JP ELEKTROPRIVREDA
Bosne i Hercegovine d.d. - Sarajevo

ANNUAL REPORT 2025

CONTENTS

INTRODUCTION

The Business Report of JP Elektroprivreda BiH d.d. – Sarajevo for 2025 includes the most significant business performance indicators, primarily related to the implementation of the Electric Power Balance (EEB), the financial plan, the human resources plan, and the investment plan. The Report provides comparisons between the actual energy and financial values and the planned ones, as well as those from previous years, with explanations of the most important deviations.

The terms "plan" or "planned", in the text of the Report, refer to the Revised Business Plan for the period 2025 - 2027, adopted in November 2025, specifically the part pertaining to the year 2025.

Among the most significant activities in 2025, the change in public supply service prices stands out. Pursuant to the FERK's Decision, the calculation of electricity consumption for customers in the household category, as of 1 September 2025, is calculated by applying block tariffs.

Also, on 26 December 2025, a judgment of the FBiH Constitutional Court was published, which established that the Law on Waters of the HNK (Herzegovina-Neretva Canton) was not in accordance with the FBiH Constitution. This Decision resulted in a reduction in the costs paid by the EPBiH for water fees by about BAM 6.6 million per year. It is important to point out that since the introduction of the aforementioned Law in 2014, the EPBiH has paid about BAM 79 million to the HNK budget.

Since the beginning of 2025, the implementation of the Electric Power Balance has taken place with significant operational risks and deviations from the original plan. The deviation from the planned EEB is primarily due to the absence of coal deliveries at the end of 2024, with a constant downward trend in coal deliveries during 2025. In addition, hydrological conditions on the profiles of HPPs on the Neretva River were unfavourable from the end of 2024 and for most of 2025, with the exception of more favourable hydrology in March and November.

For the purposes of drafting the Revised Business Plan, based on the implementation of the EEB for the first half of 2025, at the end of July, an overview of electric power sector conditions for the period VIII-XII 2025 was made (seep VIII-XII 2025), which revised the planned energy quantities. A comparison of the realized balance figures in this report was made in relation to the aforementioned rebalance.

Due to the lack of deliveries of the necessary quantities of coal for the operation of thermal power plants, the difficult operation of thermal blocks due to lower quality of coal, and the growth of electricity consumption by end customers, especially in the category of *households*, it was not possible to meet the total needs without additional purchase of electricity on the market. Due to all this, the legal obligation to supply electricity to end customers and meet their needs made it impossible for the EPBiH to operate positively in 2025.

The operating result is a loss in the amount of BAM 52.38 million. Adjustments to sales prices of electricity in public supply, which were increased by FERK's decisions from 2024 and 2025, and in market supply, were not sufficient to cover the large costs of purchasing electricity on the market due to insufficient production of electricity from own plants, caused by the lack of significant quantities of coal. Compared to the expected result from the Revised Plan, the realized operating result is above the planned level by BAM 8.8 million, which is a consequence of cost rationalization and systemic risk management.

In 2025, the EPBiH:

- achieved a production volume of approximately 4,808.6 GWh;

- ensured continuous supply of electricity for the needs of end customers, taking over the financial burden of additional purchases of electricity on the market;
- in the Trade activity, fulfilled the contracted deliveries and obligations towards the electric power system of BiH;
- connected a large number of new customers and small producers, and generated high revenues from connections;
- maintained the distribution loss rate below 8% in relation to gross distribution consumption;
- invested approximately BAM 151.4 million of own funds in its core business activities;
- operated maintaining liquidity and helped to maintain the liquidity of subsidiary coal mines, despite aggravating circumstances.

Aggravating circumstances in business operations that marked the past year, among other things, were:

1. The coal mines within the Group have not fulfilled the planned deliveries of coal, as well as the contracts towards the thermal power plants. The continuous deviation of the delivery of coal quantities and quality in relation to the agreed schedule and needs of production facilities also adversely affected the result of the EPBiH.
   Compared to the contracted quantities, the coal mines delivered less coal by about 1.01 million tons, which significantly reduced the production of electricity from thermal power plants, so the level of production envisaged by the EEB was not realized. In terms of energy, this is about 1,000 GWh of electricity not produced in TPPs. This, in addition to dry hydrological conditions, caused insufficient quantities of electricity from own production facilities, and in order to meet the needs of end customers and the BiH EES, the EPBiH was forced to increase the purchase of electricity on the market at higher prices. The negative effect of non-produced electricity from TPPs is manifested through the inability to meet the needs of domestic consumption from own production at significantly lower prices compared to the prices of electricity purchase on the market.
2. The realized production was 180.2 GWh less than the Revised Plan, and by 1,452.4 GWh compared to the original plan.
3. For the consolidation of energy resources and the recovery of hourly deficits in production, the achieved volume of electricity purchases was higher by about 244.8 GWh compared to the Revised Plan and the costs were higher by about BAM 58.8 million. Compared to the original plan, this amount is higher by 1,104.9 GWh, i.e. BAM 250.5 million.
4. Net distribution consumption of end customers grew by about 21.6 GWh more than planned. The higher consumption also caused increased distribution losses by approximately 7.8% compared to the planned level.
5. The total realization by end consumers in the Supply activity increased by 2.6% compared to 2024. In the category of *households*, consumption increased by 5.5% compared to 2024, which is a consequence of the still relatively low price of electricity for this category. Higher growth in consumption has led to higher revenues from the sale of electricity, but there are still large differences between the production and sales prices, and the increasingly present procurement of electricity on the market at high prices. The growth of consumption in these categories and the total average cost price only increased the negative effect on the operating result.
6. Within the market supply consumption of direct customers at 110 kV, there was a 4.8% decrease in consumption compared to 2024.
7. The uncertainty of collecting receivables from the subsidiary brown coal mine RMU "Zenica" for current debts for electricity in 2024 and 2025, due to the Decision of the FBiH Government on its permanent closure, created an obligation to adjust the value of receivables at the expense of expenditures for the amount of BAM 3.61 million, by consistent application of the provisions of the International Financial Reporting Standard IFRS 9.

8. Receivables from subsidies for socially vulnerable categories of the population for 2022, 2023 and 2024 in the amount of about BAM 8.6 million have not yet been collected from the FBiH Government, which additionally affects the liquidity, withheld income and operating result.
9. In accordance with IFRS 9, the Company was also obliged to correct the claim for subsidies from 2024 in the amount of BAM 1.94 million at the expense of expenses.

The Trade activity, with its activities in the field of related trade, had a positive effect of BAM 39.50 million, which is not higher than planned according to the Revised Plan (realization index of 90.6%, and 107.8% according to the original plan), but it is significant because it mitigates various negative effects.

In the Distribution activity, significant revenue was generated from connection fees, which is BAM 2.79 million higher than the planned revenue, while maintaining the growth trend resulting from the increase in the number of users and the power in the network required by users.

The realized price of the market supply of electricity in 2025 is 12% higher than in 2024, with revenue increased by BAM 123 million compared to 2024. The planned revenue has been generated in this part of the electricity supply.

The number of end customers increased by 10.2 thousand compared to the end of 2024. The Company has maintained and consolidated its dominant leadership position in the end-customer market, where a market share of 99.9% was achieved in its supply area towards the end of 2025.

With the aim of rationalization and more efficient management of resources and assets, the Company's Management Board adopted the Program of Savings Measures in 2024, which were continuously implemented. If the costs of purchasing electricity on the market are excluded, most of the planned items of costs and expenses, which could have been influenced by more rational management, were realized in a smaller amount than planned.

The implementation of the business plan, and risk and resource management were monitored and reviewed continuously and with additional attention, with the aim of protecting and preserving the liquidity of the Company. As an additional measure of security and preservation of the positive financial position of the Company and the stability of the electric power sector of the FBiH, in accordance with the conclusion of the 176th session of the Company's Management Board, with the consent and conclusions of the 72nd and 76th sessions of the Supervisory Board, on 13 November 2025, the EPBiH addressed the FBiH Government as the majority owner with a request for financial support. In its letter, the Company stated its current financial position, difficult realization of business goals, with an increasing risk of illiquidity, which leads to unstable operations and the inability to further preserve the stability of the BiH EES. By its request, the Company requested financial support, as an ultimate measure to preserve the stability of the electric power sector of the FBiH.

A necessary primary measure to improve and preserve the stability of the financial and energy position of the Company is the implementation of the Investment Strategy. With the accelerated commissioning of new production facilities, and with an adequate pricing policy model, which first implies the harmonization of the production and sales prices of electricity, it is possible to expect that in the coming period the EPBiH will return the trend of positive business, maintain the position of the largest producer and supplier in Bosnia and Herzegovina, as well as a competitive entity on the regional electricity market. In this way, with the realization of EEB primarily from its own production facilities, with price stability on the market, it is possible to achieve profit and improve the net cash flow from business activities that would be further used to finance the construction of new and replacement capacities with its own funds. The implementation of these projects in the coming years is indispensable not only for our Company with the aim of preserving liquidity and solvency, but also for preserving the stability of the entire electric power sector of the FBiH.

Key Performance Indicators of the Company

Indicators		2025	Rev. Plan 2025	2024
Share capital	million BAM	2.237,0	2.237,0	2.237,0
Operating revenue	million BAM	1.464,5	1.456,9	1.229,4
Operating expense	million BAM	1.392,8	1.361,9	1.181,0
EBITDA	**mil. BAM**	**71,7**	**95,0**	**48,4**
Total revenue	million BAM	1.506,0	1.479,6	1.286,8
Revenue from electricity sale and public supply	million BAM	1.394,7	1.390,4	1.163,5
Other revenue	million BAM	111,3	89,2	123,4
Total costs and expenses	million BAM	1.558,3	1.540,8	1.344,8
Depreciation	million BAM	137,4	144,4	144,7
Profit before tax / - Loss	**mil. BAM**	**-52,4**	**-61,2**	**-58,0**
Production	GWh	4.808,6	4.988,8	5.317,7
Net distribution of EPBiH	GWh	4.964,1	4.942,5	4.799,8
Market sales (trade and delivery)	GWh	1.713,5	1.653,5	1.142,5
Number of customers (measurement points) (year-end)		826.654	823.000	816.498
Number of employees (as of 31 December 2025, indefinite employment contracts)		3.905	4.107	3.748

1. STATUTORY ELEMENTS OF THE COMPANY

Javno preduzeće Elektroprivreda Bosne i Hercegovine d.d. - Sarajevo (Public Electric Utility Company of Bosnia and Herzegovina j.s.c. - Sarajevo) (hereinafter: JP Elektroprivreda BiH d.d.) is an electric power company engaged in the activities of electricity production, electricity distribution, supply, and electricity trade.

EPBiH operates within nine branches, namely:

Hydropower Plants on the Neretva River, Jablanica

Thermal Power Plant "Kakanj", Kakanj

Thermal Power Plant "Tuzla", Tuzla

"Elektrodistribucija Bihać", Bihać

"Elektrodistribucija Mostar", Mostar

"Elektrodistribucija" Travnik, Travnik

"Elektrodistribucija Sarajevo", Sarajevo

"Elektrodistribucija Tuzla", Tuzla

"Elektrodistribucija Zenica", Zenica

along with an organized Directorate at the Company's headquarters.

The Company is represented by the General Director, Executive Directors, and Director of Branched, in accordance with the Statute and a special act of the Company's Management Board.

The Company's bodies are:

- Assembly,
- Supervisory Board,
- Management Board, and
- Audit Committee.

The management of the Company, in accordance with the Company Law, the Law on Public Enterprises, and the Statute, is carried out by the Management Board, which consists of

- General Director,
- Executive Director for Production,
- Executive Director for Distribution,
- Executive Director for Supply and Trade,
- Executive Director for Economic Affairs,

- Executive Director for Legal Affairs and Human Resources,

- Executive Director for Capital Investments.

The Company has a Company Secretary, whose responsibilities are defined by the Law and the Statute.

The Company Directorate is organized at the Company's headquarters in order to perform common functions for the needs of the Company as a whole, as well as for the needs of individual electric power activities and subsidiary companies.

APPLICATION OF CORPORATE GOVERNANCE RULES

In 2025, the Company followed and implemented the recommendations set out in the Corporate Governance Code of JP Elektroprivreda BiH d.d. - Sarajevo, number SD-7863/12-25/3 of 20 April 2012. The Corporate Governance Code of JP Elektroprivreda BiH d.d. - Sarajevo takes into account the specificities arising from the fact that the Company is a public enterprise, also subject to the Law on Public Enterprises in the Federation of BiH.

In 2025, all obligations related to the disclosure of information prescribed by the Corporate Governance Code of JP Elektroprivreda BiH d.d. – Sarajevo and the Rulebook on Information Disclosure and Reporting on the Securities Market ("Official Gazette of the Federation of BiH", No. 99/22) were timely fulfilled.

EPBiH is a joint-stock company. As of 31 December 2025, the Company had a total of 2,581 shareholders (31,506,541 shares). As of that date, the top ten shareholders were:

No.	Shareholder	No. of shares	Shareholding (%)
1.	Federation of Bosnia and Herzegovina	28,472,181	90,3691
2.	Raiffeisen BANK d.d. Bosnia and Herzegovina	390.678	1.2400
3.	ZIF CROBIH FOND d.d. Mostar	272.468	0,8648
4.	ZIF HERBOS FOND d.d. Mostar	210.011	0,6666
5.	ZIF „PROF-PLUS“ d.d. Sarajevo	206.577	0,6557
6	ZIF „prevent INVEST“ d.d. Sarajevo	204.113	0,6478
7.	ZIF „BONUS“ d.d. Sarajevo	180.904	0,5742
8.	OAIF „VIB FOND“ a.d. Banja Luka	111.950	0,3553
9.	ASA Banka d.d. Sarajevo	88.624	0,2813
10.	ZIF "FORTUNA FOND" d.d.	74.929	0,2378

In 2025, the Company convened a total of seven (7) meetings of the General Assembly, as follows: the 86th (extraordinary) meeting, held on 13 February 2025; the 87th (extraordinary) meeting, held on 14 May 2025; the 88th (regular) meeting, held on 26 June 2025; the 89th (extraordinary) meeting, held on 15 August 2025; the 90th (extraordinary) meeting, convened for 13 November 2025 and cancelled due to lack of conditions for holding;

the 91st (extraordinary) meeting, held on 28 November 2025; and the 92nd (extraordinary) meeting, held on 23 December 2025. Notices of the meetings were published in daily newspapers and on the Company's website. The materials for the General Assembly, as well as the decisions adopted at the meeting, were published on the Company's website.

In 2025, the Supervisory Board of EPBiH operated in the following composition:

- Vedran Kaser, president,
- dr. sci. Amel Kosovac, member,
- dr. sci. Milenko Obad, member
- Edin Hamzić, member,
- Damir Kurjaković, member,
- Eldar Aganović, member (until 13 February 2025),
- mr. Zlatko Terzić, member (acting member from 14 February 2025 to 15 August 2025; as of 16 August 2025, appointed as a member of the Supervisory Board for the period until the expiration of the four-year term of the current composition of the Supervisory Board, which began on 23 August 2023),
- mr. Ivan Gržić, member.

None of the members of the Supervisory Board is a shareholder of EPBiH, while one member, Damir Kurjaković, holds 25% of shares (i.e., BAM 4,000.00 of share capital) in the company "4F Energy d.o.o. Gradačac", which could possibly be considered a competitor of EPBiH. In accordance with the Companies Law and the Statute of the Public Enterprise Elektroprivreda BiH d.d. – Sarajevo, he submitted a request to the Company's Supervisory Board for approval to engage in competitive activity. In response, at its 50th meeting held on 30 October 2024, the Supervisory Board adopted a Decision granting him consent to participate in the activity of electricity production as a co-owner of the share capital of the company 4F Energy d.o.o. Gradačac.

