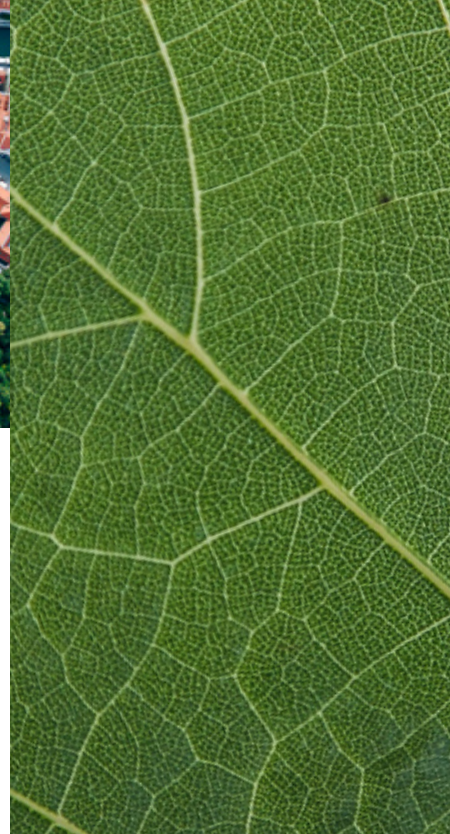
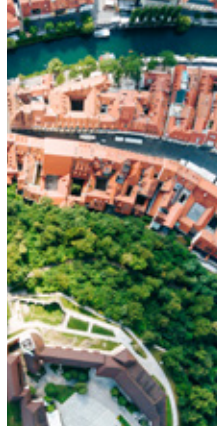


PRESENTATION OF THE GEN GROUP AND RESULTS IN **2021**



GEN'S RESPONSE TO THE CHALLENGES OF THE FUTURE IS A STABLE, RELIABLE AND LOW-CARBON ENERGY MIX



Blaž Košorok,
CEO

Danijel Levičar,
COO

Gordana Radanovič, MSc,
CFO

The GEN Group ended the 2021 financial year successfully and exceeded expectations, despite the pandemic and global energy and economic challenges. We generated EUR 3.5 billion in revenue and achieved a new milestone that established GEN as one of the largest business groups in Slovenia. We also regained our position as one of the strongest business groups in terms of investments, as group companies implemented investments in the total amount of nearly EUR 80 million.

OPERATIONAL EFFICIENCY

We exceeded our electricity production targets. The Krško Nuclear Power Plant (NEK) operated stably, safely and at full capacity for most of the year. It generated 5,419 GWh of electricity, half of which, i.e. 2,709 GWh, is the property of GEN, or effectively the Republic of Slovenia, under the Intergovernmental Agreement on the NEK. We completed a scheduled major overhaul at the NEK in April, despite the difficult epidemiological conditions. In the context of above-average hydrological conditions in the first half of the year and below-average hydrological conditions during the second half of the year, when production by hydroelectric power plants was below the planned level over that entire period, hydroelectric power plants on the Sava River produced a total of 619 GWh of electricity. The Brestanica Thermal Power Plant (TEB) confirmed its role in ensuring grid stability, and was started up reliably 12 times for the purpose of balancing the Slovenian power grid. Despite higher fuel and emission allowance prices, the favourable conditions on the electricity market in 2021 prompted the more frequent commercial operation of the new PB6 gas turbine unit at the TEB. The GEN Group's production units operated failure-free in 2021, which is a remarkable achievement.

TRADING

In the area of trading and sales, GEN-I successfully adapted to dynamic market conditions and seized market opportunities in 2021, in spite of the adverse conditions on the energy market. Prudent investments in the past and new business approaches and services related to the green transformation, e-mobility and digitalisation facilitated the exploitation of unexpected business opportunities and the stable management of crisis conditions. Despite all the crises, achieved results exceeded expectations, and serve as proof that the GEN-I Group is built on solid foundations and the expertise of its employees.

