of the Slovenian (ARAO) and Croatian (Fond) sides.





BUSINESS REPORT

TECHNOLOGICAL MODERNISATION





PROTECTION AGAINST SINGLE-PHASE FAILURE AND REPLACEMENT OF SECONDARY EQUIPMENT IN 110-kV AND 400-kV FIELDS

The modification occurred in two phases: Phase 1 during the 2022 outage and Phase 2 during the 2024 outage.

During the first phase of the modification, a system for detecting a single phase failure was installed on the external 110 kV and 400 kV network, and the following were replaced: the control cabinet in the 110 kV field, the protection cabinet in the 400 kV transformer fields, and the transient recorders for monitoring voltage/currents in the internal network of NEK.

During the second phase of the modification, the secondary equipment in both 400 kV transformer fields was replaced; on the 6.3 kV busbars of the unit load power supply, the protection terminals were replaced on all four supply cells and measuring transducers were installed for monitoring the unit load power supply. The field computer for the main generator was also replaced. Switches for controlling 110 kV circuit breakers in the ELES RTP 400/110 kV Krško switchyard were added to the main control room as an additional option for establishing a connection with the island supply of NEK from the Brestanica thermal power plant.



6.1.4

REPLACEMENT
OF THE ULTRASONIC
REACTOR COOLANT LEVEL
MEASUREMENT SYSTEM
ON LOOP 1

The purpose of the modification was to replace the existing coolant level gauge on primary reactor loop 1, as it was unreliable. We ensured a more stable and reliable measurement of the primary coolant level under significant operating conditions with a reduced primary coolant inventory. The power supply of the new system provides an uninterrupted source, thereby increasing the system's reliability. The modification was completed during the 2024 outage.

BUSINESS REPORT TECHNOLOGICAL MODERNISATION

### 6.1.5 PARTITION WALL AND GUIDES IN THE COOLING TOWER BASIN

The modification eliminated irregularities and ensured acceptable inflow conditions at the cooling tower pumps. The reinforced concrete partition wall in the basin was extended, dividing the pool into two compartments and installing maintenance gates in them. The pool walls were structurally reinforced with carbon slats. The modification was completed during the 2024 outage.



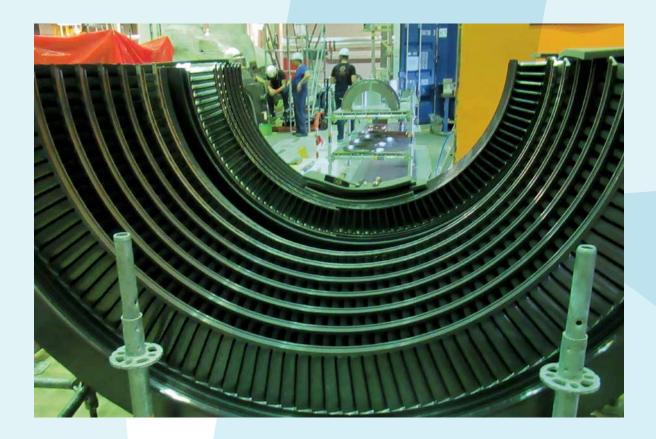
### 6.1.6 ENSURING SAFE ACCESS AND SAFE WORK AT HEIGHT

We have arranged safe access to the equipment in the technological part of the power plant, including access ladders, stairs, platforms, guardrails, anchorages, and consoles. The work will continue during the 2025 outage.



BUSINESS REPORT

TECHNOLOGICAL MODERNISATION





### 6.1.7

### ADDITIONAL UPGRADE OF THE HIGH-PRESSURE TURBINE AND CONTROL VALVES

During the 2022 outage, we replaced the highpressure turbine. The replacement included four main assemblies:

- replacement of the turbine rotor and housing,
- machining of control valve housings and replacement of internal parts and valve actuators,
- replacement of pipelines of turbine auxiliary systems - turbine gland sealing system, turbine drainage system, and
- replacement of associated instrumentation and control.

In the 2024 outage, we replaced the 2+2 stages of stator blades and the diagonal stage on the turbine. This achieved the optimal operating point of the new machine.

We also installed platforms around the turbine control valves.

### **6.2**PROJECTS THAT TOOK PLACE DURING PLANT OPERATION – ONLINE:

### **6.2.1**

### RELOCATION AND MODERNIZATION OF THE MAIN AND AUXILIARY SECURITY CONTROL CENTERS AS PART OF THE MODERNIZATION OF TECHNICAL SECURITY SYSTEMS

Construction and craft work on the renovation of the auxiliary security control center commenced in 2024 and is scheduled to continue in 2025. The construction and equipment of the new main security control center were completed and put into use in 2024.

### 6.2.2

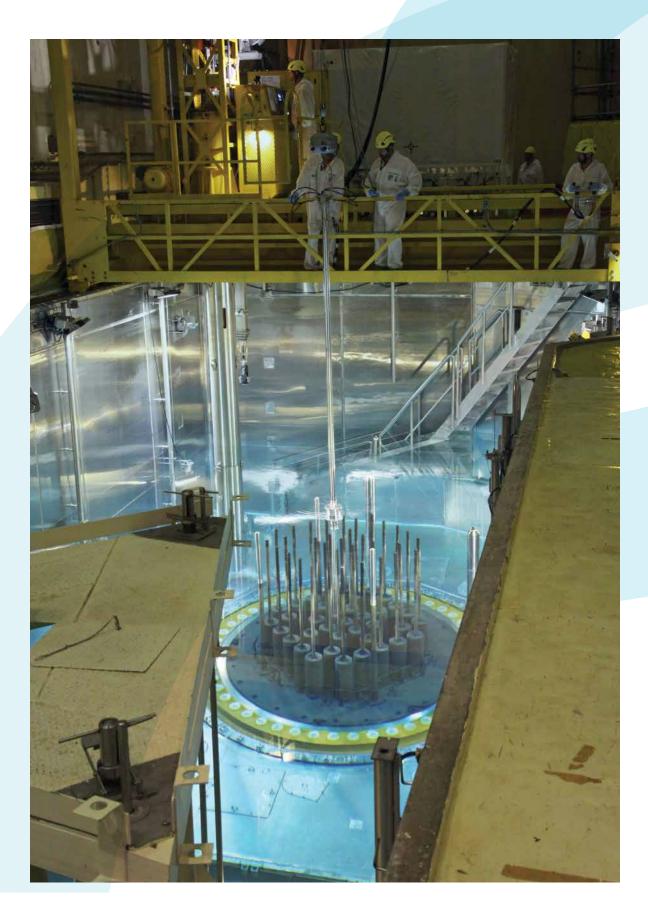
#### COMPREHENSIVE LIGHTNING PROTECTION UPGRADE

The current lightning protection has not been updated since the construction of NEK. Taking into account the extended design basis and to reduce the secondary effects of atmospheric pressure discharges, a comprehensive update of the NEK's lightning protection is underway:

- upgrading the lightning protection interception system,
- improvement of the drainage system between the collection and grounding systems,
- installation of an equalization system of potentials in individual rooms and between buildings.

In 2024, we completed 70 percent of the installation work, which will continue in 2025.

BUSINESS REPORT



# 7.0 International Cooperation

NEK is involved in numerous international professional organizations, which enables employees to monitor and co-create best practices, exchange knowledge and experience, and transfer them to the domestic work environment. Our active participation in these organizations, combined with international reviews of the power plant's operation, significantly contributes to enhancing work processes, safety, and operational results.

BUSINESS REPORT

INTERNATIONAL COOPERATION





### 7.1 OUR COOPERATION WITH INTERNATIONAL ORGANIZATIONS IN 2024

Two NEK employees worked at the WANO Paris center. One worked as a member of the peer review team for power plant operation, and the other served as a WANO representative providing expert support to power plants.

In January 2024, we hosted a WANO Corporate Peer Review Follow-up to assess the status of two areas for improvement that were highlighted during the last such review in 2021. Progress was confirmed in both areas for improvement: corporate governance and management oversight and monitoring.

In April, the WANO Outage Visit occurred for the first time in Slovenia. In September, the second international peer review of the WANO Crew Performance Observation was held. The reviews of both activities were a crucial part of the joint assessment of the sixth international WANO Peer Review mission in October and the implementation of the WANO SOER (Significant Operating Experience Report) recommendations. During the three-week review of the plant's operation, two exemplary practices were identified and highlighted, which WANO will share as examples, along with five areas for improvement. The review of the implementation of the SOER recommendations confirmed progress, as nearly 96 percent of them are already being implemented.

We have been cooperating with WANO for more than three decades. Our experts have participated in 63 of their missions worldwide. Our representative actively participated in the peer review of the Dampierre power plant in France.

Through the technical assistance program, our power plant has accepted 38 peer review missions in previous years, covering various areas of the power plant.

In the areas of continuous knowledge upgrading and improvement of work processes and practices, NEK representatives participated in 21 benchmarking activities at power plants and other nuclear facilities abroad.

Representatives of NEK also participate in professional training courses prepared by professional organizations. The successful results of our power plant have become a model of best practices in various fields for other nuclear power plant operation. Thus far, we have hosted 52 professional benchmarking visits to NEK. In 2024 alone, we hosted six professional benchmarking visits: two by experts from the French power company EDF, two by experts from the Korean power plant Kori, and two by experts from the Czech power company ČEZ.

In 2024, NEK informed the industry through the WANO organization about eleven operating experiences from our power plant.

BUSINESS REPORT INTERNATIONAL COOPERATION

In cooperation with the NUPIC organization, NEK representatives participated in six audits of safety equipment suppliers in the USA and Europe.

NEK has been an active member of EPRI for many years. In recent years, participation in their programs has increased in nine nuclear programs and two conventional (non-nuclear) ones:

- nuclear power plant equipment maintenance (NMAC);
- engineering support (Plant Engineering);
- non-destructive testing and research (NDE);
- exchange of experience in the use of accident analysis programs (MAAP User Group);
- exchange of experience in the field of welding and techniques (Welding and Repair Technology Center – WRTC);
- exchange of experience in the field of erosion/corrosion issues – CHUG;

- Water Chemistry;
- Risk and Safety Management;
- Instrumentation and Control Program;
- Radiation Safety;
- exchange of experience in the field of Spent Fuel and High-Level Radioactive Waste;
- Advanced Nuclear Technology;
- exchange of experience in the field of International Material Research;
- Plant Modernization;
- exchange of experience in the field of Data-Driven Decision-Making;
- exchange of experience in the field of Nuclear Beyond Electrical Energy;
- exchange of experience in the field of Steam Turbine and Aux Systems;
- exchange of experience in the field of Generator and Aux Systems;

Our power plant participated in the annual conferences of the PWROG and FROG associations, which were specially organized for nuclear power plants from European countries.

We also actively participated in the conference of the Nuclear Society of Slovenia and the Croatian Nuclear Society Forum.