The Supervisory Board oversees the operations of the Company and acts in accordance with the Company Law, the Law on Public Enterprises, the Company Statute, and the Rules of Procedure of the Supervisory Board. In2025, the Supervisory Board held 34 meetings, including 16 regular and 18 extraordinary meetings. A more detailed description of the Supervisory Board's activities in 2025 is provided in the Supervisory Board's Annual Report for 2025.

The Audit Committee consists of three members. In 2025, the Audit Committee operated in the following composition:

- mr. Mevledin Bećirević, graduate economist,
- Namik Smajović, graduate lawyer,
- Suljo Kasapović, graduate economist.

The members of the Audit Committee do not hold shares/interests in companies that could be considered competitors of EPBiH. The Audit Committee performs its duties in accordance with the Company Law, the Law on Public Enterprises, the Company Statute, the Rules of Procedure of the Audit Committee, and other internal acts of the Company. A more detailed description of the Audit Committee's activities in 2025 is provided in the Audit Committee's Annual Report for 2025.

In 2025, the Management Board of the Company operated in the following composition:

- dr. sci. Sanel Buljubašić, General Director,
- Fahrudin Tanović, Executive Director for Production,
- Edisej Sjerotanović, Executive Director for Distribution,
- dr. sci. Nevad Ikanović, Executive Director for Supply and Trade,

- Sanela Jurišić, Executive Director for Economic Affairs,
- mr. Amra Ohranović, Executive Manager for Legal Affairs and Human Resources,
- Harun Gadžo, Executive Director for Capital Investments.

None of the members of the Company's Management Board is a shareholder of the EPBiH, nor do they hold shares or stakes in companies that could be considered competitors of EPBiH.

Movement of the Company's Share Price and Trade Volume: At the beginning of 2025, the Company's share price (JPESR ticker) on the Sarajevo Stock Exchange (SASE) was around 12.45 BAM, while at the end of 2025 the price stood at 9.69 BAM, representing a decrease of 22.17% compared to the beginning of the year. In terms of trade volume on SASE for 2025, EPBiH ranked 16th (BAM 532.956.45), and was 5th in the number of transactions concluded during the year (236 transactions).

2. IMPLEMENTATION OF COMPANY'S BUSINESS POLICY AND GOALS

IN THE FIELD OF PRODUCTION ACTIVITY

- total electricity production achieved in 2025 amounted to 4,808.6 GWh, which is 180.2 GWh or 3.61% less than the planned production according to SEEP VIII-XII 2025;
- total electricity production achieved in hydroelectric power plants (HPPs) (including small hydropower plants (SHPPs)) in 2025 amounted to 1,177.6 GWh, which is 3.6 GWh or 0.31% higher than the planned production according to SEEP VIII-XII 2025.
- total electricity production achieved in the wind power plant (WPP) "Podveležje" in 2025 amounted to 118.7 GWh, which is 8.9 GWh or 6.94% less than the planned production according to SEEP VIII-XII 2025;
- total electricity production achieved in thermal power plants (TPPs) in 2025 amounted to 3,510.9 GWh, which is 174.8 GWh or 4.74% less than the planned production according to SEEP VIII-XII 2025;
- total electricity production achieved in photovoltaic power plant (PVPP) "Rešetnica" in 2025 amounted to 1.3 MWh, which is 0.08 GWh or 5.37% less than the planned production according to SEEP VIII-XII 2025;
- the share of electricity production from hydroelectric power plants (including small hydroelectric power plants) in total electricity production in 2025 is 24.49%, while the share of electricity production from thermal power plants in total production for the considered planned year is 73.01%, of which TPP "Tuzla" accounted for 44.71%, and TPP "Kakanj" for 28.30%. Also, the share of electricity production from WPP "Podveležje" in the total production in 2025 is 2.47%, and the share of PVPP "Rešetnica" is 0.03%. The share of electricity production from renewable sources in 2025 in the total production is 26.99%;
- total coal procurement in 2025 amounted to 4,159,965 tons, which is 948,035 tons less than the contracted 5,108,000 tons of coal; for the same period, the planned coal procurement according to SEEP VIII-XII 2025 was 4,380,000 tons. From the above, it is evident that 220,035 tons, or 5.02%, less coal was delivered compared to the planned quantities from SEEP VIII-XII 2025;
- for the needs of electricity, thermal energy, and technological steam production in thermal power plants, a total of 4,022,717 tons of coal and biomass were consumed, of this, TPP “Tuzla” used 2,502,908 tons of coal and 7,374 tons of biomass, and TPP "Kakanj" used 1,494,145 tons of coal and 18,290 tons of biomass. Out of the total amount of coal and biomass consumed, 3,872,797 tons of coal and biomass or 96.27% was used for electricity production, while 149,920 tons of coal and biomass or 3.72% was used for the production of thermal energy and technological steam.
- total achieved specific heat consumption in TPPs amounted to 12,870 kJ/kWh, which is 914 kJ/kWh, or 7.65%, higher than the total planned specific heat consumption according to SEEP VIII-XII 2025. Compared to 2024, the total achieved specific heat consumption in 2025 is higher by 183 kJ/kWh;
- all employees in the Production activity fully comply with the currently applicable law, as well as regulations, in the field of occupational health and safety.

IN THE FIELD OF DISTRIBUTION ACTIVITY

- gross distributive consumption amounted 5,359.6 GWh, which is 3% higher compared to the balanced gross consumption for 2025, and 156.5 GWh (3%) higher than the actual consumption in 2024;
- distribution losses amounted to 387.38 GWh (7.23% relative to gross consumption) and were lower than planned for 2025. (Planned 7.48%), the energy losses decreased compared to 2024 (395.18 GWh);
- considering the entire electricity distribution system, the index of the number of interruptions per customer (System Average Interruption Frequency Index, abr. SAIFI) was approximately 0.6% lower (better) than last year, while the index of the duration of interruptions per customer (System Average Interruption Duration Index, abr. SAIDI) was about 3.2% higher (worse) than in 2024;

- activities continue on expanding the remote monitoring and control system, as well as eliminating under-consumption;
- continuous activities are being carried out on the construction and reconstruction of electricity distribution facilities with the aim of creating conditions for connecting new end users to the distribution network (more details in the Implementation of the Investment Plan);
- continuous activities are also being carried out on replacing 10 kV equipment with 20 kV equipment in order to adapt the electricity distribution system to operate at the 20 kV voltage level;
- active participation in FERK discussions regarding the adoption of regulatory acts, as well as activities on the implementation of the Law on Electricity;
- preparatory activities for the formation of DSO;
- activities to provide a long-term loan to finance the modernization of the distribution network.

IN THE FIELD OF SUPPLY ACTIVITY

- total delivery of electricity to end customers amounted to 5,437 GWh (excluding energy for own consumption), which is 2.6% higher compared to 2024;
- continuous supply of electricity to all customers entitled to the public supply and backup supply service, and the required delivery of electricity in market supply were successfully realized;
- in the segment of backup supply, activities were carried out to conclude backup supply contracts with all customers who did not continuously have contracted market supply service;
- continuously carried out activities to conclude public supply contracts with all new electricity customers, as well as with customers who had status changes, but also changes due to the loss/exercise of the right to public supply service (by operation of law);
- the number of metering points in the consumption category of *other consumption* at 0.4 kV supplied under public supply service on 31 December 2025 increased by 0.8% compared to the situation on 31 December 2024;
- activities were carried out to submit a request for a change in the prices of the public supplier to which FERK has given its consent, and they have been in application since 1 September 2025. With the new price list of the public supplier in the category of household consumption for the calculation of the cost of electricity, a new method of calculation applies through the use of block tariffs;
- as of 6 August 2025, contracting of electricity supply for public supply for prosumers is continuously carried out. As at 31 December 2025, 17 prosumers are active on the network. At the end of the year, improvements were made to the billing system with the aim of implementing a regular monthly calculation for prosumers;
- on the web portal "Moja energija", a web calculator has been implemented to simulate costs for electricity in accordance with the prices and calculation methodology (block tariffs) that apply since 1 September 2025, and the content of the web portal is regularly updated (notifying customers, etc.), implementing the obligation under the Law on Personal Data Protection (cookie policy), expanding the form for reporting customer inquiries/complaints;
- concluded Agreement on the collection of the RTV fee for 2026 through the electricity bill with the Public Broadcasting Services (FTV and BHRT), including the Instructions on the implementation of the Agreement on business cooperation on the collection of the RTV fee, as well as the Agreement on the protection of personal data in the process of collecting the RTV fee for 2026;
- contracting of market supply for 2026 was realized, for the period from 1 September 2025 to 31 August 2026, and for the period from 1 July 2025 to 31 August 2026 for customers who lost the right to public supply service, in accordance with the Law on Electricity of the Federation of BiH, and internal acts. As at 31 December 2025, there were approximately 27,000 metering points within the market supply, which is

approximately 3% more than on 31 December 2024. The average price in market supply for 2025 is approximately 12% higher compared to 2024, and the revenue for 2025 is by approximately BAM 124 million higher compared to 2024;

- established new products and services of the market supplier: supply of end customers with green energy – in effect as of 1 February 2025 (in 2025, it was contracted with 11 customers, for 2026 it was contracted with 16 customers), market supply of electricity of prosumers – in effect as of 1 December 2025, i.e. from the commissioning of the power plant (contracted with 8 customers), market supply of electricity to active customers – in effect as of 1 January 2026, i.e. from the commissioning of the power plant (contracted with 1 customer);
- activities were carried out to prepare for the impact of the Law on Electricity of the Federation of BiH and the Law on the Use of Renewable Energy Sources and Efficient Cogeneration;
- service of printing, enveloping, and delivering invoices and other accompanying documents to electricity customers was continuously carried out through a contract with BH Pošta, along with ongoing activities related to the adjustment and refinement of the billing system;
- through the Contract "Procurement of services of printing, enveloping and delivering electricity bills for the needs of EPBiH" during 2025, 8,856,325 electricity bills were delivered, whereby the cost for the service (printing, enveloping and delivering the bills) under the Contract is about BAM 6.7 million;
- through the contract on the collection of bills from customers in the household category through BH Pošta during 2025, 5.8 million payments were realized in the total amount of approx. BAM 408 million;
- concluded contracts on the collection of electricity bills from customers in the household category for a period of 12 months with BH Pošta as well as the Contract on printing, enveloping and delivering invoices and accompanying documents for 2026;
- collection rate of 99.5% was achieved (excluding outstanding receivables from previous years), and 96.7% (including outstanding receivables from previous years), considering the ratio of invoiced and total collected revenue in the current year;
- debt collection was continuously implemented through existing and newly concluded debt settlement agreements (reprograms) for delivered electricity;
- during 2025, reprogramming agreements were concluded with PE Vodovod Mostar (BAM 712,070.84), Hayat d.o.o. Sarajevo (BAM 43,932.92) and Željezara Ilijaš d.d. Ilijaš (BAM 1,108,502.23);
- coordination with regulatory bodies was implemented, along with initiatives for improving regulatory acts defining the Electricity Supply activity;
- obligations under the Agreement on Regulation of Mutual Relations with the Operator for Renewable Energy Sources were continuously fulfilled, as well as other activities related to renewable energy sources;
- implementation of agreements and contracts for bill payment via standing orders and electronic orders through commercial banks, as well as through BH Pošta;
- the number of e-invoice users increased by 17.0% (13,108) compared to 2024, and as at 31 December 2025, the total number of e-invoice users amounted to 90,407.

IN THE FIELD OF TRADE ACTIVITY

- total electricity sales amounted to 1,689.7 GWh, which is 17.7 GWh or 1.1 % more than the planned sales volume, and 555.0 GWh or 48.9 % more than the sales achieved in 2024;
- total revenue from electricity sales amounted to BAM 311,77 million which is BAM 5.10 million or 1.7% more than the planned revenue, and BAM 97.60 million or 45.6 % more than the total revenue from the electricity sales achieved in 2024;

- revenue from capacity-based ancillary services amounted to 5,09 million BAM, which is 1.16 million BAM or 18.6 % less than the planned revenue on this basis, and BAM 0,84 million or 14.1 % more than the total revenue from capacity-based ancillary services achieved in 2024;
- revenue from balancing services for independent producers was realized in the total amount of BAM 3.43 million, which is BAM 0.76 million or 18.1 % less than the planned revenue on this basis, and BAM 1.18 million or 52.5% more than the total revenue realized from balancing services for independent producers in 2024;
- total revenue (revenue from electricity sales, revenue from capacity for ancillary services, and revenue from balancing independent producers) was realized in the amount of BAM 320.29 million, which is BAM 3.18 million or 1.0% more than the planned total revenue, or BAM 97.94 million or 44.0% more than the total revenue realized in 2024;
- short-term electricity sales were realized in the amount of 114.8 GWh, with a total value of BAM 20.85 million (the collection rate for delivered electricity was 100%);
- long-term electricity sales were realized in the amount of 155.5 GWh, with a total value of BAM 31.43 million (the collection rate for delivered electricity was 100%);
- linked electricity trade was realized in a total quantity of 1,071.3 GWh, with total revenue of BAM 209.27 million and total costs of BAM 169.77 million, resulting in a financial effect of BAM 39,50 million;
- total purchase of electricity amounted to 2,633.3 GWh, which is 203.8 GWh or 8.4% more than planned volume, and 1,228.7 GWh or 87.5% more than the electricity purchased in 2024;
- total costs for electricity purchase amounted to BAM 493.96 million, which is BAM 56.68 million or 13.0 % more than the planned costs, and BAM 238.76 million or 93.6% more than the total electricity purchase costs realized in 2024;
- costs related to ancillary services capacity amounted to BAM 0.69 million, which is BAM 0,02 million or 2.7 % more than the planned costs on this basis, and BAM 0.14 million or 24.7 % more than the total ancillary services capacity costs realized in 2024;
- costs for the provision of cross-border transmission capacities for trade on the SEEPEX power exchange were realized in the amount of BAM 0.05 million;
- total costs (costs of electricity purchase, ancillary services capacity costs, and costs for the provision of cross-border transmission capacities for trade on the SEEPEX power exchange) amounted to BAM 494.70 million, which is BAM 56.75 million or 13.0 % more than the planned total costs, and BAM 238.94 million or 93.4% more than the realized total costs in 2024;
- trade activities on the SEEPEX power exchange began on 7 August 2025, where by the end of the year the total electricity trade amounted to 7,432 MWh (purchase in the amount of 2,947 MWh and sale in the amount of 4,485 MWh) with a total financial effect of BAM 597,845.23 (purchase of energy in the amount of BAM 572,648.18 and sale of energy in the amount of BAM 1,170,493.41);
- all obligations under the licenses issued by FERK and DERC have been fully met, in relation to second-tier electricity supply and international electricity trade;
- ongoing market analysis was conducted for both the sale and purchase of electricity.