INVESTMENTS AND DEVELOPMENT

Our safe, reliable and environmentally friendly electricity production is the result of continuous investments in expertise and equipment. The investment expenditure of GEN Group companies amounted to EUR 79 million in 2021. We carried out a scheduled major overhaul at the Krško Nuclear Power Plant, and completed construction of the additional PB7 gas turbine unit at the Brestanica Thermal Power Plant, which plays an important role in ensuring the stability of the Slovenian electric power

grid. The TEB functioned for commercial purposes on account of low natural gas prices and favourable electricity prices on the market. This also had a positive effect on the operations of the TEB and GEN. The GEN Group and HESS are expecting the start of construction of the Mokrice HPP, which will play an important flood-protection role, while the energy-producing element of the power plant will enable the balancing of flows to neighbouring Croatia and thus the full flexibility of existing facilities.

CENTRAL STRATEGIC DEVELOPMENT PROJECT: JEK2

The construction of a second nuclear power plant unit in Krško (JEK2) is one of the GEN Group's key strategic challenges. Based on the Resolution on Slovenia's Long-Term Climate Strategy until 2050 (ReDPS50) and the comprehensive National Energy and Climate Plan (NECP), the Ministry of Infrastructure issued an electricity generation licence for the JEK2 project on 19 July, and thus opened the door for the implementation of administrative procedures and the preparation of documentation for the decision on the investment in JEK2. We continued with official activities in December, when we submitted materials in response to the Ministry of Infrastructure's proposal to begin the spatial planning of JEK2, i.e. to start the drafting of the national spatial plan.

EMPLOYEES AND KNOWLEDGE

With their knowledge and dedication, our employees are essential to the GEN Group's business excellence and operational efficiency, and a prerequisite for the achievement of synergies between group companies. The qualifications and quality of our employees were seen again in 2021, when market conditions demanded their expertise and experience for the good of the GEN Group and its customers and business partners. There was a total of 1,232 employees in 2021, with more than 66% of them holding at least higher education qualifications. With our experience, expertise, commitment, diligence and motivation, we are achieving our goals and building a sustainable future for the reliable supply of low-carbon electricity at accessible prices.

THE GEN GROUP AT A GLANCE

The GEN Group is one of the largest and strongest business groups in investment terms in Slovenia. We manage an integrated electricity supply chain:

- **we produce** electricity from low-carbon sources: nuclear and hydro;
- **we trade** and sell electricity on the domestic market, and on more than 20 retail and wholesale markets across Europe; and
- **we channel our capital into development and investments**, in particular the continuous and comprehensive maintenance of existing production facilities, and the responsible planning and construction of new, low-carbon production capacities for the purpose of supplying electricity to Slovenia.

Average annual electricity production of our power plants:

6,300 – 6,800 GWh

(taking into account 100% production by the NEK)