### **7.2**MEMBERSHIP AND PARTICIPATION IN INTERNATIONAL ORGANIZATIONS

At NEK, we recognize the importance of inclusion in international organizations and the oversight of our operation. Only in this way can we achieve operational and safety results that are comparable on an international scale. Consequently, NEK is a member of numerous organizations:

#### WANO

The World Association of Nuclear Operators (WANO) is a global organization of nuclear power plants. Our plant has been a member of WANO since its founding in 1989. Its purpose is to promote the highest standards of safety, availability, and operational excellence in nuclear power plants. WANO implements programs to exchange operational experience, reviews plant operation, assists members in improving operation, promotes communication, facilitates benchmarking and encourages the adoption of best practices.



BUSINESS REPORT





EPRI (Electrical Power Research Institute) is a non-profit, independent organization dedicated to research in the fields of electric power generation and environmental protection. It was founded in 1973 to support the development of the electrical industry. The institute currently covers all aspects of the generation, transmission, and use of electric power.

#### **PWROG**

PWROG (Pressurized Water Reactor Owners Group) is an association of all users of pressurized water reactors (PWR) and Westinghouse. It organizes various programs related to improving equipment, optimizing technical specifications, reducing the number of unplanned shutdowns, power uprate, simplifying systems at power plants, manufacturing and using nuclear fuel, performing analyses using modern programs and analytical methods, etc.



#### **FROG**

FROG (Framatome Owners Group) is an association of 12 nuclear reactor operators and Framatome. To exchange knowledge and experience, NEK employees can participate in ten working groups from April 2022: Risk Informed Applications, Reactor Coolant Pump Expert, Diesel Engine, Operating Procedures, Chemistry, Containment, Ageing & Corrosion, Outage Optimization, Operation Optimization and Steam Generator.

#### EC - JRC

EC – JRC (European Commission Joint Research Center) is a joint research center that provides scientific achievements to support EU policies in various areas. NEK is involved in preparing a report on the challenges and potential solutions related to nuclear suppliers.

BUSINESS REPORT INTERNATIONAL COOPERATION

#### **ENISS**

As a member of the ENISS (European Nuclear Industry Safety Standards) group, NEK contributed to the formulation of the EU nuclear industry's positions on proposed legislative changes in this area.

ENISS is the initiator of European safety standards for nuclear installations. The group was established in 2005; it represents nuclear license holders from 16 European countries with nuclear power plants, fuel reprocessing plants, and large waste storage facilities.

ENISS provides the nuclear industry with a platform to exchange information on national and European regulatory activities, express views, and provide expert input on all aspects related to international safety standards. ENISS serves as a common communication channel through which European nuclear licensees cooperate with the Western European Nuclear Regulators' Association (WENRA), European institutions, and the International Atomic Energy Agency (IAEA).

Although ENISS operates within the framework of "nucleareurope", it maintains full autonomy in its strategy, priorities, and decisions, which are discussed, reviewed, and approved by its governing bodies.



#### **NUPIC**

The Nuclear Procurement Issues Committee (NUPIC) is a consortium of U.S. and other users that jointly evaluate suppliers of safety-class equipment. The organization's purpose is to enhance the supplier quality assurance process.

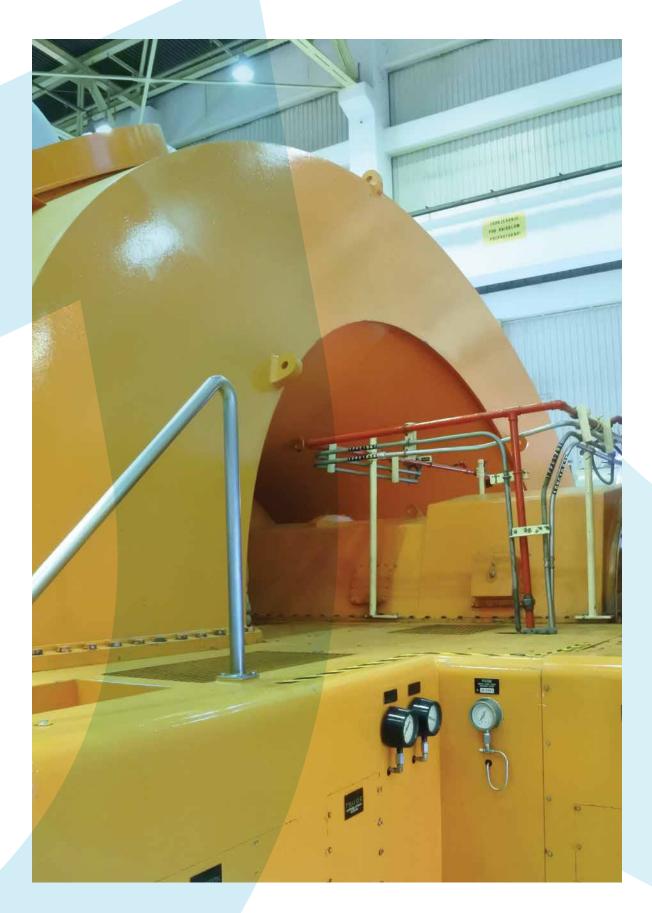
#### IAEA (MAAE)

The International Atomic Energy Agency (IAEA) is an independent intergovernmental organization within the United Nations. Its primary purpose is to assist member states in the planning and use of nuclear technology for peaceful purposes. This includes the production of electrical energy and the transfer of technology and knowledge in this area. The IAEA develops safety standards that support the achievement of a high level of safety in the use of nuclear energy and the protection of the population from ionizing radiation. The organization operates under certain programs, such as the safeguards of nuclear material, nuclear technology application, nuclear energy, nuclear safety, and technical cooperation. It also organizes OSART (Operational Safety Review Team) missions that visit power plants to assess their operational safety after a detailed review.

#### NRC

The NRC (Nuclear Regulatory Commission) is an independent U.S. Nuclear Regulatory Commission responsible for the safety and protection of the population from the effects of radiation from nuclear material, reactors, and nuclear waste reprocessing facilities. Together with the Slovenian Nuclear Safety Administration and the Jožef Stefan Institute (IJS), NEK is a member of several programs that provide us with access to information and literature in various fields.

BUSINESS REPORT EVENTS AFTER THE END OF THE BUSINESS YEAR



# 8.0 Events After the End of the Business Year

We estimate that there were no business events occurring after the balance sheet date until the preparation of the Annual Report that would significantly impact the company's financial statements for 2024.



### Financial Report

FINANCIAL REPORT INDEPENDENT AUDITOR'S REPORT

### Independent Auditor's Report



#### INDEPENDENT AUDITOR'S REPORT

(Translation from the original in Slovene language)

We have audited the financial statements of NUKLEARNA ELEKTRARNA KRŠKO d.o.o. (hereinafter "the Company"), which comprise the balance sheet as at December 31, 2024 and the income statement, statement of other comprehensive income, equity changes statement and cash flow statements for the year then ended, and summary of significant accounting policies and notes to the financial statements.

In our opinion, the accompanying financial statements are prepared, in all material respects, in accordance with provisions of the Treaty between Government of Republic of Slovenia and the Government of the Republic of Croatia on the Regulation of the Status and Other Legal Relations Regarding investment, Exploitation and Decommissioning of the Krško Nuclear Plant (hereinafter "the Intergovernmental Treaty"), the NEK d.o.o. Contract of Members (hereinafter "the Contract of Members"), and Slovenian Accounting Standards in those parts that are not governed by the Intergovernmental Treaty or the Contract of Members

We conducted our audit in accordance with International Standards on Auditing (ISAs). 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 International Code of Ethics for Professional Accountants (including International Independence Standards), issued by the International Ethics Standards Board for Accountants (IESBA Code) and other ethical requirements that are relevant to our audit of the financial statements in Slovenia, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

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

Management is responsible for the other information. The other information comprises the information included in the Annual Report other than the financial statements and our auditor's report thereon. We received other information before the date of this Independent Auditors' Report, except Supervisory Board Report which will

Our opinion on the financial statements does not cover the other information and we express no assurance

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, regulatory requirements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. With regards to these procedures, we report on the

- Other information is consistent with audited financial statements in all respect
- Other information is prepared in line with regulatory requirements and
   Based on our knowledge and understanding of the Company and its environment, obtained during the audit, no significant inconsistencies were found in relation to other information.

Responsibilities of Management and Supervisory Board for the Financial Statements

Management is responsible for the preparation of the financial statements in accordance with Intergovernmental Treaty, the Contract of Members and Slovenian Accounting Standards in those parts that are not governed by the Intergovernmental Treaty or the Contract of Members, 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 of the Company, 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.

Supervisory Board is responsible for overseeing the Company's financial reporting process and for confirmation of audited annual report.

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

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional

- skepticism 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
- 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 mistatement 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
- 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 cases to continue as a going concern. 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 accordance with Intergovernmental Treaty, the Contract of Members and Slovenian Accounting Standards in those parts that are not governed by the Intergovernmental Treaty or the Contract of Members.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Ljubljana, March 17, 2025

BDO Revizija d.o.o. Cesta v Mestni log 1, Ljubljana

Uroš Kavčnik

(Signature on original Slovene independent auditor's report)

FINANCIAL REPORT

INTRODUCTORY NOTES ON FINANCIAL STATEMENTS

# 2.0 Statement of Responsibility of Management Board

#### Statement of Responsibility of Management Board

The Company Management Board is responsible for preparing the NEK Annual Report and Financial Statements to provide the interested public with a true and fair presentation of the asset and business results of NEK in 2024.

The Management Board declares that:

- the financial statements have been prepared under the assumption that NEK will continue operation until the expiry of the plant's operational life;
- the company has applied selected accounting policies and discloses potential changes to accounting policies;
- the financial assessments are fair and well-thought-out, as well as in compliance with the principles of due care and due diligence;
- the financial statements with explanatory notes have been prepared per the Intergovernmental Agreement (Official Gazette of RS No. 23/2003, MP 5) and the Articles of Association (last consolidated version of 24 September 2019) as well as current legislation and Slovenian Accounting Standards.

The Management Board is responsible for implementing measures to ensure the value of NEK property is maintained and fraud and other misdeeds are prevented and detected.

The Management Board affirms and accepts the financial statements and the annual report for 2024.

Krško, 14 March 2025

Gorazd Pfeifer, President of the Management Board Saša Medaković, Member of the Management Board

# 3.0 Introductory Notes on Financial Statements

NEK's financial statements and notes are prepared in compliance with the Intergovernmental Agreement (IA) and the Articles of Association (AA), the Companies Act (ZGD-1), and the Slovenian Accounting Standards (SRS) for areas that are not otherwise regulated in IA or AA.

The financial statements were audited by the audit company BDO REVIZIJA, d. o. o.