IN THE FIELD OF ECONOMIC AFFAIRS

- continuous activities were carried out on the financial implementation of concluded contracts in the Company, the implementation of three-year contracts with commercial banks for payment transaction services domestically and internationally, and contracts for the provision of bank guarantees, as well as activities on the provision of guarantees for the needs of the Company, and continuous cooperation with banks;

- continuous monitoring and financial realization of debtor-creditor relations with subsidiary coal mines and recapitalization of mines, activities to ensure the continuity of insurance of property and persons, preparation of information on various grounds, monitoring of payment security instruments according to applicable instructions, submission of comments and opinions regarding draft documents, contracts, etc.
- ongoing financial operations, regular settlement of liabilities towards suppliers, the state, employees, and creditors while maintaining satisfactory liquidity, and tasks of calculating salaries and other earnings of workers arising from employment, and placements of free funds in financial instruments such as term deposits were implemented;
- annual financial statement for 2024 was prepared along with all accompanying activities (annual inventory for 2024, preparation of the Inventory Report of assets and liabilities, completion and submission of annual statement forms to FIA), continuous work with the Internal Audit Department, preparation for the 2024 financial audit, then coordination with independent auditor on audit of reports for 2024 (submission of audited financial statements to the FIA), preparation of documentation for the initiation of the procurement procedure for the audit of financial statements for 2025, as well as coordination with the Audit Office of the FBiH institutions on the preparation of audit reports for 2024;
- preparation of consolidated financial statements for 2024 in cooperation with relevant entities subject to consolidation (completed annual consolidated statement forms and submitted to the FIA);
- preparation of the Transfer Pricing Study for 2024 and preparation for the Study for 2025, as well as preparation of the tax balance sheet for 2024, including all related forms for the Tax Administration, submission of monthly VAT returns, including the Annex to the VAT Return, work with ITA bodies with the aim of conducting a full VAT control;
- EPBiH Business Report for 2024 was prepared, adopted at the Company Assembly on 26 June 2025, calculation of the age structure of inventories for 2024 and the first half of 2025, regular annual financial reporting of FERK for 2024;
- completed preparation and accounting recognition of the revenue distribution from electricity and auxiliary services for 2024, and regular statistical reporting to the Agency for Statistics;
- prepared Business Information for the periods I-III 2025 and I-IX 2025, semi-annual Business Report for the period I-VI 2025, as well as regular monthly reporting to the Company's management bodies, including assessment of Company's business results for 2025 with an impact analysis, applying the Savings Program at the EPBiH level, monthly reporting to the Management Board on the assessment of business results, participation in the preparation of the Transfer Pricing Study for 2024, and the preparation of long-term cash flow;
- prepared Business Plan for the period 2025–2027, adopted at the Company Assembly on 28 November 2025, as well as the Business Plan for the period 2026–2028, adopted at the Company Assembly on 23 December 2025;
- activities related to securing loan funds and grants with international and domestic financial institutions and funds (KfW, EBRD, EIB, WB, WBIF, UniCredit bank, Raiffeisen Bank BH) for projects in the field of RES: WPP "Vlašić", Solar Portfolio 54685 (8 PVPPs), WPP "Bitovnja", PVPP "Kreka" rehabilitation of HPP "Salakovac", rooftop PVPPs on EPBiH facilities and Prosumers 5000+;
- participation in the processes of procurement of goods, works and consulting services on projects: procurement of goods and works on projects Solar portfolio 54685 (8 PVPPs) and PVPP "Gračanica" 1 and 2, procurement of consultant services for the implementation of projects of WPP "Vlašić" and WPP "Bitovnja"; procurement of goods and works on the project Electrical distribution.

IN THE FIELD OF LEGAL, HR, AND GENERAL AFFAIRS

- continuous provision of legal support to the core activities of the Company, as well as in the support activities;
- activities related to representation of EPBiH in proceedings before courts in BiH;
- registration and registration activities related to registration of new subsidiaries, including changes of persons authorized for representation;
- activities related to drafting and analysis of normative acts;
- participation in resolving requests of subsidiary coal mines;
- participation in activities of preparation of complex contracts and high-value contracts in the Company;
- conducting land expropriation procedures; participating in the resolution of property and legal relations in the Company; conducting activities related to the completion and execution of the arbitration award for HPP "Vranduk";
- carrying out activities related to requests, proposals and inquiries of a legal nature from the Company's branches;
- participation in the activities of restructuring and reorganization of EPBiH and the Concern;
- participation in preparatory activities for the separation of distribution activity from the EPBiH;
- participation in activities related to amendments to the acts on job classification and evaluation;
- activities on amendments to the Rules of Operation of the EPBiH and other general acts of the Company;
- activities and tasks related to human resources management, HR affairs and employment matters at the Company level;
- participation in personnel selection procedures based on public advertising; participation in drafting of general acts and drafting of quality system acts related to strategic management of human resources, education, employment, and HR affairs at the Company level;
- activities related to staff development and training of employees;
- representing the Company in labour disputes;
- regular activities related to employee transportation, safeguarding archival material and technical documentation;
- services of printing, duplication and copying, keeping the prescribed travel documentation for vehicles and fuel consumption, technical maintenance and registration of vehicles, cleaning of business premises and facilities and catering services; continuous activities involving the receipt, registration, delivery, and dispatch of mail;
- activities of servicing, insurance, registration, and satellite surveillance of vehicles of the Directorate;
- performing tasks for the reception and dispatch of new vehicles for all parts of the EPBiH;
- maintenance of equipment, maintenance of green areas, as well as maintenance of official apartments;
- continuous activities to initiate procedures for the procurement of goods, services and works within the competence of the General Affairs Service;
- continuous activities related to the implementation of the agreement with Elektroprijenos OP Sarajevo.

IN THE FIELD OF CAPITAL INVESTMENTS

In the period 1 January - 31 December 2025, the activities of the organizational units for capital investments focused on the preparation of the construction of thermal power plants, hydroelectric power plants, wind power plants and photovoltaic power plants, and included:

- preparation of investment and technical documentation; obtaining the necessary permits and approvals;
- conducting procedures for the expropriation of real estate;
- closing the financial structure; preparation of tender documents for the selection of equipment suppliers and contractors for services and works.

IN THE FIELD OF DEVELOPMENT

Business development

- Preparation of internal acts related to the organization and systematization, preparation and support in the process of separation and start of operation of DSO EPBiH, assistance activities for energy savings with customers (promotional activities for energy savings, EPBiH Prosumers 5000+, ESCO models, technical assistance), development of the business of production of reinforced concrete elements for the needs of DSO EPBiH, introduction of charging systems for electric vehicles, activities on the business process register, establishment of the principles of Climate Corporate Governance (CCG), development of the ESG (Environmental&Social Governance) program, activities of energy efficiency of the PTZ Directorate, development of the HR strategy, and internal information (newsletters and Intranet).

Strategic development

- preparation of a long-term EPBiH development plan until 2040, preparation of investment studies, studies and technical and tender documentation for the development of new production facilities (RES, biomass, gas), realization of the first EPBiH project of rooftop solar-BESS, realization of pilot projects for management and trade, implementation of projects in the field of electromobility, development of projects of battery storage systems (BESS), implementation of international development projects from the grant programs of the European Commission (ESENRGY, INITATE and ADRIONWIND), updating of technical recommendations, and coordination of activities within the EPBiH Energy Management System according to ISO 50001.

IN THE FIELD OF QUALITY SYSTEM

- continuous monitoring, maintenance, and improvement activities of the management system in accordance with ISO 9001:2015, ISO 45001:2018, and ISO 50001:2018 in the Company's Directorate, implementation of the recertification audit of the integrated management system and preparation and execution of internal audit; maintenance and improvement of management system documents in branches and subsidiaries, procurement of Bosnian-Herzegovinian, international, and European standards (ISO, IEC, IEE, DIN, EN, BAS) and updating through the Institute for Standardization of BiH for the needs of EPBiH and subsidiaries.

IN THE FIELD OF ICT

- operational support for business services defined in the Catalogue of ICT Business Services;
- provision and development of ICT infrastructure and service foundations for the introduction of new services, along with continuous improvement of the service management system to enable effective operation, management, and maintenance of the electric power system (EPS), as well as efficient implementation of all business processes and planning of EPS development;
- ensuring information integrity within the ICT system;
- active participation in the implementation of development and capital projects;
- operational support was provided for 58 business services, used by various sectors of EPBiH, as well as maintenance of information systems and parts of ICT infrastructure;
- through the user support system for reporting and recording user requests, a total of 19,564 requests were received, of which 19,000, or 97%, were resolved.

IN THE FIELD OF SAFETY AND PROTECTION

- physical and technical protection tasks at EPBiH carried out through the Agency for Protection of People and Property;
- inspection of fire protection equipment and systems was performed;
- updating the Vulnerability Assessment and the Protection Study of JP Elektroprivreda d.d. – Sarajevo;
- activities of health and safety protection at work, monitoring the number of injuries and accidents related to the performance of work duties and prevention of material losses due to workplace injuries;
- completed medical examinations for the employees of the Company's Directorate.

IN THE FIELD OF SUBSIDIARIES AND AFFILIATES

Coal Mines

- analysed the operations of all subsidiary coal mines, including proposals for measures to resolve issues;
- measures taken to ensure stable production and placement of the contracted quantities of coal, and activities carried out to implement recapitalization decisions and redundancy programs in subsidiary coal mines;
- participation in the implementation and monitoring of coal mine restructuring activities;
- activities within pilot projects and the preparation of the World Bank's Roadmap for the transition of coal-rich regions in Bosnia and Herzegovina;
- participation in the drafting of the Law on Closing the RMU "Zenica".

Other subsidiaries, affiliates, and assets

- continuous monitoring and reporting on the implementation of activities of other subsidiaries, analysis of the operations of all subsidiaries and affiliated, and comparison with feasibility studies for their establishment;
- monitoring activities in accordance with operational action plans for subsidiaries, reporting on completed investments and their effects, reviewing general acts of other subsidiaries and affiliates, and providing approvals thereof;
- occasional participation in providing opinions related to regulations concerning the management of EPBiH's assets abroad.
- Participation in activities as part of pilot projects for the construction of PVPPs.

IN THE FIELD OF ENVIRONMENTAL PROTECTION

TPP "Kakanj"

- conducted a surveillance audit of the environmental management system in accordance with ISO 14001:2015 Standard;
- implemented activities on the flue gas desulphurisation project for Blocks 6 and 7;
- performed regular wetting of the active part of the slag and ash landfill, as well as occasional wetting of the surface layer of deposited coal as needed, aimed at reducing surface emissions of particulate matter;
- conducted quality analysis of the coals used, gamma spectrometry analysis of coals, and measurement of radioactivity levels at multiple locations inside and outside the thermal power plant premises;
- carried out hazardous waste disposal, completed technical and biological reclamation of parts of the slag and ash landfill areas;
- obtained a new water permit and conducted worker training in the field of environmental protection;

- with the aim of reducing greenhouse gas emissions, the co-firing of waste biomass with coal continued, 17,873 t of waste biomass were utilized, resulting in a reduction in CO^2 emissions by approx. 12,639 t;
- regular selective waste collection was conducted, maintenance of hybrid particulate filters carried out, wastewater treatment performed, drainage of Duboki Potok to Slapnički Potok was carried out with the aim of reducing surface water pollution;
- quality analysis of discharged water into the Bosna River was conducted, pollutant emissions to air were monitored.

TPP "Tuzla"

- the first supervisory audit of the integrated quality and environmental management system conducted according to the ISO 9001:2015 and ISO 14001:2015 standards, as well as the certification audit of ISO 50001:218 Energy Management System;
- continuous maintenance of measuring devices in pollutant emissions monitoring system;
- conducted measurement of PM10 particulate matter concentration at Divkovići combustion by-products landfill and Jezero landfill;
- physical-chemical soil testing performed at thermal power plant and landfill locations;
- regular hazardous waste disposal, measurement of EBS and ambient noise, measurement of radioactivity, and validation of air emissions data;
- activities carried out for the construction of a wastewater treatment plant and flue gas desulphurisation plant for Block 6;
- continuously used closed-loop system for the reuse of wastewater from the Jezero landfill, with occasional discharges into the Jala River in accordance with directives from the Sava River Basin Agency.

HPPs on the Neretva River

- chemical, physical, and biological testing of wastewater conducted twice a year;
- microbiological agents for wastewater treatment in SBR units procured for all plants;
- control equipment installed for the wastewater treatment system at HPP "Jablanica", which was damaged after the floods;
- completed testing of emission of air pollutants from the boiler room;
- generated waste is recorded in the Waste Management Information System;
- successively performed disposal of hazardous waste and sale of secondary raw materials;
- carried out exercises of action in case of environmental hazards, according to programs on all plants;
- restocking of fish was carried out.

ED Bihać

- activities carried out on the construction of a temporary waste storage facility;
- a procedure was carried out for the procurement of fish juveniles for regular annual restocking of the Una and Krušnica river basins;
- waste data entered into the Waste Management Information System application of the Environmental Protection Fund of FBiH;
- continuous disposal of hazardous waste, sale of secondary raw materials and waste materials, disposal of discarded electrical and electronic equipment, and procurement of environmental protection supplies;
- construction of new oil pits with a separator on TS 35/10 kV;
- during 2025, a facility was built within the Una National Park, TS 35/10 kV Kulen Vakuf.

ED Mostar

- continuous disposal of hazardous waste and sale of secondary raw materials, as well as handover of electrical and electronic equipment to an authorized operator for disposal;
- ongoing monitoring of the condition of oil pits in masonry-type substations 35/10 kV and 20(10)/04 kV, with interventions carried out as needed.

ED Sarajevo

- continuous reporting on compliance with conditions set out in the waste management permit for Azići temporary waste storage, entry of data on waste generated in 2025 into the Waste Management Information System application of FBiH, contracting of hazardous waste disposal and waste sale services, transfer of waste to authorized operators, management of construction waste, and procurement of environmental protection supplies;
- works performed on the reconstruction of the existing oil pits of 35/10 kV transformer stations, for which abandonment is not planned in the coming period;
- completed procurement procedure for the service of Monitoring and maintenance of oil pits and oil separators;
- continued implementation of UNDP projects related to the management of persistent organic pollutants (POPs) and the disposal of equipment containing PCBs;
- annual fish stocking of the Osanica River in Goražde carried out.

ED Tuzla

- continuous entry of waste data into the Waste Management Information System managed by the Environmental Protection Fund of FBiH in 2025, disposal of hazardous waste and sale of waste to authorized operators, procurement of environmental protection supplies, supervision and maintenance of oil separators, and disposal of generated sludge;
- regular on-site inspection of environmental protection measures on site, to ensure preventive actions and prevent pollution and improper waste handling;
- conducted an audit of the Integrated Management System, including the ISO 14001 Environmental Management System, and provided training of workers in the field of environmental protection.

ED Travnik

- sale of secondary raw materials and waste materials carried out;
- continuous entry of data on waste generated in 2025 into the Waste Management Information System application of the Environmental Protection Fund of FBiH.

ED Zenica

- delivery of electrical and electronic waste to authorized hazardous waste disposal operator completed; Waste output electronically recorded through the Information System of the Environmental Protection Fund of FBiH.

3. IMPLEMENTATION OF ELECTRIC POWER BALANCE (SEEP VIII - XII 2025)

Based on the achieved results of the EEB for the first half of 2025, an overview of electric power sector conditions for the period VIII-XII 2025 was made, which rebalanced the planned energy quantities. The comparison of the realized balance sheet figures was made in relation to that overview, i.e. rebalancing, and the indication of the balanced or planned figures refers to the indicators thus corrected.