30% SHARE

of Slovenia's total electricity production

22 EUROPEAN MARKETS

where we are present with trading and sales activities

99%

OF ELECTRICITY FROM
LOW-CARBON ENERGY
SOURCES

3,388 GWh

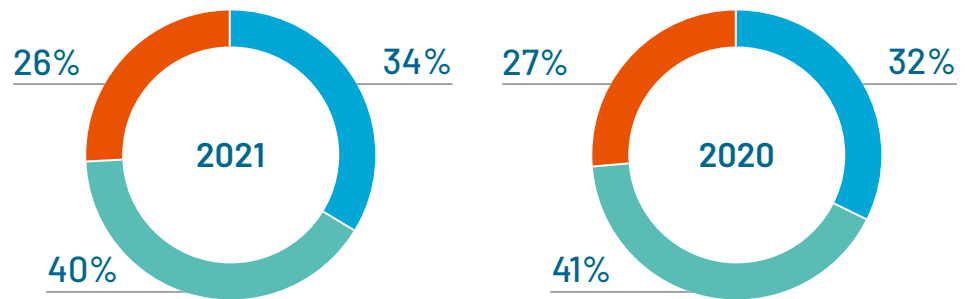
OF ELECTRICITY
PRODUCED

PROFIT OF

EUR 105.6

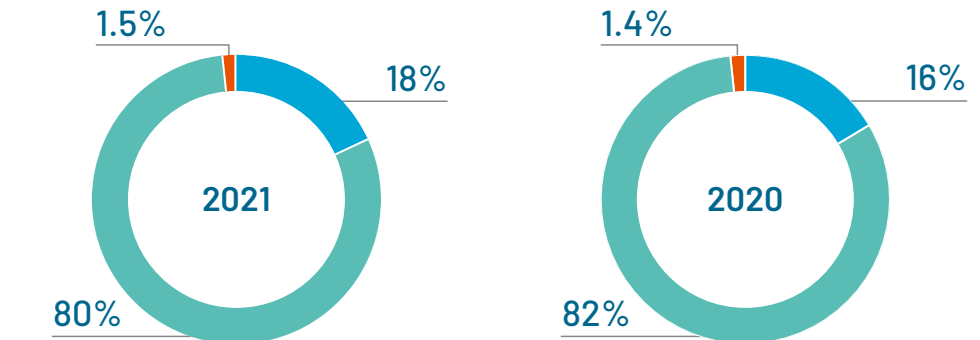
million

Structure of electricity production sources in Slovenia



● Hydroelectric power plants ● Nuclear power plant ● Thermal power plants

Structure of electricity production sources at GEN Group companies



● SEL + HESS ● NEK ● TEB

KEY FIGURES		GROUP		COMPANY	
		2021	2020	2021	2020
Revenue	in EUR thousand	3,483,568	2,193,560	239,522	231,350
EBIT	in EUR thousand	134,993	86,192	30,564	53,607
EBITDA	in EUR thousand	179,719	144,526	31,323	54,329
Net profit	in EUR thousand	105,555	64,189	27,054	45,664
Assets	in EUR thousand	1,397,959	1,223,555	641,955	634,934
Equity	in EUR thousand	1,005,911	912,480	536,835	522,710
Debt	in EUR thousand	146,469	162,269	70	11,866
Investments	in EUR thousand	47,458	57,147	4,359	19,160
Electricity produced	GWh	3,388	3,674		
Electricity sold	GWh	48,685	45,281	3,972	3,930
Number of employees at year-end		1,232	1,159	66	64