FINANCIAL REPORT

# **4.0**Financial Statements

4.1
BALANCE
SHEET

ASSETS in EUR	31.12.2024	31.12.2023	LIABILITIES TO SOURCES OF FUNDS in EUR	31.12.2024	31.12.2023
A. Long-term assets	404,018,782	416,174,481	A. Capital	479,963,752	478,959,764
Tangible fixed assets	403,945,858	416,170,652	Called-up capital	353,544,826	353,544,826
Land and buildings	143,383,561	146,717,902	Share capital	353,544,826	353,544,826
Land	2,339,398	2,339,398	Capital reserves	41,850,000	41,850,000
Buildings	141,044,163	144,378,504	Reserves from profit	89,294,326	89,294,326
Production devices and machinery	198,970,905	232,051,745	Legal reserves	35,354,483	35,354,483
Other devices and equipment	8,376,133	7,739,849	Statutory reserves	53,321,477	53,321,477
Tangible fixed assets being acquired	53,215,259	29,661,156	Other reserves from profit	618,366	618,366
Tangible fixed assets in construction and production	53,012,247	29,589,264	Reserves from fair value revaluation	-920,928	-1,924,916
Advance payments for the acquisition of tangible fixed	assets 203,012	71,892	Net profit or loss carried over	-3,804,472	-3,804,472
Long-term financial investments	72,924	3,829	Retained net profit or loss	0	0
Long-term financial investments, excluding loans	69,000	0	B. Reservations and long-term accrued costs and deferred revenue	14,707,458	16,345,851
Other shares and stakes	69,000	0	Reservations for pensions and similar liabilities	14,484,983	16,118,662
Long-term loans	3,924	3,829	Long-term accrued costs and deferred revenue	222,475	227,189
Long-term loans to others	3,924	3,829	C. Long-term liabilities	25,458,856	29,454,950
B. Short-term assets	180,787,419	156,468,598	Long-term financial liabilities	25,298,835	29,295,000
Inventories	86,863,553	82,819,155	Long-term financial liabilities to banks	25,110,000	29,295,000
Material	86,764,960	82,692,218	Other long-term financial liabilities	188,835	0
Advance payments for inventories	98,593	126,937	Long-term operating liabilities	160,021	159,950
Short-term financial investments	76,000,000	30,001,132	Other long-term operating liabilities	160,021	159,950
Short-term loans	76,000,000	30,001,132	Č. Short-term liabilities	57,029,611	35,138,793
Short-term loans to others	76,000,000	30,001,132	Short-term financial liabilities	4,227,414	4,185,000
Short-term operating receivables	12,277,730	28,294,382	Short-term financial liabilities to banks	4,185,000	4,185,000
Short-term operating receivables from customers	9,992,085	27,614,153	Other short-term financial liabilities	42,414	0
Short-term operating receivables from others	2,285,645	680,229	Short-term operating liabilities	52,802,197	30,953,793
Cash	5,646,136	15,353,929	Short-term operating liabilities to suppliers	44,440,830	22,628,195
C. Short-term deferred expenses and accrued revenue	1,947,690	1,270,319	Other short-term operating liabilities	8,361,367	8,325,598
TOTAL ASSETS	586,753,891	573,913,398	D. Short-term accrued costs and deferred revenue	9,594,214	14,014,040
			TOTAL LIABILITIES TO SOURCES	586,753,891	573,913,398

Note: The notes to the financial statements form part of the financial statements and should be read together.

FINANCIAL REPORT

### 4.2 INCOME STATEMENT

in EUR	2024	2023	
Operating revenue	227,468,943	239,121,852	
Net revenue from sales	224,367,094	236,369,292	
Other operating revenue	3,101,849	2,752,560	
Operating expenses	227,940,893	239,017,879	
Costs of materials and services	93,547,777	96,314,542	
Costs of spent material	39,904,905	36,638,133	
Costs of services	53,642,872	59,676,409	
Costs of labor	60,519,803	56,423,773	
Costs for salaries	41,880,123	37,890,992	
Costs of social insurance, of which:	11,490,013	10,305,242	
Pension and disability insurance costs	6,576,632	5,729,755	
Additional pension insurance costs	1,561,976	1,512,691	
Other costs for labour	7,149,667	8,227,539	
Write-offs	59,976,577	73,514,369	
Depreciation	57,660,000	68,471,000	
Revalued operating expenses for fixed assets	0	0	
Revalued operating expenses for working capital	2,316,577	5,043,369	
Other operating expenses	13,896,736	12,765,195	
OPERATING PROFIT OR LOSS FROM OPERATIONS	-471,950	103,973	
Financial revenue	1,476,097	869,345	
Financial revenue from loans given	1,465,528	664,653	
Financial revenue from loans given to others	1,465,528	664,653	
Financial revenue from operating receivables and liabilities	10,569	204,692	
Financial revenue from operating receivables from others	10,569	204,692	
Financial expenses	900,984	851,979	
Financial expenses from financial liabilities	316,273	355,610	
Financial expenses from loans from banks	313,818	355,610	
Financial expenses from other financial liabilities	2,455	0	
Financial expenses from operating liabilities	584,711	496,369	
Financial expenses from liabilities to suppliers and commercial instruments	104,442	114,516	
Financial expenses from other operating liabilities	480,269	381,853	
OPERATING PROFIT OR LOSS FROM FINANCING	575,113	17,366	
OPERATING PROFIT OR LOSS FOR THE PERIOD	103,163	121,339	
Income tax	103,163	121,339	
NET OPERATING PROFIT OR LOSS FOR THE PERIOD	0	0	

Note: The notes to the financial statements form part of the financial statements and should be read together.

### **4.3**STATEMENT OF OTHER COMPREHENSIVE INCOME

in EUR	2024	2023	
NET OPERATING PROFIT OR LOSS FOR THE PERIOD	0	0	
Other elements of comprehensive income	1,003,988	-1,993,776	
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	1,003,988	-1.993.776	

Note: The notes to the financial statements form part of the financial statements and should be read together.

### **4.4**CASH FLOW STATEMENT

in EUR	2024	2023	
A. Cash flows from operating activities			
Cash receipts from operating activities	268,454,629	246,656,810	
Receipts from sales of products and services	266,602,741	238,262,483	
Other receipts from operating activities	1,851,888	8,394,327	
Cash disbursements from operations	182,940,947	180,933,048	
Expenses for purchases of materials and services	93,786,634	104,269,601	
Expenses for salaries and employee profit shares	49,161,694	44,105,873	
Expenses for all types of duties	38,050,348	30,560,560	
Other operating expenses	1,942,271	1,997,014	
POSITIVE OR NEGATIVE CASH FLOW STATEMENT FROM OPERATING ACTIVITIES	85,513,682	65,723,762	
B. Cash flows from investing			
Cash receipts from investing	85,619,588	79,632,170	
Receipts from interests received and shares in the profits of others, which relate to investing	1,099,588	567,022	
Receipts from divestment of tangible fixed assets	20,000	65,148	
Receipts from divestment of financial investments	84,500,000	79,000,000	
Expenses from investing	176,331,494	142,055,460	
Expenses for the acquisition of tangible fixed assets	45,762,494	47,055,460	
Expenses for the acquisition of financial investments	130,569,000	95,000,000	
POSITIVE OR NEGATIVE CASH FLOW STATEMENT FROM INVESTING	-90,711,906	-62,423,290	
C. Cash flows from financing			
Cash receipts from financing	0	0	
Receipts from called-up capital	0	0	
Receipts from an increase in financial liabilities	0	0	
Cash disbursements from financing	4,509,569	4,551,159	
Expenses for interests related to financing	324,569	366,159	
Expenses for repayment of financial liabilities	4,185,000	4,185,000	
POSITIVE OR NEGATIVE CASH FLOW STATEMENT FROM FINANCING	-4,509,569	-4,551,159	
CLOSING CASH BALANCE	5,646,136	15,353,929	
Cash flow statement for the period	-9,707,793	-1,250,687	
Opening cash balance	15,353,929	16,604,616	
N. 7			

Note: The notes to the financial statements form part of the financial statements and should be read together.

FINANCIAL REPORT

### **4.5**EQUITY CHANGES STATEMENT

in EUR	Nominal capital	Capital reserves	Legal reserves		Other profit reserves	Reserves from fair value revaluation	Net profit or loss carried over	Retained net profit or loss	TOTAL	
Closing balance on 31 December 2023	353,544,826	41,850,000	35,354,483	53,321,477	618,366	-1,924,916	-3,804,472	0	478,959,764	
Opening balance on 1 January 2024	353,544,826	41,850,000	35,354,483	53,321,477	618,366	-1,924,916	-3,804,472	0	478,959,764	
Changes in equity - transactions with owners	-	-	-	-	-	-	-	-	-	
Additional paid-up capital	-	-	-	-	-	-	-	-	-	
Total comprehensive income for the accounting period	-	-	-	-	-	1,003,988	-	-	1,003,988	
Other elements of comprehensive income	-	-	-	-	-	1,003,988	-	-	1,003,988	
Closing balance on 31 December 2024	353,544,826	41,850,000	35,354,483	53,321,477	618,366	-920,928	-3,804,472	0	479,963,752	
Closing balance on 31 December 2022	353,544,826	41,850,000	35,354,483	53,321,477	618,366	68,860	-3,804,472	0	480,953,540	
Opening balance on 1 January 2023	353,544,826	41,850,000	35,354,483	53,321,477	618,366	68,860	-3,804,472	0	480,953,540	
Changes in equity - transactions with owners	-	-	-	-	-	-	-	-	-	
Additional paid-up capital	-	-	-	· -	-	-	-	-	-	
Total comprehensive income for the accounting period	-	-	-	· -	-	-1,993,776	-	-	-1,993,776	
Other elements of comprehensive income	-	-	-	· -	-	-1,993,776	-	-	-1,993,776	
Closing balance on 31 December 2023	353,544,826	41,850,000	35,354,483	53,321,477	618,366	-1,924,916	-3,804,472	0	478,959,764	

Note: The notes to the financial statements form part of the financial statements and should be read together.



FINANCIAL REPORT

GENERAL ACCOUNTING POLICIES

# **5.0**General Accounting Policies

### 5.1 LEGAL BASIS

The Intergovernmental Agreement (IA) came into effect on 11 March 2003 and the Articles of Association (AA) are based thereon as the fundamental company's act. It is stipulated that mutual relationships between the two partners and the company, as well as the legal status of the company in its legal transactions, shall be regulated by IT. The ZGD-1 and the SRS apply unless IA provides otherwise for mutual relationships and criteria. In certain areas, the SRS allows for options governed by the internal procedure Accounting in NEK (hereinafter: Rules). The Financial Statements for 2024 were drawn up based on these Rules.

NEK engages only in one energy activity, which is base-load power generation, which is a commercial activity. By IA, we must supply electrical energy exclusively to the two partners, half each. The partners then sell it in the market.

The key activity is electrical energy generation, which amounts to more than 98% of all revenue. To a small extent, we engage in supplementary activities, including the plant canteen and letting out our vacation and business apartments, primarily to employees. This supplementary activity covers our needs and amounts to less than one percent of all revenue or expenses in the total structure of revenue and expenses.

## **5.2**PRESENTATION OF FINANCIAL STATEMENTS

When drawing up the Financial Statements, we considered that NEK is a large company according to the ZGD-1; in accordance with SRS, large companies disclose all essential items set out in the Rules. For better information, we also disclose certain less important items.