The operation of the EPBiH electric power system in 2025 is characterized by:

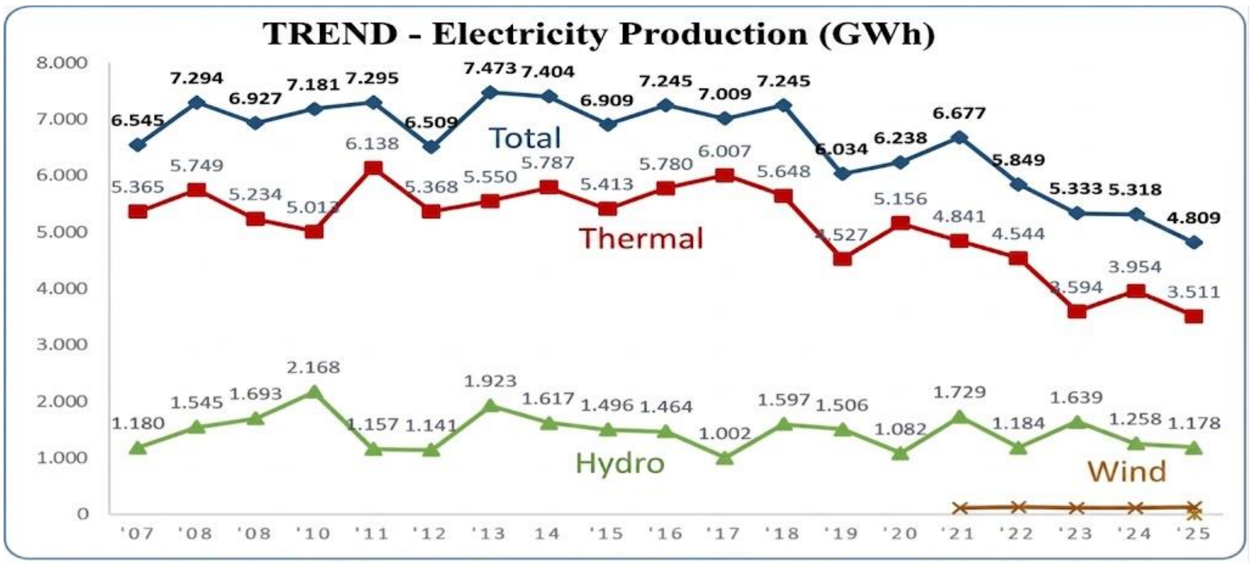
- total electricity production 3.6% lower than balanced in EEB, and 9.6% lower than production in 2024;
- total natural water inflows 10.7% below planned levels, and 6.7% lower than inflows in 2024;
- total coal procurement 5.0% below planned quantities, and 0.9% lower than coal procurement in 2024;
- total coal procurement 19.6% below the contracted delivery plan;
- total electricity consumption 0.5% higher than planned, and 2.3% higher than total consumption in 2024;
- market electricity sales 3.0% higher than balanced, and 48.9% higher than market sales realized in 2024.

From the aspect of quantities and dynamics, electricity deliveries in 2025 are as follows:

- all needs of EPBiH's end customers were fully met, totalling 5,447.2 GWh;
- electricity sales realized in the amount of 270.4 GWh;
- total electricity sales through linked trade realized at 390.1 GWh;
- total sales covering transmission losses realized at 75.9 GWh;
- sales under business-technical cooperation agreements realized at 188.9 GWh;
- electricity sales based on imbalance settlements and regulation realized at 83.2 GWh.

Total electricity production amounted to 4,808.6 GWh, which is 180.2 GWh or 3.6% less than planned production, and 509.1 GWh or 9.6% less than production achieved in 2024.

Production (GWh)	2018	2019	2020	2021	2022	2023	2024	2025
HE	1.597	1.506	1.082	1.729	1.184	1.639	1.258	1.178
TPPs	5.648	4.527	5.156	4.841	4.544	3.594	3.954	3.511
WPPs				107	121	100	106	119
PVPPs								1
Total	7.245	6.034	6.238	6.677	5.849	5.333	5.318	4.809



Hydroelectric power plants ("Jablanica", "Grabovica", "Salakovac" and small hydroelectric power plants owned by EPBiH) produced 1,177.6 GWh, which is at the rebalanced plan level, and 80.4 GWh or 6.4% less than the production achieved in 2024, which year was also hydrologically unfavourable.

Hydroelectric power plants on the Neretva River ("Jablanica", "Grabovica", "Salakovac") produced 1,121.2 GWh, which is 9.5 GWh or 0.9% more than planned by rebalance, and 77.2 GWh or 6.4% less than the production achieved in 2024.

Small hydroelectric power plants owned by the EPBiH, including the share of generation of small HPP "Bogatići", generated 56.4 GWh, which is 5.9 GWh or 9.4% less than the rebalanced plan, and 5.3% less than the production achieved in 2024.

Based on the data and indicators on total realized natural inflows, it is evident that extremely unfavourable hydrological conditions prevailed in 2025. The realized natural water inflows at the profiles of hydropower plants on the Neretva River, including the HPP "Rama", amounted to a total of 1,766.6 GWh, which was 211.2 GWh or 10.7% lower than planned by rebalance, and 111.3 GWh or 6.7% lower than the inflows realized in 2024.

At the end of 2025, total energy reserves in the reservoirs of HPP "Rama" and HPP "Jablanica" were significantly below planned levels, with total energy reserves amounting to 165.3 GWh, which is 175.0 GWh less compared to the rebalanced plan. Energy reserves in the reservoir of HPP “Jablanica” were 39.9 GWh below the rebalanced plan, while the energy status of the HPP “Rama” reservoir was significantly below the rebalance plan level by 135.1 GWh.

Thermal power plants "Tuzla" and "Kakanj" produced 3,510.9 GWh, which is 174.8 GWh or 4.7 % less than defined in the rebalanced plan, and 443.2 GWh or 11.2% less than production in TPPs in 2024. Production at TPP “Tuzla” was 4.6% below rebalance planned levels, while at TPP “Kakanj” this percentage amounted to 5.0%.

Production (%)	2025	Balance 2025	2024	2023	2022	2021	2020	2019	2018
Hydropower plants	24,5	23,5	23,7	30,7	20,2	25,9	17,3	25,0	22,0
Thermal power plants	73,0	73,9	74,4	77,7	72,5	82,7	75,0	78,0	85,7
Wind power plants	2,5	2,6	1,9	2,1	1,6				
Solar power plants	0,03	0,03							

Of the total electricity production for 2025, 73.0% relates to production from thermal power plants, 24.5% to production from hydropower plants, while 2.5% relates to production from wind power plants, and 0.03% to the production from solar power plants.

Total electricity consumption includes gross distribution consumption and consumption by direct consumers. In 2025, total electricity consumption amounted to 5,835.9 GWh, which is 27.5 GWh or 0.5% more than planned by rebalance, and 132.3 GWh or 2.3% more than consumption in 2024.

Total consumption includes:

- gross distribution consumption (excluding net consumption of other suppliers) realized in the amount of 5,352.8 GWh,
- consumption by direct consumers (end customers at 110 kV voltage) of 483.1 GWh (4.4% less than planned).

The total gross distribution consumption comprises the net distribution consumption of EPBiH customers, amounting to 4,964.1 GWh, the net distribution consumption of customers of other suppliers in the amount of 10.1 GWh, and distribution losses amounting to 388.7 GWh. The percentage of distribution losses in relation to gross distribution consumption is 7.25%, which is worse than the planned percentage (6.82%) (in the original plan, the planned percentage was 7.48%). The main reason for the increase in the loss percentage is the more unfavourable consumption structure, specifically a significant increase in the share of household consumption in total consumption, since household consumption causes the highest technical losses. In ED Sarajevo, the percentage of distribution losses was below the planned level, while in other distribution branches it was above. The lowest percentage losses relative to gross distribution consumption were recorded by ED Sarajevo, 6.35%, while highest losses were observed in ED Travnik 8.64% and ED Bihać 8.43%, due to the unfavourable configuration of the distribution network and the higher share of low-voltage consumption compared to other ED subsidiaries.

In 2025, a net amount of 1,027.3 GWh was received into electric power system of EPBiH (purchases and receipts of 2,741.3 GWh, sales and deliveries of 1,714.0 GWh).

From the total sales in the Trade activity, which amounted to 1,689.7 GWh:

- 270.4 GWh relates to contracted obligations,
- 390.1 GWh relates to sales through linked trade,
- 681.2 GWh relates to sales of electricity purchased from independent producers from RES,
- 188.9 GWh relates to business-technical cooperation agreements (UPTS) with other electric power utilities,
- 83.2 GWh is the amount of sales - delivery based on realized imbalance and regulation,
- 75.9 GWh is the amount of sales for covering transmission losses.

In 2025, a total of 2,724.1 GWh of electricity was purchased, of which:

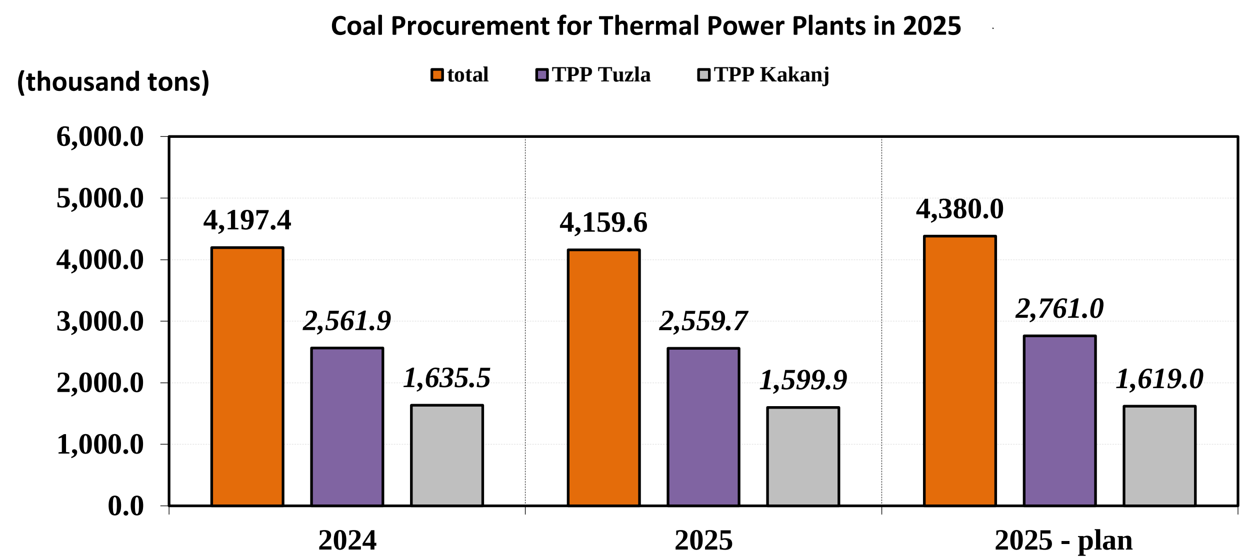
- 390.1 GWh relates to linked trade;
- 1,286.7 GWh relates to energy for recovery of production imbalances (partial recovery of outages in production and recovery of deficits in energy resources),
- 8.6 GWh relates to purchases from industrial thermal power plants,
- 681.2 GWh relates to purchases from independent producers from RES,
- 82.2 GWh relates to purchases from operators for RES and EC,
- 186.2 GWh relates to business-technical cooperation agreements (UPTS),
- 89.1 GWh based on realized imbalance and regulation.

In addition to electricity, by-product generation was also achieved in the thermal power plants, as follows:

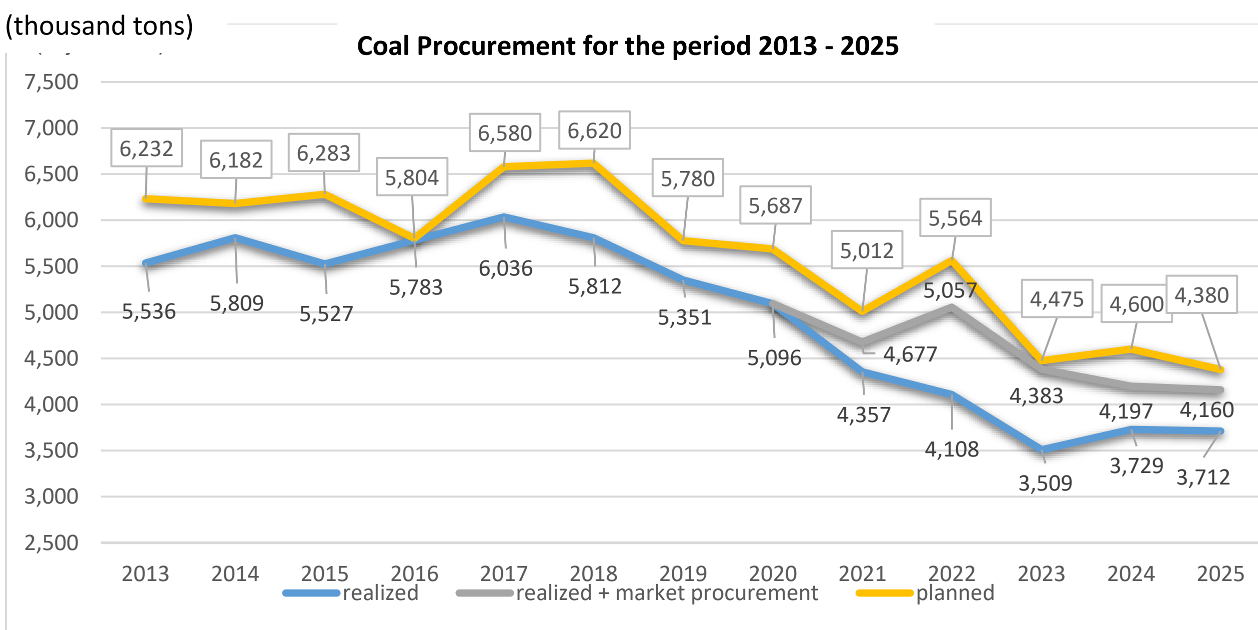
- thermal energy and process steam, amounting to 122.7 GWh in TPP "Tuzla",
- thermal energy amounting to 19.0 GWh in TPP "Kakanj".

Total coal procurement for the operation of thermal power plants in 2025 amounted to 4,159.6 thousand tons, which is 220.4 thousand tons or 5.0% less than the quantities planned in the rebalance, and 1.015 thousand tons less under the concluded agreements on coal delivery. Compared to 2024, the total purchased coal quantities were 37.8 thousand tons or 0.9% less.

Looking at coal procurement by thermal power plants, TPP “Tuzla“ procured 201.3 thousand tons or 7.3% less than planned by rebalance, while TPP “Kakanj“, excluding procurement from Kamengrad, procured 466.6 thousand tons or 28.8% less than planned by rebalance.



The chart below illustrates the annual coal procurements from 2013 to 2025, clearly showing that since 2013, with the exception of 2016, there have been shortfalls in coal deliveries compared to the planned quantities.



Total coal stocks in the thermal power plant depots at the end of 2025 amounted to 314.6 thousand tons, which is 69.1 thousand tons more than in rebalanced plan. The calorific value of the coal consumed totalled 11,755 kJ/kg, which is 377 kJ/kg or 3.3% better quality than planned by rebalance. At TPP “Tuzla“, the calorific value of the coal consumed amounted to 11,229 kJ/kg, which is at the rebalance planned level, while at TPP “Kakanj“, the calorific value of the coal consumed amounted to 12,600 kJ/kg, which is 954 kJ/kg better quality than planned by rebalance. Compared to 2024, the coal consumed was of lower quality by 113 kJ/kg or 1.0%.