VISION 3 + 1: KEY TO THE DECARBONISATION OF THE SLOVENIAN ELECTRICITY SECTOR

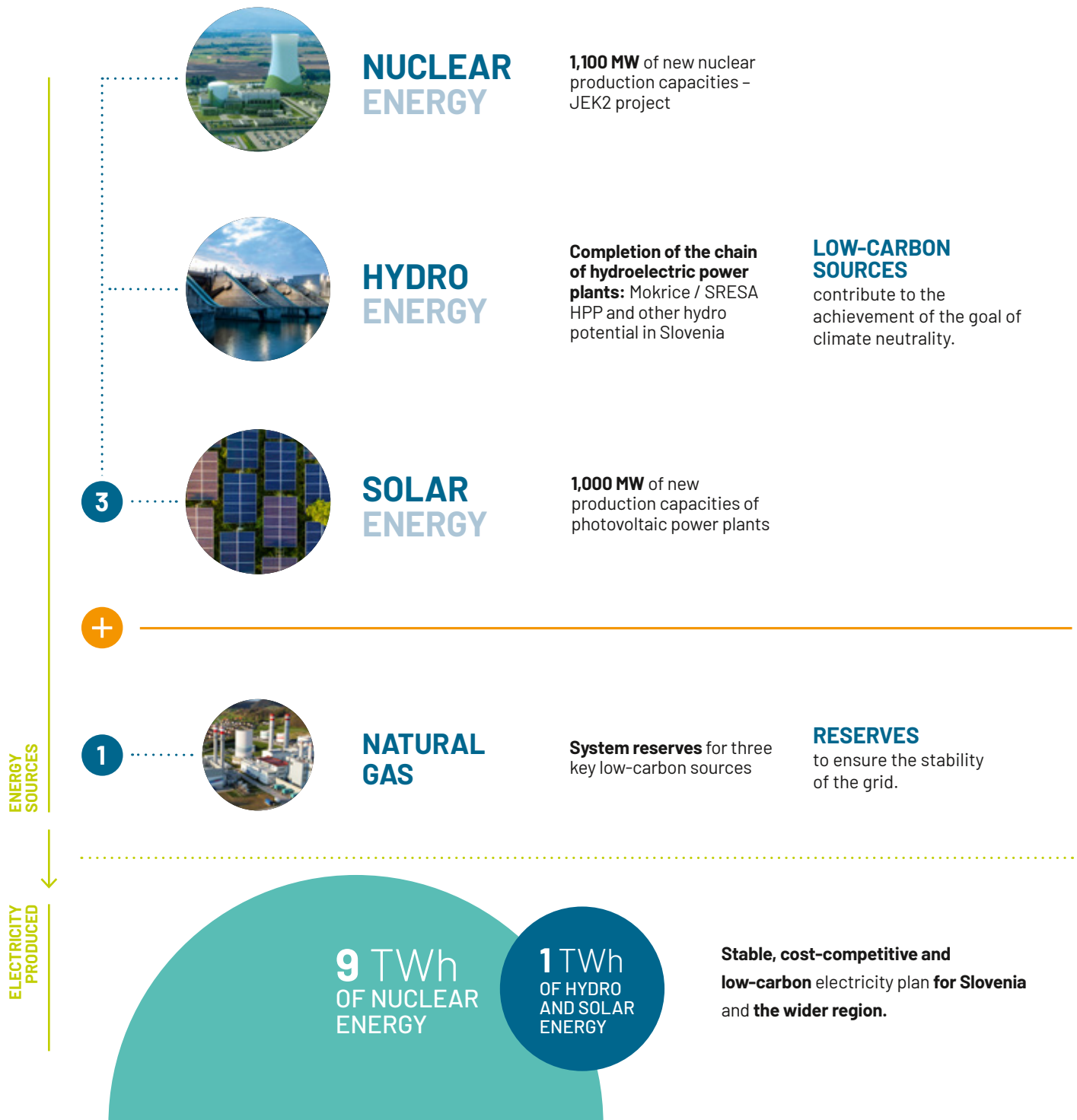
The GEN Group formulated Vision 3 + 1 in 2021. Through a low-carbon mix of nuclear, hydro and solar energy, and natural gas as a system reserve, that vision represents the key to the decarbonisation of the Slovenian electricity sector and a successful energy transition. In a combination of today's and tomorrow's increased production capacities, these three energy sources ensure a stable, cost-competitive and low-carbon electric power grid for Slovenia and the wider region, and

contribute to the achievement of the goal of climate neutrality.

With the additional 10 TWh of energy that the GEN Group is planning in the scope of that vision, we will be able compensate for the drop in energy due to the abandonment of fossil fuels, and supply sufficient quantities of electricity for the planned electrification and digitalisation of society.

Already crucial for GEN Group companies today are low-carbon energy sources

such as nuclear and hydro energy, and to a lesser degree solar energy, which together account for 99% of electricity produced. The GEN Group's energy mix is significantly reducing average emissions from the production of electricity at the national level in Slovenia, and is proving to be environmentally and climate-friendly in the context of positive economic and energy indicators. It thus plays an important role in the formulation of a sustainable energy future for Slovenia.