Balance sheet items in the Financial Statements are presented and explained in euros (excluding cents) for the business year, which is the same as a calendar year. Items not applicable to NEK are not shown in the Financial Statements. For comparison purposes, the information is presented in two columns in the Balance Sheet; the first contains information on the last day of the current business year, and the second column contains information on the last day of the previous business year.

We draw up the income statement, which also contains elements of comprehensive income, per version I. For comparison purposes, we present data in two columns – the first column contains data for the current business year and the second for the previous business year. The basis for drawing up these two statements is the gross Balance Sheet on the last business day of the year.

The Cash Flow Statement is drawn up using the direct method; its presentation is successive-tiered. The basis for drawing up the Cash Flow Statement is the recorded transactions on bank accounts. For comparison purposes, we present data information in two columns – the first column contains data for the current year and the second column for the past year.

The Equity Changes Statement is drawn up in a table including changes to all elements of capital; the columns illustrate elements of capital, the rows changes to these elements. For comparison purposes, we present this Statement in two columns – the first column contains data for the current year, and the second column for the previous year.

## **5.3**ASSETS AND LIABILITIES IN FOREIGN CURRENCY

Assets and liabilities in foreign currency are converted into domestic currency according to the reference exchange rate of the European Central Bank, valid on the day the business event occurred and on the date of the balance sheet. Currency differences arising until the payment date and revaluation effects due to currency exchange rate changes until the date of the Balance Sheet are included in the Income Statement as financial revenue or financial expenses.

## **5.4**BUSINESS AND GEOGRAPHICAL SEGMENTS

NEK does not have any business and geographical segments defined.

Electrical energy is supplied to partners, GEN with its seat in Slovenia, and HEP with its seat in Croatia.

### **5.5**REVALUATION OF ASSETS

Asset revaluation is a change in the originally reported value of assets. We do not use the revaluation model for any group of assets, so we do not perform asset reinforcement. Impairment can occur for all assets, regardless of the selected asset presentation model, namely if the bookkeeping value of assets exceeds their replacement value.

Per the company's guidelines, we impair stocks of spare parts and other materials if they have not had any turnover in the past five years.

# **5.6**CHANGES TO ACCOUNTING POLICIES

In 2024, we didn't change the accounting policy.

FINANCIAL REPORT

GENERAL ACCOUNTING POLICIES

## **5.7**FINANCIAL RISK MANAGEMENT

For the early identification of potential risks that could adversely affect our operations, we have established a model for identifying and monitoring financial risks. We pay attention to cost and liquidity risk, as well as to market risk and various financial risks, such as currency, interest rate, credit, and investment risk, as well as the risk of rising prices of raw materials and materials, tax risk, and the risk of capital inadequacy.

Cost risk means that a particular risk can adversely affect the cost price of electrical energy from NEK. We manage the risk with the mentioned model, with which, when defining the risk, we also study our exposure. We have defined measures to protect against identified risks, which we regularly monitor, just as we monitor and evaluate our exposure. We act as necessary to mitigate the adverse impact of risks.

Market risk refers to fluctuations in electrical energy prices on the market. We regularly monitor data on market prices of electrical energy; current market prices are still higher than the price of electrical energy from NEK.

The risk of growth in the prices of raw materials and materials relates mainly to the increase in the prices on world markets. We minimize the risk with contractual provisions, with which we try to limit the growth of contractual values for purchasing materials and services, as well as by considering forecasts when planning costs and expenses.

Liquidity risk is the risk that, at a particular moment, the company will not have sufficient financial resources to settle its obligations and will need additional financing. Existing long-term debt can also be a risk when looking for bridging sources, as banks also consider the financial leverage ratio and the capital ratio in their credit assessment. We regularly monitor the values of the indicators and note that we still have room for possible additional bridging debts, should they become necessary.

The risk of capital inadequacy means the risk of inadequate coverage of long-term assets. According to the current balance sheet data, we have all long-term assets and all inventories covered with long-term resources, so we are not currently exposed to this risk.

Currency risk arises from the volatility of exchange rates; we are exposed to it mainly due to our liabilities in foreign currencies. We strive to ensure that most liabilities are in euros and monitor the exposure monthly for liabilities in foreign currencies.

We are currently not exposed to the *interest* rate risk associated with borrowing, as we are in long-term debt at a fixed interest rate.

Credit risk refers to the possible non-payment of claims for supplied electrical energy. According to AA, the partners must settle their obligations within fifteen days of issuing the invoices. We can also stop supplying electrical energy to the partner if he does not settle his obligations within the further eight-day deadline or if he does not provide adequate insurance for the payment of his obligations. In this case, we could sell the electrical energy on the market ourselves.

Investment risk mainly refers to the risk of non-return of deposits. We minimize the risk by spreading deposits among the best banks, considering the optimal financial structure and the criterion that the cumulative amount of deposits may not exceed 0.8 percent of the bank's balance sheet total, and the share of deposits with an individual bank may not exceed 5 percent of NEK's assets.

Tax risk refers to the risk of doing business that does not comply with tax legislation, including improper and untimely fulfillment of tax obligations. To avoid risk, we pay attention to changes and innovations in tax legislation and their implementation, as well as to the correctness and timely submission of tax returns and the timely settlement of tax obligations.

# Accounting Guidelines by Individual Economic Categories

**6.1**BALANCE SHEET

6.1.1 TANGIBLE FIXED ASSETS

Tangible fixed assets are initially recognized at procurement value, which includes the purchase price and all costs that can be directly attributed to the preparation of the asset for its intended use (e.g., costs of delivery, installation, etc.). By IA and AA, the procurement value of the tangible fixed asset does not include borrowing costs for acquiring the tangible fixed asset until it is ready for use. By IA, we calculate depreciation costs only in the amount of approved investments and principal repayments of long-term loans. We do not increase them by interest costs from these loans.

Later incurred costs increase the procurement value, which enables an extension of the operating period, greater safety and operational reliability, or lower operating costs than the estimated initial ones. Replacement parts are treated as maintenance spare parts and are recognized in the cost of materials used.

We use the procurement value model for the valuation of tangible fixed assets.

### 6.1.2 DEPRECIATION

#### DEI IIEOIATION

The net book value of tangible fixed assets decreases with depreciation.

Depreciation for all tangible fixed assets, except for the nuclear reactor with cooling and auxiliary systems (hereinafter referred to as the nuclear reactor), is calculated per the straight-line depreciation method, considering the useful life of the assets. The land is not depreciated. Tangible fixed assets begin to be depreciated on the first day of the following month when they are available.

AA determines the annual cost of depreciation up to the level necessary for new investments and repayment of principals of long-term loans for such investments, determined by the long-term investment plan. The purpose of depreciation per AA is, therefore, not the replacement of tangible fixed assets at the end of their useful life, as it follows from SRS since the operating life of the power plant is limited.

The purpose of depreciation is the technological upgrade of the power plant during its operating life per the highest global standards and recommendations of industrial practice. Depreciation is calculated methodologically by considering valid depreciation rates for all tangible fixed assets except for the nuclear reactor. The amount of depreciation of the nuclear reactor is determined as the difference between the annual planned depreciation costs and the calculated depreciation costs of other tangible fixed assets. As a result, the rate and amount of depreciation for the nuclear reactor varies over the years. For other fixed assets, the rates remained unchanged compared to the previous year.

Depreciation rates by individual groups of tangible fixed assets can be seen in the table below.

TABLE:
DEPRECIATION
RATES BY GROUPS
OF TANGIBLE FIXED ASSETS

		Depreciation rate in %	
	Brick production buildings	2.1	
S	Simulator building	4.4	
Buildings	Other brick buildings	from 3.0 to 4.75	
Bui	Vacation apartment buildings	from 3.0 to 3.9	
	Other buildings	12.5	
	Nuclear reactor	3.33	
	Radiological waste equipment	3.1	
	Radiological protection equipment	3.1	
	Technical security system	5.0	
Equipment	Other technological equipment	from 3.1 to 4.5	
E E	Simulator equipment	10.0	
dai	Computer equipment	25.0	
-	Commercial vehicles	from 14.3 to 30.0	
	Personal vehicles	15.5	
	Personal vehicles for rent	20.0	
	Other equipment	from 5.0 to 20.0	

# 6.1.3 IMPAIRMENT OF TANGIBLE FIXED ASSETS

The company checks the bookkeeping value of tangible fixed assets annually for signs of impairment. If these signs appear, the replacement value of tangible fixed assets is assessed, and the impairment is recognized in the income statement.

### 6.1.4 LONG-TERM FINANCIAL INVESTMENTS

Long-term financial investments are initially recognized at the procurement value, which is equal to the amount paid, expressed in cash or its equivalents.

Long-term financial investments, such as granted long-term housing loans, are measured at repayment value and are changed to preserve value. Still, they are reduced by repaid amounts and amounts that pass into the framework of short-term financial investments that fall due within a year or earlier.

Other long-term financial investments represent investments in shares and business interests. Their valuation was based on the basic definition that these are investments that initially correspond to the amount of funds invested to acquire them and are expressed in money on the date of each investment.

Long-term financial investments represent the minimum share of long-term assets and refer to long-term financial receivables from employees for housing loans granted in the past and other long-term financial investments in business shares of other companies.

If objective evidence exists that the financial investment is impaired long-term, the impairment is recognized in the income statement as a financial expense.

# 6.1.5 INVENTORIES AND COSTS OF SPENT MATERIAL

Due to the nature of our production, we have neither unfinished production nor stock of semi-finished or finished products. Thus, we only have nuclear fuel, spare parts, and other material stocks.

Material stocks are originally valued at procurement price, including the purchase price, import duties, and other non-refundable purchase duties and direct purchase costs. The stock of nuclear fuel is originally evaluated according to the procurement value of the fuel in each region.

Due to the importance and the different evaluation method, we show stocks of nuclear fuel, spare parts, and other material separately. Those materials intended for investments are shown among tangible fixed assets.

The use of nuclear fuel is evaluated according to the actual price method and the consumption of other types of material, where we classify spare parts and other materials (technological fuel, chemicals, overhead material, cleaning material, office material, small inventory, and others), according to the moving average price method.

We create a 100% value adjustment for stocks of spare parts and other materials that have not had turnover in the last five years (non-sellable spare parts and non-sellable other materials).

The accounting policy of creating a value adjustment for non-sellable spare parts and other materials enables the bookkeeping value to reflect the actual value of the stock as best as possible.

By regulations, all stocks are shown as shortterm assets. Spare parts and nuclear fuel stocks have a long tying period: 808 days.

Stocks of material are not encumbered with guarantees.

### 6.1.6 OPERATING RECEIVABLES

Receivables of all types are initially recognized in the amounts derived from the relevant documents, assuming they will be settled. Receivables from buyers or recipients for sold or supplied electrical energy are secured by their bills of exchange.

If our claims are not settled within the regular or subsequent deadline, the bills are submitted for cashing. NEK can also stop supplying electrical energy to a partner if the latter does not pay its obligations within the further eight-day period or does not provide adequate insurance for the payment of its obligations. In this case, we can sell electrical energy on the market. If the proceeds from the electrical energy sold in this way do not cover all the costs or expenses, the partner remains obligated to pay the difference.