IMPLEMENTATION OF THE ELECTRIC POWER BALANCE FOR 2025 (summary)

According to SEEP VIII - XII 2025

BALANCE ELEMENTS	Actual	R. Plan	Actual	compared to Plan	compared to 2024
	2025	2025	2024	change	change
	GWh	GWh	GWh	%	%
1. PRODUCTION	**4.808,6**	**4.988,8**	**5.317,7**	***-3,6***	***-9,6***
Hydropower plants	1.177,6	1.174,1	1.258,1	*0,3*	*-6,4*
- HPPs on the Neretva River	1.121,2	1.111,8	1.198,5	*0,8*	*-6,4*
- small HPPs	56,4	62,3	59,6	*-9,4*	*-5,3*
Solar power plants	1,3	1,4	0,0	*-8,1*	
Wind power plants	118,8	127,6	105,6	*-6,9*	*12,5*
Thermal power plants	3.510,9	3.685,8	3.954,0	*-4,7*	*-11,2*
- TPP Tuzla	2.150,0	2.253,9	2.522,7	*-4,6*	*-14,8*
- TPP Kakanj	1.360,8	1.431,9	1.431,3	*-5,0*	*-4,9*
2. RECEPTION, purchase and correction	**2.740,9**	**2.473,2**	**1.528,5**	***10,8***	***79,3***
3. TOTAL AVAILABLE (1+2)	**7.549,5**	**7.461,9**	**6.846,1**	***1,2***	***10,3***
4. CONSUMPTION	**5.835,9**	**5.808,4**	**5.703,7**	***0,5***	***2,3***
Gross distribution consumption	5.352,8	5.302,9	5.196,4	*0,9*	*3,0*
Direct consumers	483,1	505,5	507,3	*-4,4*	*-4,8*
5. SALES - supply and correction	**1.713,5**	**1.653,5**	**1.142,5**	***3,6***	***50,0***
6. TOTAL NEEDS (4+5)	**7.549,5**	**7.461,9**	**6.846,1**	***1,2***	***10,3***

4. IMPLEMENTATION OF FINANCIAL PLAN

0	JP ELEKTROPRIVREDA BIH BUSINESS RESULT FOR 2025					
No. No.	**REVENUES, COSTS AND EXPENSES BY PLANNING ITEM in thousands of BAM**	**ACTUAL 2025**	**REV. PLAN 2025**	**ACTUAL 2024**	Index 25/ rev.pl.	Index 25/24
1.	**6.1./01 Revenue from sales of electricity and ancillary service**	**1.394.716**	**1.390.386**	**1.163.482**	***100,3***	***119,9***
	- revenue from sales to EPBiH end customers	1.071.514	1.070.253	938.561	*100,1*	*114,2*
	- customers at 110 kV	*95.921*	*99.550*	*93.136*	*96,4*	*103,0*
	- customers at 35 kV	*67.888*	*67.216*	*59.203*	*101,0*	*114,7*
	*- customers at 10 kV **	*204.575*	*203.117*	*198.934*	*100,7*	*102,8*
	- customers at 0.4 kV households	*417.776*	*413.972*	*368.896*	*100,9*	*113,3*
	*- customers at 0.4 kV * other consumption*	*265.464*	*266.844*	*198.456*	*99,5*	*133,8*
	- customers at 0.4 kV public lighting	*19.648*	*19.403*	*19.696*	*101,3*	*99,8*
	- unauthorized consumption (all voltage levels)	*242*	*150*	*240*	*161,0*	*100,7*
	- long- and short-term sales within/outside BiH	67.367	59.445	63.160	*113,3*	*106,7*
	- revenue from UPTS (energy + network fees)	20.243	21.086	18.863	*96,0*	*107,3*
	- revenue from purchase and sale (linked trade)	209.265	215.840	123.936	*97,0*	*168,8*
	- revenue from ancillary services incl. electricity related to AS	26.328	23.762	18.962	*110,8*	*138,8*
2.	**6.1./02 Revenue from the sale of proc. steam and ther. energy**	**23.601**	**25.308**	**20.792**	*93,3*	*113,5*
	- revenue from process steam	*5.837*	*5.508*	*5.158*	*106,0*	*113,1*
	- revenue from thermal energy	*15.313*	*17.807*	*13.311*	*86,0*	*115,0*
	- revenue from sale of by-products and secondary products	*2.451*	*1.993*	*2.322*	*123,0*	*105,5*
3.	**6.1./03 Revenue from the sale of materials and services**	**45.616**	**41.234**	**44.409**	*110,6*	*102,7*
	- revenue from connection fees	32.978	30.183	33.483	*109,3*	*98,5*
	- other revenue from sale of materials and services	12.638	11.051	10.925	*114,4*	*115,7*
4.	**6.1./04 Revenue from financing**	**10.392**	**9.129**	**11.513**	*113,8*	*90,3*
5.	**6.1./05 Other revenue**	**31.635**	**13.566**	**46.649**	*233,2*	*67,8*
	TOTAL REVENUE (1 to 5)	**1.505.959**	**1.479.622**	**1.286.845**	***101,8***	***117,0***
6.	**6.1./08 Material for electricity production**	**411.707**	**424.481**	**456.315**	*97,0*	*90,2*
7.	**6.1./09 Material for maintenance**	**18.932**	**18.298**	**15.738**	*103,5*	*120,3*
8.	**6.1./10 Other material costs** (fuel, car tires, PPE, ...)	**5.378**	**5.613**	**4.408**	*95,8*	*122,0*
9.	**6.1./11 Coal transportation costs**	**38.395**	**43.096**	**43.338**	*89,1*	*88,6*
10.	**6.1./12 Maintenance services**	**34.110**	**30.383**	**28.245**	*112,3*	*120,8*
11.	**6.1./13 Costs of electricity and auxiliary services procurement**	**532.635**	**473.266**	**293.229**	*112,5*	*181,6*
	- procurement costs for trade (covering outages and deficits)	286.806	227.880	122.739	*125,9*	*233,7*
	- procurement costs based on UPTS agreements	17.072	18.058	16.386	*94,5*	*104,2*
	- cosprocurement costs based on purchase and sale (trade)	169.768	172.256	95.883	*98,6*	*177,1*
	- procurement costs for electricity related to auxiliary services	20.415	19.085	20.196	*107,0*	*101,1*
	- procurement costs from renewable sources	11.714	9.568	10.717	*122,4*	*109,3*
	- costs of auxiliary services in the EPS - system and other services	26.375	25.941	25.588	*101,7*	*103,1*
	- other electricity procurement costs (industrial power plants)	435	478	1.720	*90,9*	*25,3*
	- costs of cross-border capacities	51	0	0		
12.	**6.1./14 Insurance premiums**	**2.480**	**2.458**	**2.456**	*100,9*	*101,0*
13.	**6.1./15 Other service costs**	**15.022**	**15.954**	**14.242**	*94,2*	*105,5*
14.	**6.1./16 Depreciation costs**	**137.430**	**144.364**	**144.675**	*95,2*	*95,0*
15.	**6.1./17 Grid fees and ISO charges**	**59.848**	**59.397**	**58.513**	*100,8*	*102,3*
16.	**6.1./18 Salaries and salary compensations**	**174.908**	**176.910**	**165.487**	*98,9*	*105,7*
17.	**6.1./19 Other labor costs**	**34.657**	**36.765**	**31.849**	*94,3*	*108,8*
18.	**6.1./20 Water management fees**	**21.383**	**22.286**	**22.104**	*95,9*	*96,7*
19.	**6.1./21 Various duties, fees and membership contributions**	**17.052**	**17.510**	**21.198**	*97,4*	*80,4*
20.	**6.1./22 Other operating expenses**	**10.475**	**10.559**	**9.037**	*99,2*	*115,9*
21.	**6.1./23 Financial costs and expenses**	**4.010**	**4.426**	**4.492**	*90,6*	*89,3*
22.	**6.1./24 Other expenses** (write-off of receiv., expenses under IAS	**17.525**	**31.103**	**15.792**	*56,3*	*111,0*
23.	**6.1./25 Provisions costs** (lawsuits, actuarial reserves, dismantling)	**22.394**	**23.933**	**13.690**	*93,6*	*163,6*
	TOTAL COSTS AND EXPENSES (6 to 23)	**1.558.342**	**1.540.802**	**1.344.808**	***101,1***	***115,9***
	INCOME BEFORE TAX / (LOSS)	**-52.382**	**-61.180**	**-57.963**	***85,6***	***90,4***
	NET COMPREHENSIVE INCOME FOR THE PERIOD / (LOSS)			**-60.954**	*#DIV/0!*	***0,0***

** including distribution network charges of end customers supplied by other suppliers*

Revenues

The total revenue generated by EPBiH in 2025 amounts to BAM 1.505,96 million, exceeding the planned revenue by BAM 26.34 million, and by BAM 219.11 million or 17.0 % surpassing the revenue in 2024.

Revenue from sales of electricity and ancillary services

In the structure of total generated revenue, the largest share is *revenue from sales of electricity and ancillary services* amounting to BAM 1,394.72 million, which accounts for 92.6% of the Company's total revenue for 2025.

This revenue includes revenue from:

- sales to EPBiH end customers amounting to BAM 1,071.51 million;
- sales under UPTS agreement amounting to BAM 20.24 million;
- long- and short-term sales within/outside BiH amounting to BAM 67.37 million;
- purchase and sale (linked trade) amounting to BAM 209.26 million, and
- ancillary services amounting to BAM 26.33 million (energy and capacity).

Revenue from sale of electricity to end customers

This revenue segment refers to customers (legal and natural persons) who are end consumers of electricity supplied by EPBiH. It is realized through the Supply and Distribution activities (network charges). It consists of:

a) *revenue from market supply* to customers at different voltage levels, totalling BAM 578.62 million, namely:
- ➢ *customers at 110 kV* in the amount of BAM 95.92 million,
- ➢ *customers at 35 kV* in the amount of BAM 67.89 million,
- ➢ *customers at 10 kV* in the amount of BAM 204.22 million,
- ➢ *other consumption at 0.4 kV* in the amount of BAM 192.58 million,
- ➢ *public lighting* (0.4 kV) in the amount of BAM 18.01 million;

b) *revenue from public supply* refers to customers supplied at 0.4 kV voltage level, totalling BAM 490.10 million, and includes the following categories:
- ➢ *households* in the amount of BAM 417.78 million, including *cut-off (BAM 416.71 + BAM 1.06)*,
- ➢ *other consumption at 0.4 kV* in the amount of BAM 71.96 million,
- ➢ *public lighting* in the amount of BAM 0.36 million;

c) *revenue from backup supply* refers to customers supplied at 10 kV and 0.4 kV voltage level, totalling BAM 2.26 million;

d) *revenue from network charges* of customers (at 10 kV and 0.4 kV) supplied from other suppliers, totalling BAM 0.29 million;

e) *revenue from unauthorized consumption* totalling BAM 0.24 million, predominantly from the *household* category.

Revenue from sales to end customers was achieved at the level planned according to the revised business plan, while compared to 2024 it was higher by 14.2%. With customers at 110 kV, 94.7% of the planned quantities were realized with 96.4% of the planned revenue. The average sales price of 19.85 F/kWh was achieved, which is slightly higher than planned. With customers at medium voltage (35 kV), the sold quantities and revenue are at the planned level (99.2%; 101.0%), while the average sales price is slightly better than planned. The achieved average sales prices for market supply customers were generally higher or at the level of the planned prices. With customers from the category of *households*, 100.7% of the planned revenue was generated, and the sold quantity was 0.4% higher than planned. Compared to 2024, there was a 13.2% increase in revenue, given the higher consumption of customers in this category and the changes in the prices of public supply services that have been in force since 1 August 2024 and 1 September 2025.

When it comes to selling prices for end customers of EPBiH supply, the realized total average price for all end customers was 19.68 F/kWh, which is at the level of the plan. The average total price (with network charge) for market supply customers amounted to 23.11 F/kWh, which is higher than in 2024. Under public supply, the average total price amounted to 16.71 F/kWh, which is higher than both the plan and the level achieved in 2024.

When comparing the realized revenue from end customers with that of 2024, a noticeable revenue growth of 14.2 % is observed, accompanied by an increase in sales volume (by 2.6 % or 140.1 GWh). Additionally, below is an overview of the sales structure to end customers broken down by energy and grid fees, noting that both revenue and average price also include the component related to the tariff element *Measurement Point (MP)*, and that the data for the period 2019 – 2022 include own consumption.

STRUCTURE	Actual 2025			Actual 2024			Actual 2023			Actual 2022			Actual 2021			Actual 2020			Actual 2019		
OF SALES	Energy	Price	Revenue	Energy	Price	Revenue	Energy	Price	Revenue	Energy	Price	Revenue	Energy	Price	Revenue	Energy	Price	Revenue	Energy	Price	Revenue
ENERGY	GWh	Pf/kWh	mill. BAM	GWh	Pf/kWh	mill. BAM	GWh	Pf/kWh	mill. BAM	GWh	Pf/kWh	mill. BAM	GWh	Pf/kWh	mill. BAM	GWh	Pf/kWh	mill. BAM	GWh	Pf/kWh	mill. BAM
End customers																					
- customers at 110 kV	483,1	18,28	88,3	507,3	16,81	85,3	504,2	14,66	73,9	511,8	14,80	75,8	549,9	9,66	53,1	560,6	10,64	59,6	493,3	10,14	50,0
- customers at 35 kV	329,5	18,25	60,1	309,3	16,75	51,8	326,1	15,11	49,3	306,9	12,77	39,2	299,6	9,56	28,7	287,7	10,18	29,3	296,6	9,83	29,1
- customers at 10 kV	927,0	18,46	171,1	936,0	17,71	165,8	919,1	15,29	140,6	922,2	13,07	120,5	922,8	10,44	96,4	851,4	11,29	96,2	887,1	10,90	96,7
- households	2.599,2	9,01	234,3	2.464,0	7,88	194,3	2.339,1	7,38	172,6	2.251,5	7,40	166,7	2.224,8	7,41	164,8	2.189,5	7,43	162,6	2.143,1	7,44	159,5
- others at 0.4 kV	1.020,4	18,13	185,0	1.000,5	11,98	119,8	954,4	11,18	106,7	952,6	11,10	105,7	924,2	11,05	102,1	852,5	11,11	94,7	904,5	11,03	99,7
- public lighting	77,7	17,43	13,5	79,7	16,86	13,4	81,5	14,18	11,6	83,5	12,10	10,1	82,9	11,43	9,5	82,9	10,29	8,5	83,2	10,11	8,4
Total end customers (SNB)	**5.436,9**	**13,84**	**752,4**	**5.296,8**	**11,90**	**630,4**	**5.124,4**	**10,82**	**554,6**	**5.028,6**	**10,30**	**517,9**	**5.004,3**	**9,08**	**454,5**	**4.824,5**	**9,35**	**450,9**	**4.807,6**	**9,22**	**443,5**

STRUCTURE	Actual 2025			Actual 2024			Actual 2023			Actual 2022			Actual 2021			Actual 2020			Actual 2019		
OF SALES	Energy	Price	Revenue	Energy	Price	Revenue	Energy	Price	Revenue	Energy	Price	Revenue	Energy	Price	Revenue	Energy	Price	Revenue	Energy	Price	Revenue
NETWORK FEE	GWh	Pf/kWh	mill. BAM	GWh	Pf/kWh	mill. BAM	GWh	Pf/kWh	mill. BAM	GWh	Pf/kWh	mill. BAM	GWh	Pf/kWh	mill. BAM	GWh	Pf/kWh	mill. BAM	GWh	Pf/kWh	mill. BAM
End customers																					
- customers at 110 kV	483,1	1,57	7,6	507,3	1,55	7,9	504,2	1,53	7,7	511,8	1,52	7,8	549,9	1,49	8,2	560,6	1,50	8,4	493,3	1,43	7,1
- customers at 35 kV	329,5	2,36	7,8	309,3	2,39	7,4	326,1	2,27	7,4	306,9	2,30	7,1	299,6	2,30	6,9	287,7	2,34	6,7	296,6	2,32	6,9
- customers at 10 kV	927,0	3,58	33,1	936,0	3,51	32,9	919,1	3,52	32,3	922,2	3,45	31,8	922,8	3,43	31,6	851,4	3,48	29,6	887,1	3,42	30,3
- households	2.599,2	7,02	182,4	2.464,0	7,05	173,8	2.339,1	7,07	165,4	2.251,5	7,08	159,4	2.224,8	7,09	157,7	2.189,5	7,11	155,6	2.143,1	7,12	152,5
- others at 0.4 kV	1.020,4	7,89	80,5	1.000,5	7,86	78,6	954,4	7,87	75,1	952,6	7,84	74,7	924,2	7,84	72,5	852,5	7,88	67,2	904,5	7,84	70,9
- public lighting	77,7	7,86	6,1	79,7	7,86	6,3	81,5	7,85	6,4	83,5	7,85	6,6	82,9	7,85	6,5	82,9	7,84	6,5	83,2	7,84	6,5
Total end customers (SNB)	**5.436,9**	**5,84**	**317,5**	**5.296,8**	**5,79**	**306,8**	**5.124,4**	**5,74**	**294,3**	**5.028,6**	**5,71**	**287,4**	**5.004,3**	**5,66**	**283,4**	**4.824,5**	**5,68**	**274,0**	**4.807,6**	**5,70**	**274,2**

Revenue from the sale of electricity on the market, realized through the Trade activity

Revenue from the sale of electricity on the market, realized through the activity of Trade, amounted to a total of BAM 293.96 million, which is at the level of the revised plan. Looking at the revenue by customer's country, BAM 282.55 million of revenue from this group relates to customers in BiH, while the remaining BAM 11.41 million relates to export sales of electricity to customers based outside of BiH.