JEK2 PROJECT: PILLAR OF VISION 3 + 1

With the construction of a second nuclear power plant unit in Krško (JEK2 project), we can make the transition to a low-carbon society a reality. JEK2 is the pillar of Vision 3 + 1, in which we ensure a stable, cost-competitive and low-carbon grid for the reliable supply of electricity to Slovenia and the broader region through a combination of three low-carbon energy sources (nuclear, hydro and solar).

JEK2 is crucial for the achievement of the goals of climate neutrality and the decarbonisation of the Slovenian electricity production system.

In July 2021, the Ministry of Infrastructure issued the GEN Group an electricity generation licence for the JEK2 project. This important milestone marks the start of administrative procedures, while public consultations regarding the project can begin. The process of spatial planning will begin based on the proposal to adopt the national spatial plan (NSP). In all phases of the project to date, the GEN Group has ensured transparency and the inclusion of the general public in project activities.

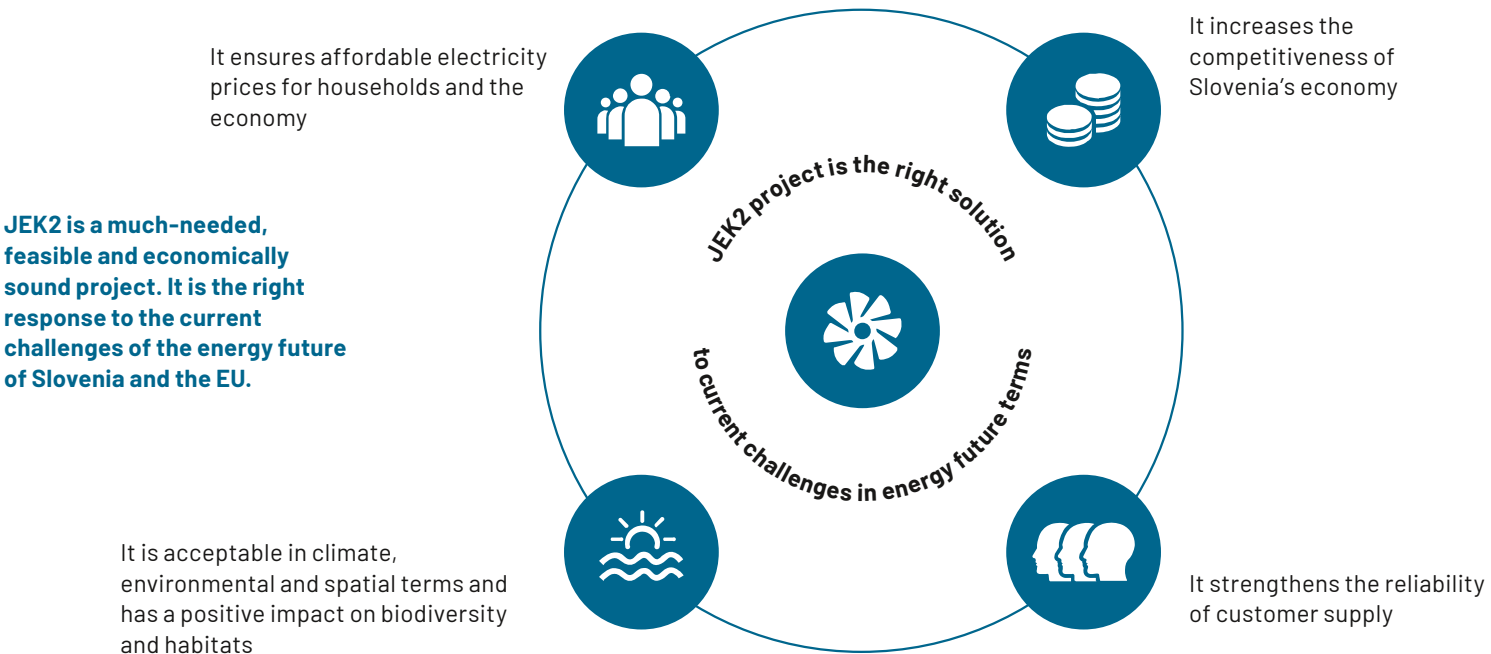
The decision to implement the JEK2 project is expected following the receipt of bids from potential suppliers when the value and financial construction of the project are revealed.