### 6.1.7 SHORT-TERM FINANCIAL INVESTMENTS

Short-term financial investments are part of the company's short-term assets that, as a rule, bring returns and increase financial revenue in a period shorter than a year. Among them are mainly short-term deposits with commercial banks. Upon initial recognition, they are valued at their original value according to the payment (settlement) date. After initial recognition, they are measured using the applicable interest rate method at the repayment value. If there is objective evidence that an impairment loss has occurred for loans or financial investments held until maturity, the difference between the bookkeeping value and the present value of the expected future cash flows, discounted at the effective interest rate of this asset, is recognized as financial expenses.

### 6.1.8 CASH

Cash includes cash at the bank in the form of money in bank accounts.

Cash is recognized in the amounts derived from the relevant documents.

### 6.1.9 SHORT-TERM DEFERRED EXPENSES AND ACCRUED

REVENUE

Items for deferred expenses and accrued revenue are recognised if they represent a present right that the organization controls and enables it to achieve economic benefits, and its value can be measured reliably.

Deferred expenses and accrued revenue mainly refer to short-term deferred expenses which, at the time of their recognition, are not yet due as the cost attributed to the company's activity.

### **6.1.10** CAPITAL

The value of the company's total capital is obtained by deducting the company's debts and reservations from the value of all assets. It is defined by the amounts invested by the partners and the amounts resulting from operations and belonging to the partners.

Capital consists of called-up capital, capital reserves, profit reserves and fair value reserves, net result carried forward, and net result of the business year.

## 6.1.11 RESERVATIONS AND LONG-TERM ACCRUED COSTS AND DEFERRED REVENUE

Reservations are long-term liabilities that are probable in terms of the timing and future expenses to be paid.

Among the reservations for pensions and similar liabilities, we recognize the liability as the present value for future claims. Period costs are recognized in the income statement, while changes in financial forecasts for severance pay upon retirement, such as a deficit or surplus, are recognized within equity.

Long-term accrued costs and deferred revenues refer to pre-calculated costs or pre-calculated expenses and deferred income, which are expected to appear as an expense or revenue in a period longer than a year. Among them, we include long-term pre-calculated costs or expenses and deferred revenue for received state support for the procurement of tangible fixed assets, which decrease by the calculated depreciation of these assets.

### 6.1.12

### LONG-TERM FINANCIAL AND OPERATING LIABILITIES

Among long-term liabilities, we show financial and operating liabilities, which are initially recognized with the amounts derived from the relevant documents.

Long-term liabilities denominated in foreign currency are translated into the domestic currency at the exchange rate on the balance sheet date. Their increase or decrease from this title increases regular financial expenses or regular financial revenue.

### 6.1.13

### SHORT-TERM FINANCIAL AND OPERATING LIABILITIES

Short-term liabilities of all types are initially recognized in the amounts derived from the relevant documents showing the origination of the debt.

Short-term liabilities expressed in foreign currency are revalued to maintain their actual value. Their increase or decrease from this title means regular financial expenses or regular financial revenue.

Among short-term liabilities, we also show that part of long-term liabilities that falls due in the following year after the balance sheet date.

### 6.1.14

### SHORT-TERM ACCRUED COSTS AND DEFERRED REVENUE

Accrued Costs and Deferred Revenue are recognized if they are a present obligation of the organization based on past events or a transfer of assets of the organization, and its value can be measured reliably.

Accrued Costs and Deferred Revenue include mainly short-term prepaid expenses.

### 6.1.15 CONDITIONAL ASSETS AND LIABILITIES

A conditional asset is a possible asset that results from past events and whose existence is confirmed only by the occurrence or nonoccurrence of one or more uncertain future events. A conditional liability is a possible obligation that arises from past events and whose existence depends on the (non-) occurrence of one or more uncertain future events not wholly within the control of the organization, or a present obligation that arises from past events but is not recognized because it is not probable that an outflow of economic benefits of an organization will be required to settle it, or because its amount cannot be measured reliably. Items of conditional assets do not directly affect the size and composition of assets and liabilities in the sources (balance sheet) and revenue and expenses (income statement), but they are a source of information about the company's operations and possible future liabilities.

### 6.2 INCOME STATEMENT

### **6.2.1** REVENUES

Revenue includes operating revenue and financial revenue.

Sales revenue consists of the sales value of sold business effects in the accounting period if it is realistic to expect that they will be paid in exchange for goods and services. The sales price for a quantity unit (available power and active energy) of the produced electric energy consists of a constant and a variable part. We create it through the annual Business Plan, which includes a cost and production plan and a long-term investment plan so that this price covers all the company's costs or expenses. Before drawing up the final annual accounting statements, a calculation is generally made so that the revenues cover all the company's expenses. Based on the resolution of the partners' general meeting, the positive difference can be allocated to reserves or to cover the loss carried forward. Other operating revenue includes revenue from complementary activities, potential revenue from the sale of unused property, and revenue from drawing down reservations.

Among other operating revenue, we show those related to business effects, such as subsidies, grants, benefits, compensations, premia, and similar revenue. This includes state support received from the state or local community. This sometimes appears in the form of a donation or subsidy. State support is recognized as revenue if there is reasonable assurance that the organization has met the conditions for it and that it will be received.

Financial revenue arises in connection with financial investments and receivables. They consist of calculated interest and positive exchange differences. Revalued financial revenue occurs when financial investments are disposed of if the sales value exceeds the bookkeeping value.

### **6.2.2** EXPENSES

Expenses include operating and financial expenses.

Under operating expenses, we consider the cost of sold quantities and revalued operating expenses for tangible fixed assets and working capital. These expenses arise mainly because of the lower sales price of these assets than their bookkeeping value and because of the impairment of tangible fixed assets, inventories, operating receivables, and accrued revenue.

Financial expenses are expenses from financing and investing. The former consists mainly of interest costs, while the latter are primarily in the nature of revaluation financial expenses. Financial expenses in investments occur due to their impairment. Any shortfall in their sales price compared to the bookkeeping value is also of this nature.

At NEK, we do not have stocks of finished products, nor stocks of unfinished production. Therefore, all costs incurred in the accounting period are treated as operating expenses and thus affect the profit in the accounting period when they are incurred.

We classify costs by natural types and by functional groups. According to their purpose or function, they are classified according to the procurement value of the quantities sold and the costs of general activities. The costs of general activities consist of the costs of materials and services of the following organizational units: Management Board, Finance, and General Administration.

### 6.2.3 CORPORATE INCOME TAX

NEK is liable for corporate income tax. By the Corporate Income Tax Act (ZDDPO-2), NEK is affiliated with GEN as a resident of the Republic of Slovenia (RS) and HEP as a non-resident of the RS. By the Act, they should increase revenue in the corporate income tax calculation for the difference between comparable market prices and transfer prices. IA and AA administer and determine the price at which we supply electrical energy exclusively to the partners. Therefore, we do not establish comparable market prices or increase revenues when calculating corporate income tax.

6.3
NOTES TO THE FINANCIAL STATEMENTS

6.3.1 NOTES TO THE BALANCE SHEET

### Tangible Fixed Assets and Depreciation

The company owns most of tangible fixed assets. They are mainly located at the company's headquarters, outside of which are mostly buildings and equipment in vacation facilities and business apartments. In 2024, we also recognized operating leases for four cars for the first time, which are disclosed in the balance sheet, among other equipment.

The bookkeeping value of production devices and machinery decreased in 2024, as the depreciation value was higher than the activated investments. The bookkeeping values of other devices, equipment, and buildings increased because the values of capitalised investments were higher than the value of the calculated depreciation. In 2024, we capitalized on major investments: Spent Fuel Dry Storage, replacement of the high-pressure turbine, the outage parking lot of NEK, replacement of Component Cooling Heat Exchangers, and modernization of MG sets. Investments in progress are tangible fixed assets under construction and manufacturing and mainly relate to the modernization of systems that ensure safe and stable operation of the power plant. Investments in progress are those that have not yet been activated, namely new Technical Security systems, modernization of the Process Information System, modernization of the Water Treatment System, and renovation of the old generator rotor.

Tangible fixed assets are not burdened with guarantees. The financial obligations for acquiring tangible fixed assets based on concluded purchase contracts amount to EUR 119,463,612.

Interest costs of lease liabilities amount to EUR 2,455, while the costs related to short-term leases and leases of smaller values amount to EUR 495,445.

Expenditures related to tangible fixed assets acquired through leasing amount to EUR 6,221. Expenditures related to short-term leases and leases of smaller values amount to EUR 496.483.

The table showing changes in the value of fixed assets shows the change in the value of tangible fixed assets.



TABLE: CHANGES IN THE VALUE OF TANGIBLE FIXED ASSETS

			Product	tion Equipment and Machinery	Produc	tion Equipment and Machinery						
in EUR	Land	Buildings	Nuclear reactor	Radioactive waste equipment	Radiation Protection equipment	Technical security system	Other equipment	Other equipment in a lease	Ongoing investments	Short-term advance payments	TOTAL	
PROCUREMENT VALUE	Lana	Dananigo	Todotoi	equipment	очиртопс	- Cyclein	счанителя	III a lease	investments	paymento	TOTAL	
Balance as of 01.01.2024	2,339,398	423,107,370	1,378,857,506	46,157,563	96,271,515	17,327,504	55,437,713	_	29,589,264	71,892	2,049,159,725	
			<u> </u>									
Procurement	-	-	-	-	-	-	-	238,529	45,065,557	131,120	45,435,206	
Activations	-	5,410,472	14,147,496	56,617	-	-	2,027,989	-	-21,642,574	-	0	
Reductions	-	-	-	-	-	-	-506,236	-	-	-	-506,236	
Bookkeeping differences in different periods	-	-	-18,437	-	-	-	-	-	-	-	-18,437	
Balance as of 31.12.2024	2,339,398	428,517,842	1,392,986,565	46,214,180	96,271,515	17,327,504	56,959,466	238,529	53,012,247	203,012	2,094,070,258	
VALUE CORRECTION												
Balance as of 01.01.2024	-	278,728,866	1,148,398,096	46,149,373	96,271,515	15,743,359	47,697,864	-	-	-	1,632,989,073	
Reductions		-	-	-	-	-	-506,236	-	-	-	-506,236	
Depreciation		8,744,813	46,353,770	64,807	-	866,376	1,622,283	7,951	-	-	57,660,000	
Bookkeeping differences in different periods		-	-18,437	-	-	-	-	-	-	-	-18,437	
Balance as of 31.12.2024	-	287,473,679	1,194,733,429	46,214,180	96,271,515	16,609,735	48,813,911	7,951	-	-	1,690,124,400	
RESIDUAL VALUE												
Balance as of 01.01.2024	2,339,398	144,378,504	230,459,410	8,190	0	1,584,145	7,739,849	0	29,589,264	71,892	416,170,652	
Balance as of 31.12.2024	2,339,398	141,044,163	198,253,136	0	0	717,769	8,145,555	230,578	53,012,247	203,012	403,945,858	

### Long-term Financial Investments

Long-term financial investments represent a minimal share of long-term assets. They mostly relate to long-term financial investments in the business share of the company PSK, d. o. o., which we acquired in December 2024. A smaller amount relates to long-term financial receivables from housing loans for the resolution of individual constructions and for the purchase of apartments under the Croatian Housing Act, which amount to EUR 3,923 (2023: EUR 3,829).