If the energy sold through the Trade activity is observed by type of sale, the revenue structure is as follows:

- revenue from long-term sales of own energy (including revenue for covering transmission losses) BAM 46.52 million;
- revenue from short-term sales of own energy BAM 20.85 million;
- revenues based on UPTS BAM 17.33 million;
- revenue from linked trade BAM 209.26 million.

The average selling price from long-term sale amounts to 20.10 F/kWh, and is lower than the revised planned price and the average long-term selling price for 2025. The actual sales volumes were 3.1% % higher than the revised plan, and 61.4% higher compared to the previous year. Long-term sales also include the sale of electricity to the Independent System Operator (ISO) of BiH for the coverage of transmission losses (total of 75.9 GWh delivered throughout the year, generating revenue of BAM 15.08 million).

Revenue from short-term energy sales amounted to BAM 20.85 million for the sale of 114.8 GWh from own production. The average selling price for short-term sales of self-generated energy amounted to 18.16 Pf/kWh, which is 14.7% higher than the revised planned price (15.84 Pf/kWh), but 20.4% lower compared to the average short-term selling price achieved in 2024 (22.80 Pf/kWh).

Revenue from linked trade amounted to BAM 209.26 million for the sale of 1,071.3 GWh of purchased energy. The volume of purchase and sale (linked trade) was higher than revised planned in energy terms, with lower prices, so the financial effects achieved from linked trade were below the planned level (9.4% lower). The average sale price of the purchase and sale was 0.4% lower than planned, while it was 6.3% lower than the price achieved in 2024 (20.85 Pf/kWh).

Since August 2022, a new type of purchase and sale has been introduced, involving the purchase of energy from independent producers of renewable energy sources (RES) (with the provision of balancing services to these entities, which generates additional revenue), where the total volume of such purchases and subsequent sales was 681.2 GWh. This significantly increased the positive effects of the purchase and sale segment, resulting in a total profit (as the difference between revenue and costs for the same quantity of energy in linked trade) amounting to BAM 39.50 million.

Regarding the sale of electricity under business-technical cooperation agreements (UPTS), revenue amounted to BAM 17.33 million. This is slightly below the plan (by 4.0%), due to lower delivery volumes compared to the plan/EEB (4.0%), but is higher than the revenue achieved in 2024. The average price matches both the planned price and the price achieved in previous years, given that there were no pricing changes under these agreements.

It should be noted that part of the sales relates to deliveries from the distribution network, and the revenue from distribution network charges under UPTS represents a separate revenue category within the *distribution* activity. For 2025, this revenue amounts to an additional BAM 2.91 million.

Summary of Electricity Sales Revenue

Average selling prices for end customers from 2010 to 2021 were almost the same, with a slight upward trend. In the period 2021 - 2025, given the increase in prices on the regional market, there was a certain increase in prices on market supply, as well as on public supply, which was also reflected in the overall average price.

On the other hand, average prices for the Trade activity in the period 2010 - 2021 slightly fluctuated around a relatively uniform price. Due to the consequences of the Covid-19 pandemic and war conflicts in influential regions, in 2022 there is a sharp jump (over 150%) when they reach a record level. In the period 2023 - 2025, there was a decrease in price, but not yet to the level from 2021.

The following table shows the ***Structure of electricity sales*** (including sales through the Supply and Trade activities) for the reporting period, compared with the plan and actual results for 2024, along with the percentage shares in electricity sales revenue.

Structure of electricity sales

STRUCTURE OF SALES	**Actual 2025**				**Rev. Plan 2025**				**Actual 2024**			
	Energy	Price	Revenue	share	Energy	Price	Revenue	share	Energy	Price	Revenue	share
sales type	GWh	Pf/kWh	mill. BAM	%	GWh	Pf/kWh	mill. BAM	%	GWh	Pf/kWh	mill. BAM	%
End customers												
- *customers at 110 kV*	483,1	19,85	95,9	8%	510,4	19,50	99,6	9%	507,3	18,36	93,1	8%
- *customers at 35 kV*	329,5	20,60	67,9	6%	332,1	20,24	67,2	6%	309,3	19,14	59,2	5%
- *customers at 10 kV*	927,0	22,04	204,3	18%	925,6	21,94	203,1	18%	936,0	21,22	198,6	17%
- *households*	2.599,2	16,03	416,7	36%	2.587,7	16,00	414,0	36%	2.464,0	14,94	368,0	32%
- *others at 0.4 kV*	1.020,4	26,01	265,5	23%	1.024,8	26,00	266,5	23%	1.000,5	19,84	198,5	17%
- *public lighting*	77,7	25,29	19,6	2%	77,2	25,57	19,7	2%	79,7	24,72	19,7	2%
Total end customers (SNB)	**5.436,9**	**19,68**	**1.069,9**	77%	**5.457,8**	**19,61**	**1.070,1**	78%	**5.296,8**	**17,69**	**937,2**	81%
Market sales												
Total sales within/outside BiH	346,3	19,46	67,4	6%	326,4	18,21	59,4	5%	305,7	20,66	63,2	5%
Sales under UPTS (including network charges)	189,0	10,71	20,2	2%	192,4	10,96	21,1	2%	177,6	10,62	18,9	2%
Purchase and sale within/outside BiH (linked trade	1.071,3	19,53	209,3	18%	1.100,5	19,61	215,8	19%	594,4	20,85	123,9	11%
Sales related to ancillary services	83,2	21,41	17,8	2%	62,5	21,31	13,3	1%	57,0	18,91	10,8	1%
Total market sales (TRG and PRO)	**1.689,7**	**18,62**	**314,7**	23%	**1.681,9**	**18,41**	**309,7**	22%	**1.134,7**	**19,10**	**216,7**	19%
Total sales of electricity*	**7.126,6**	**19,43**	**1.384,6**	**100%**	**7.139,7**	**19,33**	**1.379,8**	**100%**	**6.431,5**	**17,94**	**1.153,9**	**100%**

** revenue from unauthorized consumption, revenue from distribution network fee for customers of other supplier, and revenue from non-invoiced electricity are not included*

Revenue from ancillary services (energy and capacities) and from balancing services for independent producers

Revenue from ancillary services and from balancing services for independent producers amounts to BAM 26.33 million, which, compared to the Revised Plan, is BAM 2.57 million or 10.8% higher. Revenue from ancillary services relates to:

- revenue from energy delivered for ancillary regulation services: BAM 13.23 million (activation of primary, secondary and tertiary regulation, 32.4 GWh delivered);
- energy imbalance: BAM 4.58 million (50.8 GWh delivered);
- revenue from reserved capacities for ancillary services: BAM 5.09 million (of which BAM 3.16 million for primary and secondary regulation, and BAM 1.93 million for tertiary regulation);
- revenue from balancing services for independent producers of BAM 3.43 million.

The revenue realization index for capacity related to primary and secondary regulation is 76.3% compared to the revised planned amount, while the contract/plan realization index for capacity revenue related to tertiary regulation is 91.5%. Revenue from capacity and the provision of balancing services for independent producers represents significant amounts that EPBiH achieves by providing these services to EES BiH and other entities requiring ancillary services, thanks to its technical and human capacities. Compared to 2024, revenue from ancillary services has increased by 38.8%, or BAM 7.37 million.

Revenue from the Sale of Process Steam, Thermal Energy, and By-products

Revenue from the sale of process steam, thermal energy, and by-products amounted to BAM 23.60 million and includes revenue from:

- sale of process steam totalling BAM 5.84 million;
- sale of thermal energy (heating steam) totalling BAM 15.31 million;
- sale of by-products and secondary products (mainly slag and ash) totalling BAM 2.45 million.

These revenues are 6.7% less than the planned amount. All revenue in this category was generated in the thermal power plants, that is, in TPP “Tuzla“ BAM 19.49 million, and in TPP "Kakanj" BAM 4.11 million. Compared to 2024, revenues in this category increased by 13.5%, driven by growth across all types of products, particularly from thermal energy (by 15.0%).

Revenue from Sales of Materials and Services

Revenue from sales of materials and services amounts to BAM 45.62 million, exceeding the plan by BAM 4.38 million or 10.6%, and compared to 2024, increasing by BAM 1.21 million or 2.7%. The largest portion of this revenue comes from fees for connecting consumers to the EPBiH power system, totalling BAM 32.98 million, which represents 72.3% of the planned revenue for this category. The remainder includes revenues from various other services (issuance of electricity permits and other services according to the *General Conditions for Electricity Supply*), revenue from restaurants in production units, rental revenue, commissions for RTV fee collection, and similar services.

Revenue from connection fees is higher than planned by 9.3%. Regarding the revenues from connection fees, special attention should be paid to the branch ED Tuzla, where the plan was exceeded by 23.6%, and ED Zenica, where this revenue was higher by 41.1%.

Significant revenues in this category were also generated on other grounds (totalling BAM 12.64 million, higher than both the planned amount and achieved revenue in the previous year). Particularly notable are revenues from fees for increased contracted capacity, BAM 2.89 million, and for the issuance of electricity permits, BAM 2.07 million. In 2025, revenue from water supply deliveries from the Snježnica Dam for the needs of Mine and Thermal Power Plant “Ugljevik“ and other entities amounted to BAM 0.84 million revenue. Revenue from fees charged to cable operators amounted to BAM 1.24 million, which is at the level of the planned amount. Revenue from commission for RTV fee collection totalled to BAM 1.56 million, which is 4.6% higher than the plan.

Revenue from Financing

Revenue from financing for the reporting period amounts to BAM 10.39 million, exceeding the planned amount by BAM 1.26 million or 13.8%, while it is BAM 1.12 million or 9.7% lower compared to 2024.

Revenue from sight (*a vista*) and term deposits with commercial banks totals BAM 2.65 million, and is less than the planned amount, as well as than the same revenue generated in 2024 (BAM 4.55 million), mainly due to a smaller volume of term deposits.

Revenue from interest on loans to subsidiary coal mines amounts to BAM 4.06 million (9.0% higher than the planned amount, loans were granted during the period 2021 - 2023 based on the Decisions of the Company's Assembly from May, and according to the withdrawal schedule). A total of BAM 2.1 million was recognized as revenue from default interest.

Revenues from positive exchange differences amount to BAM 1.20 million (while expenses from foreign exchange differences total BAM 0.04 million), resulting in a significant effect on the financial result from these unplanned items. The remainder relates to collected court fees and various other financial revenues.

Other Revenues

Other revenues in this reporting period amount to BAM 31.64 million, exceeding the plan by BAM 18.07 million, and, compared to 2024, decreasing by BAM 15.01 million or 32.2%.

The most significant types of revenue generated under this item are as follows:

- revenues from donations (depreciation of donated funds and other donations) amounting to BAM 5.94 million;
- collected previously written-off receivables (on all grounds) amounting to BAM 7.78 million;
- revenue from the reversal of long-term provisions related to legal disputes amounting to BAM 10.86 million;
- revenues from previous years amounting to BAM 0.32 million;
- revenue from penalties amounting to BAM 0.64 million;
- revenues from damage claims amounting to BAM 0.33 million;
- revenue from the sale of waste and other materials amounting to BAM 1.20 million;
- gains from the release of long-term financial assets amounting to BAM 2.61 million;
- revenue from materials recovered from dismantled fixed assets amounting to BAM 0.34 million;

Other unspecified revenues within this category amount to a total of BAM 1.62 million.

Revenues from reversal of long-term provisions for legal disputes, and revenues from collected written-off receivables significantly exceed the plan.

Costs and Expenses

Total costs and expenses incurred in 2025 amount to BAM 1.558,34 million, which is BAM 213.53 million or 15.9% higher compared to 2024. Compared to the plan, they are higher by BAM 17.54 million or 1.1%. The largest percentage deviation from the 2025 plan is in the planned item for *Costs of Electricity Procurement and Ancillary Services*. More details on this and all other costs are provided below.

Costs of materials for electricity production amount to BAM 411.71 million, while coal transportation costs amounted to BAM 38.39 million. Together, they account for 28.9% of the Company's total costs and expenses in 2025, and the breakdown by thermal power plants and a comparison with the planned production at TPPs are provided in the following overview:

Costs and production (by items and thermal power plants)	Actual 2025	R. Plan 2025	Actual 2024	index 25/plan	index 25/24
Material for production TPP Kakanj (million BAM)	165,98	173,97	187,7	*95,4*	*88,4*
Coal transportation TPP Kakanj (million BAM)	19,46	22,91	23,2	*85,0*	*83,9*
Electricity production TPP Kakanj (GWh)	*1.360,8*	*1.431,9*	*1.431,3*	*95,0*	*95,1*
Thermal energy production TPP Kakanj (GWh)	*19,0*	*18,7*	*17,6*	*101,4*	*107,7*
Material for production TPP Tuzla (million BAM)	245,73	250,51	268,6	*98,1*	*91,5*
Coal transportation TPP Tuzla (million BAM)	18,94	20,19	20,1	*93,8*	*94,0*
Electricity production TPP Tuzla (GWh)	*2.150,0*	*2.253,9*	*2.522,7*	*95,4*	*85,2*
Production of process steam and thermal energy TPP Tuzla (GWh)	*122,7*	*135,7*	*115,5*	*90,4*	*106,2*
Material for production of both TPPs in total (million BAM)	411,7	424,5	456,3	*97,0*	*90,2*
Coal transportation of both TPPs in total (million BAM)	38,4	43,1	43,3	*89,1*	*88,6*
Electricity production of both TPPs in total (GWh)	*3.510,9*	*3.685,8*	*3.954,0*	*95,3*	*88,8*
Production of process steam and thermal power total TPPs (GWh)	*141,7*	*154,4*	*133,1*	*91,8*	*106,4*

Costs of materials for electricity production at TPP "Tuzla" amount to BAM 245.73 million (1.9% below the plan, while electricity production is 4.6% below the planned level), and at TPP "Kakanj" they amount to BAM 165.98 million (4.6% below the plan, with electricity production 5.0% lower than planned). These costs are of a variable nature and include costs of coal for electricity production, costs of coal for the production of process steam and heating steam, costs of coal analysis, chemicals and industrial water, costs of fuel and lubricants for firing and fire support, bulldozer operations, coal residue and spreading, which costs are approximately correlated with the achieved production of electricity and by-products.