PHASES OF JEK2 PROJECT



KEY: ALREADY COMPLETED



TYPES OF CAPITAL AND RESULTS IN 2021

TYPES OF CAPITAL OF THE GEN GROUP

INFRASTRUCTURAL CAPITAL:

Nuclear power plant, hydroelectric power plants on the Sava river, gas-fired thermal power plant (ancillary services), and distributed renewable sources (solar power plants). Advanced software/IT infrastructure for effective energy trading and sales at home and abroad.

NATURAL CAPITAL:

Low-carbon energy sources: primarily nuclear and hydro energy, and solar energy to a lesser degree.

FINANCIAL CAPITAL:

Financial resources (mainly through equity and borrowing) needed for providing comprehensive electricity supply services.

EMPLOYEES AND INTELLECTUAL CAPITAL:

The knowledge, skills and dedication of our employees for performing our principal activities.

SOCIAL CAPITAL:

Relations with external stakeholders in the provision of comprehensive electricity supply services. Strengthening understanding of the importance of energy supply for our daily lives and sustainable social well-being.



RESULTS OF THE GEN GROUP IN 2021

INFRASTRUCTURAL CAPITAL

total production:
3,388 GWh
of electricity

production by the NEK:
5,419 GWh
(2,709 GWh for Slovenia)

production by HPPs:
619 GWh

TEB's important role
in ensuring **power grid stability**

NATURAL CAPITAL

99%
(nuclear, hydro and solar)

Low-carbon energy sources: primarily nuclear and hydro energy, and solar energy to a lesser degree

FINANCIAL CAPITAL

Net profit:
EUR 105.6 million
Turnover:
EUR 3.5 billion

EMPLOYEES AND INTELLECTUAL CAPITAL

1,232 employees

66% of employees with
at **least higher education qualifications**

Implementation of **action plan to optimise operations expenditure for research and development**

Capital expenditure and investments to ensure long-term stability:
EUR 79.35 million

Preparation of studies for **JEK2** project

SOCIAL CAPITAL

Safe, reliable and environmentally friendly supply of electricity to customers

Advanced services for customers – realisation of the **green transformation. Strengthening understanding of energy and the energy sector** amongst key stakeholders

Through our operations, we are contributing to the achievement of the following sustainable development goals:



GEN GROUP COMPANIES IN 2021



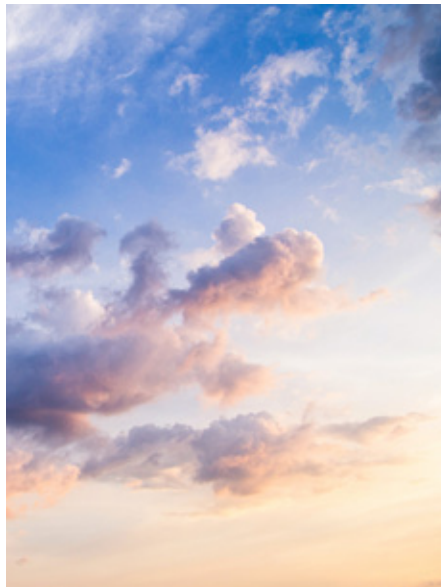
NEK IN 2021

- Production of **5,419 GWh** of electricity.
- The amount of electricity to which GEN is entitled pursuant to the Intergovernmental Agreement on the NEK was **2,709 GWh**.
- Actual results higher than planned: **102%**
- Capability factor: **90.15%**
- Availability factor: **90.65%**
- Capacity factor: **92.88%**



SEL IN 2021

- **339 GWh** of electricity produced.
- Launch of a two-year project to replace the spillway gates at the Medvode HPP.
- Successfully completed activities to purchase MHE Bistrica.
- **102.8%** of plan for 2021 achieved.