TABLE: LONG-TERM FINANCIAL INVESTMENTS

in EUR		Housing loans to employees	Business share in PSK, d. o. o.	Total 2024	Total 2023	
Balance as of 01.01.		3,829	0	3,829	5,030	
Transfer from short-term financ	ial investments	1,132	-	1,132	2,163	
Repayments		-1,038	-	-1,038	-2.232	
Increase		-	69,000	69,000	-	
Transfer to short-term financial	investments	-	-	-	-1.132	
Balance as of 31.12.		3,923	69,000	72,923	3,829	

The bookkeeping value of investments is equal to their procurement value. Long-term financial investments are not encumbered.

### Inventories and Costs for Spent Material

On 31 December 2024, the value of inventories, together with advance payments, amounted to EUR 86,863,553. Material inventories refer to inventories of nuclear fuel, spare parts, and other materials. We had no surpluses or deficits in inventory.

TABLE:

VALUE CHANGES
IN NUCLEAR FUEL
INVENTORIES

in EUR	Nuclear fuel in stock	Strategic inventory of enriched uranium	Nuclear fuel outside the reactor	Total 2024	Total 2023	
Balance as of 01.01.	48,452,516	4,013,000	0	52,465,516	37,243,999	
New purchases	30,739,416	-	1,911,151	32,650,567	43,260,678	
Consumption	-28,470,907	-	-	-28,470,907	-28,039,161	
Balance as of 31.12.	50,721,025	4,013,000	1,911,151	56,645,176	52,465,516	

As of 31 December 2024, the nuclear fuel inventory also includes a strategic inventory of enriched uranium and fuel outside the reactor; this is a result of the core redesign during the 2023 emergency outage.

#### **TABLE:**

CHANGES IN THE VALUE
OF INVENTORIES OF SPARE
PARTS AND OTHER MATERIAL

in EUR	Spare parts	Other material	Total 2024	Total 2023	
Balance as of 01.01.	25,716,436	4,510,266	30,226,702	30,835,771	
New purchases	7,107,849	5,852,379	12,960,228	12,305,654	
Consumption	-5,072,145	-5.678.424	-10,750,569	-7,901,438	
Write-off	-19,123	-	-19,123	-127,362	
Value correction	-2,172,877	-124,577	-2,297,454	-4,885,923	
Balance as of 31.12. without advance payments	25,560,140	4,559,644	30,119,784	30,226,702	
Advance payments for inventories	98,593	-	98,593	126,937	
Balance as of 31.12. with advance payments	25,651,733	4,559,644	30,218,377	30,353,639	

The net realizable value of inventories of spare parts and other material is very difficult to estimate due to certain specifics. Namely, only two similar power plants are operating worldwide, installing similar components and spare parts for maintenance. Thus, we estimate

that there is practically no demand on the market for such inventories or that the cost of sales would be greater than the proceeds. The useful value of spare parts inventories, especially those in the safety class, is very high in ensuring safe plant operation.

### Operating Receivables

Among operating receivables, we show receivables from partners who are also recipients of electrical energy, and other short-term receivables. Operating receivables are not encumbered as a guarantee for liabilities.

### TABLE: OPERATING RECEIVABLES

in EUR	31.12.2024	31.12.2023	
Short-term operating receivables from affiliated companies	9,945,049	27,500,317	
GEN	5,465,297	15,061,925	
HEP	4,479,752	12,438,392	_
Short-term operating receivables from buyers	47,036	113,836	
Short-term operating receivables from others	2,285,645	680,229	
Total	12,277,730	28,294,382	

Short-term operating receivables from affiliated companies in the amount of EUR 9,945,049 relate to receivables for electrical energy supplied to GEN and HEP in December 2024, due for payment within 15 days from the invoice date. Receivables from affiliated companies are reduced by credit notes issued on the basis of the AA and the resolution of the Supervisory Board of NEK (the receivable from GEN also includes VAT in the amount of EUR 985,545).

Short-term operating receivables in the amount of EUR 47,036 relate to various receivables from buyers for sales of smaller values.

Short-term operating receivables from others amount to EUR 2,285,645 and relate primarily to VAT receivables, namely EUR 1,527,855, and to interest receivables in the amount of EUR 473,027, as a result of short-term deposits given. Receivables in the amount of EUR 284,763 relate to receivables from employees, state institutions for the refund of gross salary and contribution compensation, and other receivables. All receivables as of 31 December 2024 are not yet due.

Receivables are not pledged. Receivables from affiliated companies in the amount of EUR 9,945,049 are secured, and receivables in the amount of EUR 2,332,681 are not secured and do not pose any major collection risks and relate to VAT receivables, receivables from other buyers, and other receivables.

### Short-term Financial Investments

Among short-term financial investments in 2024, we only disclose deposits with banks.

### TABLE: SHORT-TERM FINANCIAL INVESTMENTS BALANCE

in EUR	31.12.2024	31.12.2023
Deposits with banks	76,000,000	30,000,000
Part of long-term loans due for payment in 2025	0	1,132
Total short-term financial investments	76,000,000	30,001,132

Short-term financial investments amount to EUR 76,000,000 (2023: EUR 30,001,132). They relate entirely to deposits with commercial banks. The funds in deposits will be partly intended for the payment of outstanding liabilities as of 31 December 2024 and partly for investments that are carried out with a certain delay. Short-term financial investments are not pledged.

#### Cash

Among cash assets, we show the balance on the transaction and foreign exchange accounts in the amount of EUR 5,646,136 (2023: EUR 15,353,929). Surplus assets are of a short-term nature, as the funds are primarily intended to cover current operating expenses.

Short-term
Deferred
Expenses and
Accrued Revenue

Short-term deferred expenses and accrued revenue in the amount of EUR 1,947,690 (2023: EUR 1,270,319) relate to short-term deferred insurance premium costs (EUR 1,003,519) and membership fees and licenses charged in advance for 2025 (EUR 944,171).

#### **Capital**

The capital amounts to EUR 479,963,752 and is fully distributed equally among the two partners.

The called-up capital amounts to EUR 353,544,826 and comes from IA and is registered at the court.

Capital reserves amount to EUR 41,850,000; they arose from subsequent payments by partners and are intended to cover expenses related to investments in safety upgrades.

Profit reserves amount to EUR 89,294,326. We created legal and statutory reserves per IA and legal reserves per ZGD-1 in the prescribed amount, i.e., 10 percent of the called-up capital. Statutory reserves are formed per AA so that all possible profits arising due to deviations of actual revenues and expenses from the planned ones or because of subsequent tax or accounting changes are distributed among them. Other profit reserves amount to EUR 618,366 and were created from allocating part of the profit from 2014 and 2016. The financial year's net profit can be used to cover the loss brought forward if the general meeting so decides. These reserves are intended to cover potential losses arising from the same causes.

Fair value reserves, which can be positive or negative, are derived from actuarial calculations due to changes in financial assumptions and experience in calculating reserves for severance payments for employees upon retirement. These reserves are negative and amount to EUR –920,928. Their balance is affected by the change in the collective agreement and the change in the assumptions used in the actuarial calculation. Due to the aforementioned changes in the calculation assumptions, the actuarial deficit is lower than in the previous financial year.

The loss carried forward amounts to EUR 3,804,472 and relates entirely to the 2017 financial year, of which EUR 3,155,782 relates to the creation of additional provisions for jubilee bonuses and severance pay, and EUR 648,690 to the recording of unused annual leave.

### Reserves and Long-term Accrued Costs and Deferred Revenue

Reserves and Long-term Accrued Costs and Deferred Revenue as of 31 December 2024 amount to EUR 14,707,458 (2023: EUR 16,345,851). The majority relates to provisions for pensions and similar liabilities in the amount of EUR 14,484,983 (2023: EUR 16,118,662). The amount of provisions has been determined by an actuarial calculation by a certified actuary. The following assumptions were taken into account in the calculation: discount rate (3.26 percent per annum, which corresponds to the discount rate equal to the yield on ten-year bonds with a credit rating of AA in the euro area), expected operating life of the power plant (until 30 June 2043), long-term salary growth of 2 percent per annum, employee turnover of up to 3 percent and employee mortality based on the latest available mortality tables for the Slovenian population. The table shows a sensitivity analysis of significant actuarial assumptions.

TABLE: SENSITIVITY ANALYSIS TO IMPORTANT ACTUARY

PARAMETERS (IN EUR)

	Parameter	Discrepancy	Description	Total	Severance pay	Jubilee awards	pay under Article 108	
	Central scenario	0.00%	balance	14,484,983	8,536,248	2,761,789	3,186,946	
		-0.50%	balance	15,187,573	8,838,861	2,863,102	3,485,610	
	Discount interest rate	-0.50%	(difference)	702,590	302,613	101,313	298,664	
		0.50%	balance	13,832,482	8,251,185	2,666,166	2,915,131	
		0.50%	(difference)	-652,501	-285,063	-95,623	-271,815	
		-0.50%	balance	13,820,751	8,246,340	2,664,534	2,909,877	
	Salary growth	-0.50%	(difference)	-664,232	-289,908	-97.255	-277,069	
	Salary growth	0.50%	balance	15,193,971	8,841,227	2,863,900	3,488,844	
		0.50%	(difference)	708,988	304,979	102,111	301,898	
	Duration (DBO)			9.7	7.1	7.4	18.5	

Long-term reservations for jubilee awards and severance pay for employees upon retirement were formed as the present value of future payments required to settle obligations arising from employee service in the current and past periods. We do not expect significant deviations from the assumptions used. Therefore, we assess the risk to be low.

Long-term accrued costs and deferred revenue of EUR 222,475 relate to deferred revenue. These mainly relate to funds received (in 2000 and 2001) from the budget of the Republic of Slovenia for the power plant modernization, and a smaller part to funds received for the purchase of electric vehicles. Both items are reduced in accordance with the calculated depreciation of these assets (2023: EUR 227,189).

### TABLE: VALUE CHANGES TO RESERVATIONS AND LONG-TERM ACCRUED COSTS

AND DEFERRED REVENUE (ACDR)

in EUR	Reservations for jubilee awards	Reservations for severance pay	Long-term ACDR	Total 2024	Total 2023	
Balance as of 01.01.	2,867,064	13,251,598	227,189	16,345,851	13,108,124	
Transfer to short-term ACDR	-	-	-	-	-	
Drawing reservations	-259,688	-1,619,106	-13,714	-1,892,508	-1,062,215	
Creation of credit claims	-	-	9,000	9,000		
Creation of reservations as expenses	154,413	1,094,690	-	1,249,103	2,306,165	
Creation of reservations as fair value reserves	-	-1,003,988	-	-1,003,988	1,993,777	
Balance as of 31.12.	2,761,789	11,723,194	222,475	14,707,458	16,345,851	

### Long-term liabilities

Long-term liabilities refer to financial and operating long-term liabilities.