Total cost of materials for production were lower than planned by BAM 12.77 million or 3.0%, while electricity production at the thermal power plants was also 4.7% lower than planned. The total specific heat consumption amounted to 12,870 kJ/kWh, which was 7.6% higher than planned. At TPP "Tuzla", the specific consumption amounted to 12,375 kJ/kWh, which is 5.8% more above the plan, while at TPP "Kakanj" it amounted to 13,654 kJ/kWh, which is 10.4% above than the planned consumption, largely due to the poorer quality of the coal procured for this TPP.

The poor coal quality also caused increased consumption of liquid fuels at TPPs (fuel oil at TPP "Tuzla" and heating oil at both TPP "Tuzla" and TPP "Kakanj"). Compared to 2024, the total specific heat consumption of coal increased by 1.4%.

The actual *coal transportation costs* amounted to BAM 38.40 million, which is BAM 4.70 million or 10.9% below the plan. At TPP "Kakanj", coal transportation costs amounted to BAM 19.46 million, which is 15% below the planned amount. At TPP “Tuzla,” transportation costs amounted to BAM 18.94 million, which is 6.2% below the plan. It is worth noting that the cost of transportation per ton at TPP “Kakanj” increased compared to previous years, primarily due to the higher quantities/volume of coal deliveries from mines outside the EPBiH Concern, which are located at a greater distance from TPPs

Maintenance Costs

Material costs for maintenance amounted to BAM 18.93 million, which is by 3.5% above the plan. Of the stated amount, BAM 11.22 million (or 59.3%) relates to the Production activity, where costs exceeded the planned amount by 11%, mostly due to the consumption of spare parts for regular maintenance of fixed assets. Planned overhauls were carried out on all hydropower units and thermal blocks, with additional unplanned overhauls on certain blocks due to breakdowns. The most serious and longest overhauls were the overhaul of G4 at TPP "Tuzla" and the overhaul of A2 at Jablanica. G7 at TPP "Kakanj" was out of operation due to the planned revitalization. In the Distribution activity, material costs for maintenance amounted to BAM 7.43 million (11% below the plan), primarily for regular and investment maintenance materials. Compared to 2024, the costs under this item increased by 20.3%.

Costs *of maintenance services* amounted to BAM 34.11 million, exceeding the plan by BAM 3.73 million or 12.3%, and compared to 2024, increasing by 20.8%. Of the total realized amount, BAM 23.45 million relates to the Production (or 68.8%). Within this activity, thermal power plants account for BAM 17.15 million (or 73.1% of the total costs at the EPBiH level), with the vast majority of these costs pertaining to regular and investment (overhaul) maintenance services for equipment.

With the distribution activity, BAM 7.12 million were maintenance service costs, accounting for 20.9% of costs at the EPBiH level. The largest share of costs relates to excavation and backfilling services for the electricity distribution network (BAM 2.27 million). Among other costs, the following stand out: regular maintenance services for buildings and equipment (a total of BAM 1.75 million), maintenance services for company vehicles (BAM 0.84 million), and capital maintenance of equipment – metering devices (BAM 0.44 million).

Costs of Other Materials and Services

This group includes the following cost items:

Other material costs amount to BAM 5.38 million. The actual expenditure is BAM 0.24 million or 4.2% less than planned. The largest items include fuel and lubricant used for vehicles – the fleet (BAM 1.16 million) and other consumed raw materials and supplies (BAM 1.44 million). In addition, a significant amount of write-offs (write-off of small inventory and tools in use, personal protective equipment, vehicle tires) totals BAM 2.1 million. Material used for the installation of connections for new users amounts to BAM 0.19 million, while office supplies accounted for BAM 0.28 million.
Compared to the results from 2024, these costs are 22% lower.

Insurance premiums amount to BAM 2.48 million, which is at the level of the planned amount, as well as amounts in 2024.
These costs relate to insurance premiums for:

- property (BAM 1.99 million);
- vehicles (BAM 0.26 million);
- employee compensation for workplace injuries (BAM 0.23 million).

Other service costs amount to BAM 15.02 million, mostly related to invoice delivery services to customers via post at BAM 7.17 million and costs for electricity collection services through third parties (BAM 4.39 million, post office). Other expenses under this budget item total BAM 3.46 million and include costs for rents, business trips, media presentations, representation expenses, telephone and mobile phone costs, etc.

These costs are BAM 0.93 million or 5.8% lower than planned. The main reason for such a deviation is in the planned projects in the field of research and development (out of the planned BAM 0.39 million, only BAM 0.03 thousand was realized). Additionally, through cost-saving measures, there were significantly fewer business trips and reduced advertising activities compared to the plan.

Compared to 2024, we recorded an increase of BAM 0.78 million or 5.5%.

Other operating expenses amount to BAM 10.48 million, and were realized below the plan by BAM 0.08 million or 0,8%, and are higher than in 2024 by BAM 1.44 million or 15,9%. These expenses relate to various non-production services, such as:

- security services BAM 3.86 million;
- cleaning services BAM 1.61 million;
- other non-production operating expenses BAM 1.15 million;
- intellectual services (legal, consulting, auditing, expert assessments, etc.) BAM 0.22 million;
- utility services (water supply, green areas, waste disposal, etc.) BAM 0.96 million;
- employee training services BAM 0.18 million;
- fish stocking BAM 0.38 million;
- occupational health and safety services (including employee health checks) and fire protection BAM 1.17 million

and other services (vehicle registration, public procurement procedure announcements, tolls, advertising costs, etc.)

Costs of purchasing electricity and auxiliary services

These costs total to BAM 532.64 million. They exceed the plan by BAM 59.37 million or 12.5%, while they are higher by 81.6% compared to the 2024. About 93% of the incurred costs in this category relate to the Trade activity.

These costs include:

- BAM 456.57 million - purchasing electricity on the market (detailed analysis in the following table);
  - BAM 286.81 million - purchasing for the recovery of production outages and deficits in energy resources;
  - BAM 169.77 million - purchasing for linked trade;
- BAM 17.07 million - purchasing energy based on the business-technical cooperation agreement (UPTS),
- BAM 11.71 million - purchasing electricity for end customers from renewable sources;
- BAM 46.84 million - purchasing auxiliary services (system, and other auxiliary services);

- BAM 0.44 million - purchases from industrial power plants.

The structure of electricity purchases on the market amounting to BAM 456.57 million is as follows:

PURCHASE BY STRUCTURE **(excluding ancillary services and UPTS)**	**2025**		
	Actual	**R. Plan**	**Index**
Purchase for covering production outages and deficits in energy resources			
Total energy purchase (GWh)	1.286,7	1.041,9	123,50
Costs of total purchased energy (million BAM)	286,81	227,88	125,86
Purchase for trade (linked trade)			
Total energy purchase (GWh)	1.071,3	1.100,5	97,35
Costs of total purchased energy (million BAM)	169,77	172,26	98,56
TOTAL			
Total energy purchase (GWh)	***2.358,0***	***2.142,4***	***110,07***
Costs of total purchased energy (million BAM)	***456,57***	***400,14***	***114,10***

During 2025, the purchase of energy for the purpose of covering outages in thermal production and deficits in energy resources exceeded the planned amount, reaching 1,286.7 GWh, with associated costs of BAM 286.81 million and an average unit price of BAM 222.90/MWh. Compared to the previous year, significantly larger quantities were purchased, but at a lower average price (the average price for 2024 was BAM 231.64/MWh). Given the high prices (much higher than the production costs at TPP, which lacked undelivered and contracted coal quantities of 1,015 thousand tons), it is clear that this negatively impacted the business result.

In 2025, the purchase of electricity within linked trade was amounted to 1,071.3 GWh, resulting in total costs of BAM 169.77 million, with an average unit price of BAM 158.47/MWh. Along with revenues from linked trade, the total financial effect from linked trade amounted to BAM 39.50 million. Particularly significant effects were achieved based on the purchase (and further sale) of energy from independent RES producers.

In 2025, the cost of ancillary services amount to BAM 46.84 million, and relate to:

- costs of ancillary services - system services in the amount of BAM 25.68;
- costs of electricity procurement related to ancillary services in the amount of BAM 20.42 million (mainly imbalances);
- costs of other ancillary services in the EES of BiH amounting to BAM 0.69 million;
- costs for cross-border capacities - for work on the SEEPEX exchange BAM 0.05 million.

Within the total costs of ancillary services, the largest amount is the cost of system services, which is paid to the ISO of BiH. These payments cover the costs of regulation services and compensation for transmission losses in the Electricity Energy System of Bosnia and Herzegovina, mostly related to Distribution activity (related to deliveries to end customers via the distribution network). Revenue from the provision of ancillary services was generated by EPBiH itself, as an important actor and partner in the EES of BiH.

Depreciation Costs

Depreciation costs amount to BAM 137.43 million, representing 8.8% of the Company's total costs and expenses for 2025. Compared to the planned costs, depreciation costs are lower by BAM 6.93 million or 4.8%. The largest portion of depreciation relates to the depreciation of buildings in the amount of BAM 69.64 million and the depreciation of plants and equipment in the amount of BAM 50.76 million. When observing these costs by activity, the highest depreciation costs are in the Production and Distribution activities, which together account for 98.1% of the total. Compared to 2024, 5.0% less depreciation expense was recorded.

Based on the conclusion of the Management Board from its 139th session, held on 26 December 2017, in the HPP branch on the Neretva River, depreciation costs for part of the equipment whose use is conditioned by the volume of production have been calculated using the functional method, in accordance with the production volume observed relative to the ten-year average. The effect of applying a functional calculation model for part of the equipment in the HPPs on the Neretva River is BAM 1.66 million or 18.50% lower depreciation costs for 2025 (compared to the linear depreciation calculation method).

In accordance with the Decision of the Supervisory Board (NO-14333/23-102/4 of 25 April 2023), the Rulebook on Accounting and Accounting Policies of PE Elektroprivreda BiH d.d. - Sarajevo was amended in the sense that the functional calculation of depreciation is also applied to part of the equipment directly involved in the process of production of electricity from renewable sources. Pursuant to this amendment, the total annual depreciation for 2025 for the WPP "Podveležje" was reduced by BAM 0.32 million or 6.12%.

At its 91st session, held on 29 January 2026, the Company's Supervisory Board adopted the Rulebook on Amendment to the Rulebook on Accounting and Accounting Policies of PE Elektroprivreda BiH d.d. – Sarajevo (NO-2218/26-91/14 of 29 January 2026), which prescribes the functional method of calculating depreciation costs in all production units in the Production activity. This enabled the functional depreciation calculation model for part of equipment directly involved in the process of electricity production from thermal power plants. The effect of applying a functional calculation model for part of the equipment in the TPPs is BAM 5.72 million or 22.4% lower depreciation costs for subject equipment for 2025 (compared to the linear depreciation calculation method).

The net effect of applying functional depreciation for 2025 is a reduction of depreciation costs calculated under the linear method by BAM 7.71 million.

Costs of Network Charges and Fees for ISO

These costs amounted to BAM 59.85 million and relate to:

- costs of electricity transmission (BAM 48.56 million), of which BAM 43.75 million relates to deliveries to end customers on the distributive network, and BAM 4.81 million to deliveries to customers on the transmission network,
- costs of fees for the operation of ISO BiH in the amount of BAM 6.24 million (of which BAM 0.38 million relates to the Production activity based on the cost and price of the G component);
- network usage charges for end customers in the amount of 5.04 million, relating to network charges for electricity purchases from other power utilities in BiH for deliveries on the MV/LV network in accordance with the UPTS.

The costs of network charges and fees for ISO are 0.8% higher than planned, due to slightly increased energy flows through the transmission network. Compared to 2024, they are higher by BAM 1.34 million or 2.3%.

Duty Expenses

These include the following expenses:

Water management fees in the amount of BAM 21.38 million relate to water contribution expenses, water protection fees, contributions for the use of hydroaccumulation facilities, general water management fee, and **cantonal fees of special importance for the Herzegovina-Neretva Canton**. The actual costs were lower than planned by BAM 0.90 million or 4.1%. More than 95.8% of these fees are variable in nature and are paid in accordance with actual production, primarily in the branch HPPs on the Neretva River, where the costs are particularly high (a total of BAM 18.90 million) for contributions for the use of hydroaccumulation facilities and water fees of special importance for HNK.

At the very end of the year, more precisely on 26 December 2025, in the "Official Gazette of FBiH", number 96/25, the judgment of the Constitutional Court of BiH was published, ruling that the Law on Waters of the Herzegovina-Neretva Canton is not in accordance with the Constitution of FBiH. This decision reduces the costs of water fees paid by the EPBiH by about BAM 6.6 million per year, which is not a negligible amount given the current situation of the Company. Since the introduction of this Law in 2014, the EPBiH has paid about BAM 79 million to the HNK budget.

Compared to 2024, these duties are lower by 3.3%, primarily due to a reduced volume of hydro production (lower by 6.4%).

Various duties, fees and membership fees were realized in the amount of BAM 17.05 million, which is BAM 0.46 million or 2,6% less than planned. They include costs related to various taxes (company tax, property tax, etc.), fees (fees for the use of construction land, utility fees, air pollution fees, regulatory fees for FERK, DERK, and RAK), as well as membership contributions (to chambers of commerce and professional associations). The largest expense within this budget item is the fee under the Law on Allocation and Direction of a Part of the Company's Revenue Generated by the Operation of Thermal Power Plants, amounting to BAM 6.34 million, followed by the air pollution fee, amounting to BAM 3.48 million. Also significant are the costs of utility fees and concessions, amounting to BAM 2.59 million, as well as regulatory fees for FERK in the amount of BAM 1.35 million.

Compared to the actual expenditure in 2024, the costs under this budget item are less by a total of BAM 4.15 million or 19.6% (primarily due to the decreased volume of thermal production, which was lower by 11.2%).

Financial Costs and Expenses

Financial costs and expenses amounted to BAM 4.01 million, which is BAM 0.42 million or 9.4% less than planned. The largest costs under this budget item are interest expense on bank loans (BAM 2.13 million), and interest expenses based on actuarial calculations (BAM 1.72 million). Other expenses include default interest and other interest expenses, negative exchange rate differences, and other financial expenses (totalling BAM 0.16 million).

The net effect of exchange rate differences is positive with a significant impact on the performance (BAM 1.15 thousand).

Other Expenses

Other expenses for the reporting period amounted to BAM 17.53 million, which is BAM 13.58 million or 43.7% less than planned.

These expenses include:

- expenses related to the write-off and impairment of receivables (on various grounds) BAM 6.67 million;
- impairment losses IUT BAM 5.0 million;
- expenses related to the impairment and write-off of unusable inventories BAM 1.67 million;
- credit losses long-term financial assets BAM 1.05 million;
- purchase value of sold supplies and services rendered BAM 0.97 million;
- expenses related to losses from impairment of fixed assets BAM 0.73 million;
- subsequent costs and prior-year expenses BAM 0.74 million.

All other expenses total BAM 0.70 million.

Provisioning Costs

Provisioning costs amount to BAM 22.39 million, which is BAM 1.54 million or 6.4% less than planned. These costs relate to provisions for:

- ongoing legal disputes against the Company BAM 8.45 million;
- actuarial calculation under IAS 19 BAM 3.68 million;
- dismantling of fixed assets at thermal power plants BAM 1.94 million;
- unused annual leave BAM 0.74 million;

which provisions represent the Company's liabilities in accordance with the applicable International Accounting Standards.