TEB IN 2021

- Total of 10 activations and 12 start-ups of gas turbine unit nos. PB1 to PB6.
- Total electricity production of **52.3 GWh (46.1 GWh net)**.
- The TEB also functioned for commercial purposes due to favourable conditions on the electricity market.
- Completion of technical inspection of gas turbine unit no. PB7



HESS IN 2021

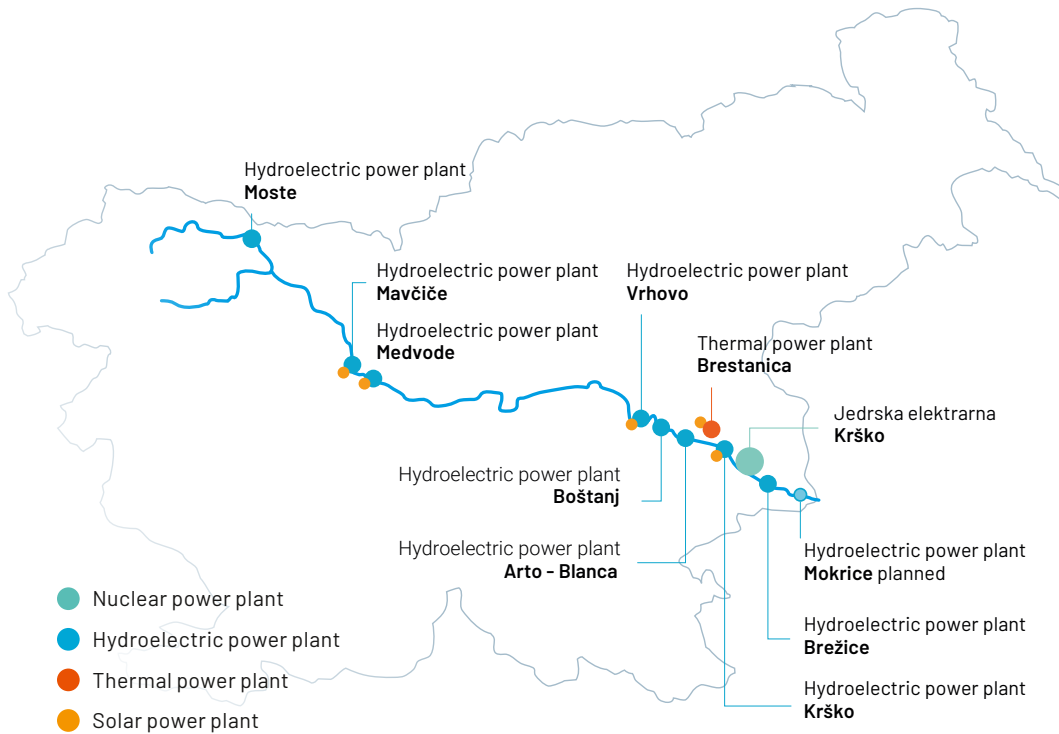
- **280 GWh** of electricity produced (share attributable to GEN).
- **95.3%** of plan for 2021 achieved.
- Continuation of procedures in connection with the construction of the Mokrice HPP and acquisition of a building permit for the construction of a photovoltaic power plant at the Brežice HPP.



GEN-I IN 2021

- Electricity trading volume: **44.71 TWh**.
- Main purchase and sales markets: Central, Southeast and Western Europe.
- More than **24 thousand** new customers.
- Leading supplier of green solutions.
- More than **3,000 new solar power plants** on the roofs of Slovenian houses.
- Maintenance of stable electricity prices in demanding market conditions.