#### TABLE:

VALUE CHANGES IN THE LONG-TERM FINANCIAL LIABILITIES TO BANKS

	Long-term financial liabilities to banks	Long-term financial liabilities to banks	
in EUR	2024	2023	
Balance as of 01.01.	29,295,000	33,480,000	
Reduction	-4,185,000	-4,185,000	
Balance as of 31.12.	25,110,000	29,295,000	

Long-term financial liabilities to banks amount to EUR 25,110,000. They relate to a long-term loan for financing investments from the SUP; we took it out in November 2019. Long-term liabilities began to decrease in 2021 as we began repaying the principal at an annual rate of EUR 4,185,000 in 2022. Under the loan agreement, the liabilities will be fully repaid in 2031. The principal bears interest at a fixed interest rate; we do not disclose the interest rate, as it is a business secret.

Other long-term financial liabilities are also included in long-term financial liabilities. This is the long-term part of the liability related to leased fixed assets, which we initially recognized in 2024.

### TABLE:

VALUE CHANGES IN OTHER LONG-TERM FINANCIAL LIABILITIES

	Other long-term financial liabilities	Other long-term financial liabilities	
in EUR	2024	2023	
Balance as of 01.01.	0	0	
Design	231,249	-	
Reduction	-42,414	-	
Balance as of 31.12.	188,835	0	

The decrease refers to the transfer of liabilities that fall due within one year to short-term financial liabilities.

Long-term financial liabilities with maturities over five years amount to EUR 8,370,000.

#### TABLE:

VALUE CHANGES
IN LONG-TERM OPERATING
LIABILITIES

	Long-term	operating liabilities	Long-term ope	erating liabilities	
in EUR		2024		2023	
Balance as of 01.01.		159,950		160,871	
Transfer from short-term liabilities		849		1,623	
Repayments		<b>-778</b>		-1,427	
Transfer to short-term liabilities		-		-1,117	
Balance as of 31.12.		160,021		159,950	

Long-term operating liabilities amount to EUR 160,021. They refer to liabilities to the Croatian Housing Fund for sold apartments in compliance with regulations. There is no maturity date longer than five years.

We have no long-term operating liabilities with more than five years of maturity.

### **Short-term Liabilities**

Short-term liabilities refer to financial and operating short-term liabilities.

Short-term financial liabilities amount to EUR 4,227,414. They mainly relate to two principal installments of the long-term loan due in 2025 (EUR 4,185,000). The remaining part refers to the short-term liabilities related to the lease of fixed assets (EUR 42,414).

#### **TABLE:**

BALANCE OF SHORT-TERM OPERATING LIABILITIES

in EUR	31.12.2024	31.12.2023	
Short-term operating liabilities to suppliers	44,440,830	22,628,195	
Domestic suppliers	10,333,754	8,713,860	
Foreign suppliers	33,793,615	13,675,441	
For unbilled goods and services	313,461	238,894	
Short-term operating liabilities to others	8,361,367	8,325,598	
Employees	5,002,590	5,113,527	
State and other institutions	3,003,531	2,743,273	
Other current liabilities	355,246	468,798	
Total	52,802,197	30,953,793	

Short-term operating liabilities to suppliers amount to EUR 44,440,830 and refer to liabilities not yet due for payment for purchasing fixed and operating assets and the non-invoiced supply of goods and services.

Short-term operating liabilities to others refer to liabilities to employees for salaries and other labor costs for December 2024 (EUR 5,002,590), liabilities to state and other institutions (EUR 3,003,531), liabilities for interest on loans (EUR 73,638), and to other minor liabilities (EUR 281,608).

### Short-term Accrued Costs and Deferred Revenue

Accrued costs and deferred revenue as of 31 December 2024 amount to EUR 9,594,214 (2023: EUR 14,014,040). EUR 915,432 (2023: EUR 851,258) refers to the deferred expenses for unused annual leave for the year 2024, EUR 295,286 (2023: EUR 252,683) to other accrued labor costs for the award to the Management Board and executive directors together with contributions, and the amount of EUR 8,383,496 (2023: EUR 12,910,099) to accrued costs of outage services for the three-year period.

### Conditional Assets and Liabilities

We do not show any conditional assets and liabilities.

### 6.3.2

NOTES TO THE INCOME STATEMENT

#### Revenue

Revenue is broken down into operating and financial.

Operating revenue is divided into net sales revenue and other operating revenue. Net sales revenue includes revenue from supplied electrical energy, half of which is in Slovenia and half in Croatia.

### TABLE: OPERATING REVENUE

in EUR	2024	2023	
Net sales revenue	224,367,094	236,369,292	
Revenue from electrical energy supplied to GEN	112,183,547	118,184,646	
Revenue from electrical energy supplied to HEP	112,183,547	118,184,646	
Other operating revenue	3,101,849	2,752,560	
Total	227,468,943	239,121,852	

Other operating revenue includes revenue from supplementary activities, revenue from the rental of vacation and business apartments, revenue from the elimination of reservations from funds received from the budget of the Republic of Slovenia, revenue from the sale of waste material, and other operating revenue.

TABLE: OTHER OPERATING REVENUE

in EUR		2024	2023	
Revenue from supplementary	activities	2,079,956	1,858,134	
Revenue from providing mea	als to workers	1,761,791	1,548,335	
Revenue from work and vac	ation apartments	318,165	309,799	
Other operating revenue		1,021,893	894,426	
Reimbursed compensation f	or sick leave	461,252	465,082	
Reimbursed compensation f	or workers posted abroad	386,568	347,194	
Cancellation of reservations	received from the Republic of Slovenia	13,364	14,408	
Revenue from the cancellation	on of other reservations	48,122	-	
Revenue from sales of mate	rial	94,951	24,398	
Other operating revenue		17,636	43,344	
Total		3,101,849	2,752,560	
-				

Financial revenue from operating receivables and liabilities arose due to exchange rate differences based on revaluation and amounts to EUR 10,569 (2023: EUR 204,692).

Financial revenue from loans given to others is interest received from deposits and amounts to EUR 1,465,528 (2023: EUR 664,653).

#### **Expenses**

At NEK, we do not have a stock of finished products or a stock of unfinished production. Therefore, all incurred costs are also treated as operating expenses and thus affect the result in the accounting period.

Operating expenses in the amount of EUR 227,940,893 (2023: EUR 239,017,879) cover all operating costs, which are broken down by types and functional groups.

TABLE: COSTS BY TYPES AND FUNCTIONAL GROUPS

in EUR	2024	2023	
COSTS BY TYPES	227,940,893	239,017,879	
Cost of material and services	93,547,777	96,314,542	
Cost of spent material	39,904,905	36,638,133	
Energy costs	29,005,407	28,591,913	
Spare parts costs	5,194,506	3,355,990	
Costs of other material	5,704,992	4,690,230	
Costs of services	53,642,872	59,676,409	
Fixed asset maintenance costs	23,584,829	32,121,134	
Costs of payment transactions and insurance premiums	3,322,658	3,205,285	
Costs of services in the product manufacture	18,446,172	17,102,939	
Costs of other services	8,289,213	7,247,051	
Labor costs	60,519,803	56,423,773	
Salary costs	41,880,123	37,890,992	
Social insurance costs	9,928,037	8,792,552	
Additional pension insurance costs	1,561,976	1,512,690	
Other labor costs	7,149,667	8,227,539	
Write-offs	59,976,577	73,514,369	
Depreciation	57,660,000	68,471,000	
Revalued operating expenses	2,316,577	5,043,369	
Other operating expenses	13,896,736	12,765,195	
COSTS BY FUNCTIONAL GROUPS	227,940,893	239,017,879	
Production costs of quantities sold	218,045,971	230,390,012	
General activity costs	9,894,922	8,627,867	

The costs of spent material amount to EUR 39,904,905, the majority of which is the cost of nuclear fuel consumption in the amount of EUR 28,470,907. The costs of services amount to EUR 53,642,872, the majority of which is maintenance costs (EUR 23,584,829) and costs of services in the product manufacture (EUR 18,446,172). Among the labor costs, which amount to EUR 60,519,803, the costs of salaries and contributions total EUR 53,370,136. Other labor costs in the amount of EUR 7,149,667 relate to a special award on the fiftieth anniversary of the laying of the foundation stone of NEK, transportation to and from work, reimbursed meals during work, vacation allowance, long-term reservations formed for jubilee awards and severance pay, and other labor costs.

The structure and number of employees by education are shown in the business report. On 31 December 2024, NEK had 656 employees (659 at the end of 2023). The average number of employees based on working hours in 2024 was 654.26.

Most write-offs refer to depreciation calculated per AA and amount to EUR 57,660,000. The revaluated operating expenses mainly refer to the correction of the value of non-sellable spare parts and other material in the amount of EUR 2,297,454, formed in compliance with the accounting guidelines. The remaining part in the amount of EUR 19,123 refers to other write-offs of the working capital.

Other operating expenses refer to duties and compensations for limited space use, intervention measures planning in the area of the nuclear facility, use of building land in the amount of EUR 7,505,281, water reimbursement for the use of technological water in the amount of EUR 5,643,848, and other operating expenses in the amount of EUR 747,607.

Financial expenses in the amount of EUR 900,984 refer to financial expenses from interest, revaluation of receivables and debts, interest on reservations for pensions and similar liabilities, and other financial liabilities.

### Corporate Income Tax

The company is a taxpayer per ZDDPO-2 and the Corporate Income Tax Return Rules.

TABLE: CALCULATION OF NEK'S CORPORATE INCOME TAX

2024	2023	
228,945,040	239,991,197	
0	0	
0	0	
228,945,040	239,991,197	
228,841,877	239,869,859	
939,397	523,904	
-2,103,587	-2,128,579	
227,677,687	238,265,184	
1,267,353	1,726,013	
798,432	1,087,388	
468,921	638,625	
22%	19%	
103,163	121,339	
	228,945,040 0 0 228,945,040 228,841,877 939,397 -2,103,587 227,677,687 1,267,353 798,432 468,921 22%	228,945,040       239,991,197         0       0         0       0         228,945,040       239,991,197         228,841,877       239,869,859         939,397       523,904         -2,103,587       -2,128,579         227,677,687       238,265,184         1,267,353       1,726,013         798,432       1,087,388         468,921       638,625         22%       19%

The tax base – as the difference between tax-recognized revenue and expenses, reduced by tax relief – amounts to EUR 468,921; a 22% income tax of EUR 103,163 is calculated from it. From tax relief, a tax relief of EUR 130,736,198 could be claimed (including from previous years), but only 63 percent of the tax base may be claimed. The unused part of the relief can be claimed in the next five years.

#### Net Profit

According to ZGD-1, net profit is a legally defined category. It is the sum of net profit or loss, transferred profit or loss, and any increases due to reduced reserves from profit or reductions for creating profit reserves. The partners' general meeting decides on using the net profit in the proposal of the NEK Management and Supervisory Board. For 2024, we recognize the net loss from 2017 in the amount of EUR 3,804,472, but we do not recognize the net profit.

### Net Operating Profit or Loss for the Accounting Period

The operating profit or loss for 2024 amounts to EUR 103,163; after taxation, the net operating profit or loss for the accounting period is zero. The item "other elements of comprehensive income" for 2024 shows an actuarial surplus in the amount of EUR 1,003,988.

### 6.3.3 NOTES TO THE CASH FLOW STATEMENT

The cash flow statement shows developments concerning solvency. This statement is prepared using the direct method. By individual types of cash flows, we compare realized cash flows in the cash flow statement for 2024 with those realized in 2023. Revenue in 2024 amounted to EUR 354,074,217 (2023: EUR 326,288,980), while expenses amounted to EUR 363,782,010 (2023: EUR 327,539,667). Revenues were lower than expenses by EUR 9,707,793 (2023: EUR 1,250,687).

### TABLE: RECAPITULATION OF REVENUE AND EXPENSES BY TYPES OF CASH FLOWS

in EUR	2024	2023	
Cash flows from operations	85,513,682	65,723,762	
Cash receipts from operations	268,454,629	246,656,810	
Cash disbursements from operations	182,940,947	180,933,048	
Cash flows from investing	-90,711,906	-62,423,290	
Cash receipts from investing	85,619,588	79,632,170	
Cash disbursements from investing	176,331,494	142,055,460	
Cash flows from financing	-4,509,569	-4,551,159	
Cash receipts from financing	0	0	
Cash disbursements from financing	4,509,569	4,551,159	
Total/Net cash flow	-9,707,793	-1,250,687	

### 6.3.4 NOTES TO THE EQUITY CHANGE STATEMENT

Changes in the value of individual capital items can be seen from the equity changes statement, point 4.5. The amount of the called-up capital set in IA is EUR 353,544,826; it is also entered in the court register in this amount. In 2024, the capital increased by EUR 1,003,988 due to an increase in reserves created due to revaluation at fair value. These are shown based on actuarial calculations and are related to changes in the financial assumptions of reservations for pensions and similar liabilities.

**6.4**ADDITIONAL EXPLANATIONS

6.4.1
DATA ON
GROUPS
OF PERSONS

We show receipts separately by the following groups of persons among the data on groups of persons: the Management Board, employees under individual contracts, and members of the NEK Supervisory Board.

### TABLE: RECEIPTS BY INDIVIDUAL GROUPS OF PERSONS IN 2024

in EUR	Number of recipients	Receipts from employment relationship	Other receipts	Total	_
Board members	3	556,612	-	556,612	
Employees under individual contracts	23	4,522,948	-	4,522,948	
Members of the Supervisory Board of NEK	6	-	93,885	93,885	
Total	32	5,079,560	93,885	5,173,445	

Receipts include salaries, vacation pay, and other receipts from the employment relationship. Other receipts include payments for serving on the Supervisory Board and meeting fees.

We do not show any claims for received loans, advances, or guarantees to members of the Management Board, employed under individual contracts, and members of the Supervisory Board of NEK.

Among the management board members is the recipient, who no longer performed the mentioned function in 2024 but received a proportional part of the award related to the performance in the previous year. Otherwise, we have a two-member Management Board.

6.4.2
INFORMATION
ON RELATED
COMPANIES

The report on relationships with related companies for 2024 shows all transactions with related companies.

TABLE: INFORMATION ON RELATED COMPANIES

in EUR	Revenue	Expenses	Receivables	Liabilities	
GEN energija, d. o. o.	112,183,547	152,808	5,465,297	-	
HEP, d. d.	112,183,547	149,642	4,479,752	-	
HEP ELEKTRA, d. o. o.	-	8,699	-	841	
HEP ENERGIJA, d. o. o.	-	136,516	-	42,931	
GEN-I, d. o. o.	-	10	-	-	
Total	224,367,094	447,675	9,945,049	43,772	

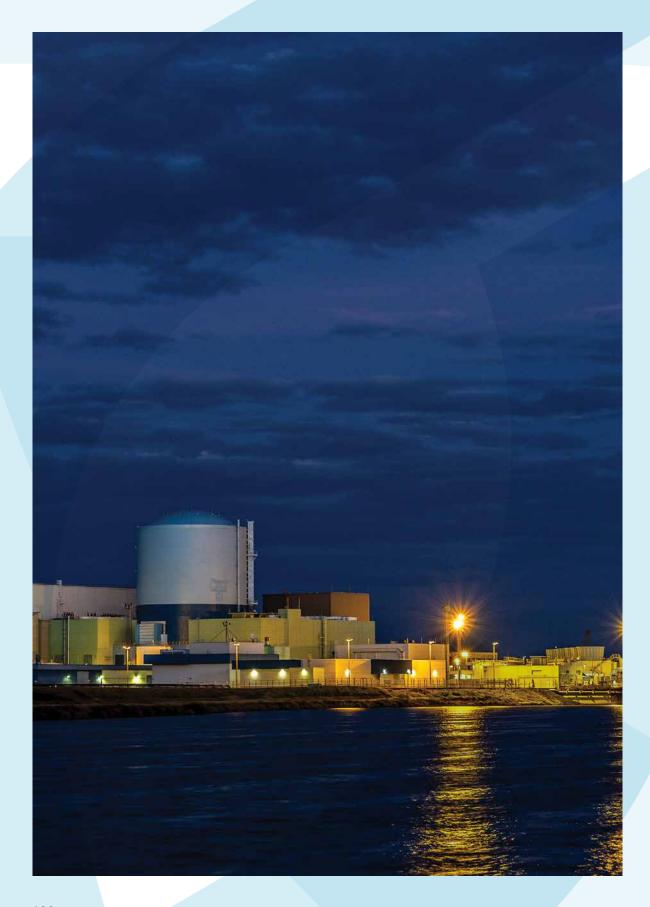
In the financial year 2024, there were no legal transactions or omissions of transactions or other actions that would have been carried out or omitted based on the interests or initiatives of GEN and HEP companies and would have meant a disadvantage for NEK in the sense of Article 545 of the ZGD-1.

6.4.3 OTHER DISCLOSURES

Other disclosures refer to the costs of auditing services, which are shown separately by type of service. In 2024, auditing the Annual Report amounted to EUR 24,450, and other costs amounted to EUR 1,170.

FINANCIAL REPORT

EVENTS AFTER THE BALANCE SHEET DATE



7.0 Events After the Balance Sheet Date

We assess that after the balance sheet date until the Annual Report was drawn up, there were no business events that would significantly impact the company's financial statements for 2024.

ANNUAL REPORT 2024



# List of Abbreviations

AA Articles of Association

ACDR Accrued Costs and Deferred Revenue

ADP Administrative Procedure

ALARA As Low As Reasonably Achievable
AMP automatic measuring station
ARAO Slovenian Radioactive Waste Agency

ARSO Agency of the Republic of Slovenia for the Environment

AS Alarm System
BR Boron Recycle System

CDA Cyber Defense Analysis
CDP Core Damage Probability
CDU Work Efficiency Center
CHUG Checworks Users Group

CO<sub>2</sub> carbon dioxide

CSRD Corporate Sustainability Reporting Directive

DAC Derived Air Concentration
DBO Defined Benefit Obligation

EC – JRC European Commission Joint Research Center

EH Electro Hydraulic

ELES Slovenia's Electric Power Transmission System Operator

ENISS European Nuclear Industry Safety Standards

EPRI Electrical Power Research Institute ESG Environmental, Social, Governance

**ANNUAL REPORT 2024** LIST OF ABBREVIATIONS

**ESRS** European Sustainability Reporting Standards

EU European Union FLR Forced Loss Rate

Fund for Financing the Decommissioning and Disposal of Radioactive Waste Fond

and Spent Nuclear Fuel of the Krško Nuclear Power Plant

Framatome Owners Group FROG GEN GEN energija, d. o. o. GHG Greenhouse Gasses GT Main Transformer GWh gigawatt hour

HPP Hydroelectric Power Plant

HEP Hrvatska elektroprivreda, d. d., Zagreb

HLW High-Level Radioactive Waste HRM **Human Resources Management** HUPX Hungarian Power Exchange IΑ Intergovernmental Agreement IAEA International Atomic Energy Agency

IJS Institute "Jožef Stefan" ISA **Industry Safety Accident** 

ISEG Independent Safety Engineering Group

ISI In-Service Inspection

ISO International Organization for Standardization

Instrumentation and Control I&C ΙT Information Technology JEK2 Krško 2 Nuclear Power Plant JRC Joint Research Centre

kV kilovolt

LILW Low- and Intermediate-Level Radioactive Waste

Modular Accident Analysis Program MAAP

MSCC Main Security Control Center

MWh megawatt hour MWe megawatt electric

National Cyber Incident Response Plan NCRP

NDE Non-Destructive Examination NEK Krško Nuclear Power Plant

NMAC Nuclear Maintenance Application Center

NPP **Nuclear Power Plant** 

NRC Nuclear Regulatory Commission

NS Supervisory Board

Nuclear Procurement Issues Committee NUPIC

OSART Operational Safety Review Team

OT Operational Technology

OTJE Fundamentals of Nuclear Power Plant Technology

OVD environmental permit OVS environmental consent

OG RS Official Gazette of the Republic of Slovenia PARMS Post-Accident Radiation Monitoring Systems

PIS **Process Information System** PNV/SUP Safety Upgrade Program

PSA Probabilistic Safety Analysis **PSR** Periodic Safety Review

PWROG Pressurized Water Reactor Owners Group

QΑ **Quality Assurance RCA** Root Cause Analysis

**RCP** Representative Concentration Pathways

RCS Reactor Coolant System RG Regulatory Guide RS Republic of Slovenia

SALTO Safety Aspects of Long-Term Operation Slovenian Nuclear Safety Administration SNSA SOER Significant Operating Experience Report Slovenian Accounting Standards

SRS

SSG-48 Specific Safety Guide

SW Service Water T1 Transformer 1

TE Thermal Power Plant

TISA Total Industry Safety Accident TMS Transformer Monitoring System

TWh terawatt hour

**Unplanned Automatic Scrams** UA7

UCF Unit Capability Factor UCR Unit Capability Rate

UNECE United Nations Economic Commission for Europe

US7 Unplanned Total Scrams

VAT Value Added Tax

WANO World Association of Nuclear Operators

WD Waste Disposal

WEEE Waste Electrical and Electronic Equipment

**WENRA** Western European Nuclear Safety Regulators Group

WP Waste Processing System

WRTC Welding and Repair Technology Center

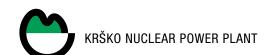
Water Treatment

ZDDPO-2 Corporate Income Tax Act

ZGD-1 Companies Act

ZUOD Initial Staff Training for Licensing

ZVISJV Act on Protection against Ionizing Radiation and Nuclear Safety



Vrbina 12, SI-8270 Krško Telephone: +386 7 48 02 000, E-mail: nek@nek.si **www.nek.si** 