OUR GENERATION UNITS – POWER PLANTS



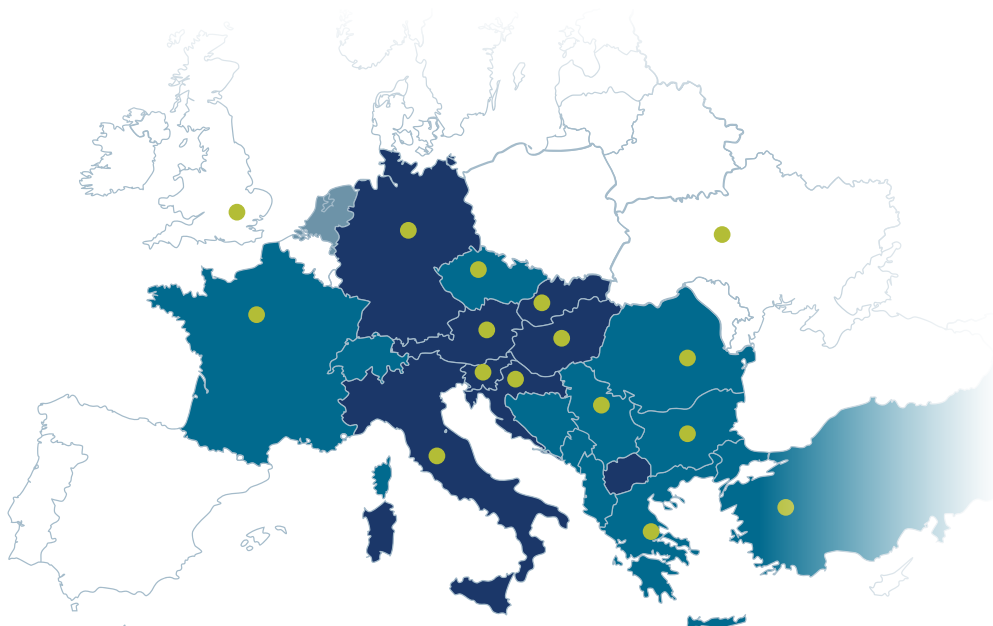
PRESENCE OF GROUP COMPANIES ON EUROPEAN ELECTRICITY AND NATURAL GAS MARKETS

22

EUROPEAN MARKETS

16

SUBSIDIARIES



- Subsidiaries
- Electricity
- Electricity and natural gas
- Natural gas

PRESENCE OF GROUP COMPANIES ON EUROPEAN ELECTRICITY AND NATURAL GAS MARKETS

GEN energija d.o.o.

The holding company of the GEN Group
www.gen-energija.si

PRODUCTION

Nuklearna elektrarna Krško d.o.o. (NEK)

Electricity generation at a nuclear power plant
www.nek.si

Savske elektrarne Ljubljana d.o.o. (SEL)

Electricity generation at hydroelectric power plants
www.sel.si

Termoelektrarna Brestanica d.o.o. (TEB)

Electricity generation at a thermal power plant, a standby energy source for the power grid
www.teb.si

Hidroelektrarne na Spodnji Savi, d.o.o. (HESS)

Electricity generation at hydroelectric power plants
www.he-ss.si

Srednjesavske elektrarne d.o.o. (SRESA)

Electricity generation at hydroelectric power plants

TRADING AND SALES

GEN-I, d.o.o.

Electricity trading, sales and purchasing
www.gen-i.si

Elektro energija d.o.o.

Sales of electricity and natural gas, purchasing of electricity
www.elektro-energija.si

DEVELOPMENT, RESEARCH, SERVICES, AND OTHER

ZEL-EN, razvojni center energetike d.o.o.

Research and development for the energy industry
www.zel-en.si

GEN-EL d.o.o.

Investment management

GEN energija d.o.o., Vrbina 17, 8270 Krško ;
Phone: 07 49 10 112; info@gen-energija.si;
www.gen-energija.si



The Annual Report of the GEN Group is available online at:
<http://letnoporocilo.gen-energija.si>