The provisions related to the actuarial calculation under IAS 19 cover severance payments and jubilee awards for employees, as well as payments related to the death of retired employees. Actuarial losses amounting to BAM 7.58 million have also been calculated, which is higher than in previous years, given the application of the provisions from the GKU regarding jubilee awards.

In accordance with the Company's Management Board Decision on the application of International Accounting Standard IAS 37 (*Provisions, Contingent Liabilities, and Contingent Assets*) a provision process was carried out for legal disputes in which EPBiH is the defendant. The most significant legal disputes relate to: an arbitration case with the Consortium Strabag AG Austria and Končar d.d. Zagreb regarding HPP "Vranduk", Elcom d.o.o. Tuzla, C.A. Organization of Sports Fishermen Konjic.

Revenue Collection

The collection rate of delivered electricity revenue from the supply to end customers was 96.7% and it represents the ratio of collected to invoiced revenue for the current year, where receivables from previous years and legally pursued claims (as the denominator) and payments on invoices (as the numerator) are included in the calculation.

The collection rate of revenue from electricity sales to end customers, expressed as the ratio of collected revenue to invoiced amounts in the current year (excluding the balance of outstanding receivables from previous years), amounts to 99.5%.

The largest individual debtors are the subsidiary coal mines companies, followed by public utility companies and institutions from the public sector (public broadcasting service, etc.).

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Collection rate %	95,4	94,8	95,5	96,1	96,0	96,6	97,2	96,8	96,8	96,7

The cumulative collection rate across the supply areas (SA) varies, ranging from 93.5% at the SA Mostar to 102.1% in SA Bihać. Comparative data on the collection percentage are presented in the table below.

No.	EPBiH supply areas	2025	2024
		%	%
1.	SA Sarajevo	98,5	99,7
2.	SA Tuzla	96,6	96,0
3.	SA Zenica	93,5	93,2
4.	SA Travnik	99,8	100,1
5.	SA Bihać	102,1	101,5
7.	SA Mostar	95,3	94,6
8.	Customers at MV and LV	97,3	97,4
9.	Customers at 110 kV, and others DSO	91,4	90,9
10.	**∑ TOTAL**	**96,7**	**96,8**

Revenue collection from Electricity Trade activity was achieved at 100%.

Financial Result

The financial result for the year 2025 is a pre-tax loss amounting to BAM 52.38 million, noting that the planned financial result for 2025 was a loss of BAM 61.18 million. This means the actual result is better than planned by approximately BAM 8.80 million.

The circumstances that adversely affected business in 2025:

- lack of planned production due to non-realization of deliveries of planned/contracted quantities and quality of coal by the mines from the EPBiH Concern, with a significant number of failures on thermal blocks caused by poorer quality of coal;
- poor hydrology;
- increase in consumption of end customers, especially in the framework of public supply service in the *households* category compared to the previous year;
- lower selling price of electricity within the supply of electricity to customers in public supply compared to the production/purchase price of electricity;
- due to the lack of production and increased distribution consumption by end customers and mandatory supply, the planned sales through balancing surpluses were consequently not realized;
- continuation of problems with the operations and liquidity of subsidiary coal mines, and deliveries of coal for the needs of TPPs;
- delivery of energy in the process of closing RMU "Zenica" which is not paid and which is continuously written off in the accounting;
- failure to collect receivables from the FBiH Budget on the basis of approved subsidies to customers from the household category in accordance with the Decision of the FBiH Government;
- preserving the liquidity of the subsidiary coal mines.

At the end of 2025, total production was below the planned levels according to the revised plan, on all grounds (TPPs, WPPs, PVPPs), except for HPPs, which was at the level of that plan. Achieved production in TPPs was 174.8 GWh less than planned according to SEEP VIII-XII in 2025. Production at WPP "Podveležje" was 8.9 GWh less than planned, which, with modest production of solar kWh, resulted in a total production lower than the plan by 180.2 GWh. In addition to regular annual maintenance and overhauls on all HPP units and TPP blocks, at TPP "Kakanj" the blocks were out of operation due to frequent malfunctions for a total duration of more than 3 months, and the same was true at TPP "Tuzla". This resulted in the absence of production, due to outages and deficits, which had to be compensated by unplanned electricity purchases from other companies where 286.7 GWh were purchased instead of the originally planned 36.2 GWh, costing significantly more than the variable production costs that would have been incurred at the thermal power plants. Far larger purchases than planned were one of the reasons for the development of the Revised Plan for 2025. Compared to the original plan, procurement is higher by 1,104.9 GWh.

The average purchase price of electricity bought due to deficits and outages was higher than the planned cost of production at TPPs, and the lack of production of 180.2 GWh had a negative effect of about BAM 12.2 million on the financial result. Compared to the original plan, this effect is far bigger. At the end of 2025, there were 314.6 thousand tons of coal in stock, which is 69.1 thousand tons more than the stock provided for by SEEP VIII-XII 2025.

The production shortfall at WPP "Podveležje" amounted to 8.9 GWh. Given the low variable production costs at the WPP, this also impacted the poorer result, where the negative effect can be estimated at around BAM 1.1 million compared to the plan, considering that the missing quantities from wind power production had to be purchased through the Trade activity.

In order to settle current liabilities and retain liquidity, the Company was forced to reduce long-term deposits with banks, which will mean a decrease in financial revenue (based on interest) in the coming period.

The loss incurred in 2025 primarily resulted from insufficient coal deliveries, unfavourable hydrological conditions, higher electricity procurement costs, and selling prices for electricity that were lower than both production and purchase value of electricity purchased on the market. Additionally, increased consumption by end customers contributed, primarily in the *household* category, where an adequate ratio of the production, purchase and selling prices of electricity to end customers has not been achieved yet. Increased consumption is still determined by the low price of energy compared to the far higher prices of other energy products on the market used for heating or cooling. This is the main factor of increased consumption. The implementation of the Energy Savings Program did lead to a reduction in certain cost categories, but to an insufficient extent to cover the underlying causes of the negative effect on business in 2025.

The loss incurred in 2025, in addition to the above circumstances, is also the result of the proper application of international accounting standards and records at the expense of operating expenses in 2025.

5. FINANCIAL STATEMENTS

Balance Sheet

	BALANCE SHEET AS AT 31 DECEMBER 2025		
No.		thousand BAM	thousand BAM
no.	ASSETS	31 Dec. 2025	31 Dec. 2024
	NON-CURRENT ASSETS	**2.561.626**	**2.550.522**
1.	Property, plant and equipment	2.138.618	2.129.685
2.	Right-of-use assets	631	1.057
3.	Investments in investment property		
4.	Intangible assets	9.021	10.488
5.	Biological assets	50	50
6.	Investments in subsidiaries	314.637	304.928
7.	Investments in associates	1.950	1.950
8.	Investments in joint ventures		
9.	Goodwill		
10.	Financial assets at fair value through other comprehensive income	5	5
11.	Financial assets at amortized cost	91.795	94.143
12.	Receivables from financial leases		
13.	Other assets and receivables	4.919	8.216
	DEFERRED TAX ASSETS	**5.963**	**5.977**
	CURRENT ASSETS	**491.157**	**586.490**
1.	Inventories	197.930	135.451
2.	Non-current assets held for sale and assets of discontinued operations		
3.	Contractual assets		
4.	Accounts receivable	170.842	157.646
5.	Other financial assets at amortized cost	43.985	212.957
6.	Receivables from financial leases		
7.	Financial assets at fair value through income statement		
8.	Derivative financial instruments		
9.	Cash and cash equivalents (excluding bank account overdrafts)	38.997	33.396
10.	Income tax advance payment	8.000	13.249
11.	Other assets and receivables, including accruals	31.402	33.791
	TOTAL ASSETS	**3.058.746**	**3.142.989**
	OFF-BALANCE SHEET RECORDS	2.114.040	2.091.622
	TOTAL ASSETS AND OFF-BALANCE SHEET RECORDS	5.172.786	5.234.610

continued

	BALANCE SHEET AS AT 31 DECEMBER 2025		
No.		thousand BAM	thousand BAM
no.		31 Dec. 2025	31 Dec. 2024
	CAPITAL		
1.	Equity	2.236.964	2.236.964
2.	Share premium		
3.	Reserves	370.341	431.295
4.	Revaluation reserves		
5.	Profit		
6.	Loss	50.477	60.954
7.	Equity attributable to owners of parent company	2.556.829	2.607.305
8.	Equity attributable to non-controlling interests		
	TOTAL CAPITAL	**2.556.829**	**2.607.305**
	LIABILITIES		
	NON-CURRENT LIABILITIES	**248.689**	**269.379**
1.	Financial liabilities at amortized cost	89.187	109.607
2.	Deferred income	46.836	51.236
3.	Provisions	112.665	108.532
4.	Other liabilities, including deferrals		4
	DEFERRED TAX LIABILITIES		
	CURRENT LIABILITIES	**253.229**	**266.305**
1.	Financial liabilities at amortized cost	123.765	120.121
2.	Financial liabilities at fair value through income statement		
3.	Derivative financial instruments		
4.	Deferred income	13.678	13.678
5.	Provisions		
6.	Liabilities for income tax		
7.	Other liabilities, including deferrals	115.786	132.506
	TOTAL LIABILITIES	**501.918**	**535.683**
	TOTAL CAPITAL AND LIABILITIES	**3.058.746**	**3.142.989**
	OFF-BALANCE SHEET RECORDS	2.114.040	2.091.622
	TOTAL EQUITY, LIABILITIES AND OFF-BALANCE SHEET RECORDS	5.172.786	5.234.610

ASSETS

Non-current assets

Property, plant and equipment constitute the largest part of non-current assets, amounting to BAM 2,138.62 million and representing 83.5% of the total value of non-current assets, or 69.9% of total assets. This item has increased by 0.4% compared to the previous year.

Status as of 31 December 2025		thousands BAM
PROPERTY, PLANT AND EQUIPMENT	Amount for the current year	Amount for the previous year
Land	85.740	85.279
Buildings	1.193.583	1.219.955
Plants, equipment and furniture	603.697	624.104
Vehicles	8.393	4.982
Other non-current tangible assets	1.175	904
Property, plants and equipment under construction	246.030	194.461
Total	2.138.618	2.129.685

Within *Property, plant and equipment*, the most significant item is buildings, amounting to BAM 1,193.58 million, followed by plants and equipment totalling BAM 603.70 million. Property, plant and equipment under construction account for BAM 230.66 million, advances for non-current assets for BAM 15.37 million, land for BAM 85.74 million, and vehicles for BAM 8.39 million. Other non-current tangible assets amount to BAM 1.18 million.

Right-of-use assets amount to BAM 0.63 million and relate to vehicles.

The value of *intangible assets* as of 31 December 2025 amounts to BAM 9.02 million (a decrease of 14.0% compared to 31 December 2024). This relates to concessions and licenses totalling BAM 3.50 million or 38.8%, and other intangible assets amounting to BAM 5.52 million or 61.2%.

Status as of 31 December 2025		thousands BAM
INTANGIBLE ASSETS	Amount for the current year	Amount for the previous year
Capitalized development investments		
Concessions, patents, licenses, and other rights	3.504	3.789
Other intangible assets	5.517	6.699
Intangible assets under development		
Total	9.021	10.488

Investments in subsidiaries as of 31 December 2025 amount to BAM 314.64 million and relate to equity participation in companies within the consolidation group.

Investments in associates as of 31 December 2025 amount to BAM 1.95 million and relate to equity participation in companies outside the consolidation group.

Financial assets at fair value relate to investments in debt securities and, as of 31 December 2025, amount to BAM 5.06 thousand.

Financial assets at amortized cost relate to non-current financial placements (loans and other financial assets) and amount to a total of BAM 91.79 million. This represents a 2.5% decrease compared to the end of 2024.

Other assets and receivables amount to BAM 4.92 million and relate to receivables from long-term restructuring for electricity and heat, receivables for housing loans and other non-current receivables, as well as receivables from prepaid expenses (land expropriation for SHPP Neretvica, urban planning approvals for the SHPP, changes of forest land designation to construction land, etc.).

Deferred tax assets (non-current)

Deferred tax liability as of 31 December 2025 amounts to BAM 5.96 million. This item represents the contra account to *Deferred tax income for the period* recognized in the profit and loss statement.

Current assets

Current assets amount to BAM 491.16 million, representing 16.1% of total assets. Current assets include inventories, contract assets, trade receivables, financial assets at amortized cost, cash and cash equivalents, other assets, receivables, and AVR. Current assets decreased by 16.3% compared to the end of 2024.

Inventory includes raw materials and supplies (coal, liquid fuels, electrical materials), spare parts, small inventory, vehicle tires, goods, as well as advances paid for their procurement. The carrying amount of total inventory including advances is BAM 197.93 million, representing an increase of BAM 62.48 million or 46.1% compared to the beginning of the year.

Advances given (mostly to the mines) had significantly burdened the *inventory* position in previous years, but, following the Decision of the Company's Assembly on conversion of paid but unjustified advances into long-term loans, this item has been substantially reduced. Therefore, this reduction does not result from their repayment but from the application of accounting standards, i.e., reclassification into a different asset category. The full collectability of these receivables remains uncertain due to the financial situation of the mines within the Concern.

Trade receivables (related legal entities, domestic and foreign customers) amount to BAM 170.84 million, representing an increase of BAM 13.20 million or 8.4 % compared to the beginning of the year.

The structure of trade receivables in EPBiH as of 31 December 2025 is presented in the following overview:

CUSTOMERS as of 31 December 2025	thousands BAM
1.1 Customers – related legal entities	6.864
1.2. Domestic customers	163.430
Domestic customers - regular	159.563
Doubtful and disputed receivables from domestic customers	3.484
Domestic customers under litigation	33.788
Impairment of receivables from domestic customers	33.405
1.3 Foreign customers	548
Total Customers	170.842

Domestic customers are reported in the amount of BAM 163.43 million, and they relate to receivables from distribution consumers, which include legal and natural persons and households, as well as receivables from consumers at 110 kV network and other consumers (end customers). The impairment of receivables from Domestic customers amounts to BAM 33.41 million, and net receivables from domestic customers amount to BAM 130.03 million.

Doubtful and disputed receivables from domestic customers amount to BAM 3.48 million and relate to receivables that have not been collected within 90 days from the invoice due date.

Litigated receivables from domestic customers amount to BAM 33.79 million, which, compared to the beginning of the year, are BAM 0.12 million or 0.4% higher. These relate to litigated receivables from:

- electricity customers - other consumption categories (BAM 15.11 million);
- electricity customers at 110 kV voltage level (BAM 7.49 million);
- electricity customers - unauthorized household consumption (BAM 3.28 million);
- customers – technological steam and thermal energy (BAM 2.61 million);
- electricity customers - households (BAM 2.25 million);
- customers for other secondary activities (BAM 1.11 million);
- electricity customers - unauthorized consumption of other categories of customers (BAM 1.00 million);
- energy service customers - connections (BAM 0.69 million);
- customers – unauthorized consumption BAM 0.24 million.

Receivables from foreign customers amount to BAM 0.55 million and relate to receivables for electricity sales (invoicing of electricity for December, with payment due in January 2026).

Other financial assets at amortized cost relate to the current part of non-current financial placements (long-term deposits and loans) and amounts to BAM 43.99 million. Of this amount, BAM 29.34 million relates to deposits, BAM 14.33 million to loans, and BAM 0.32 million to other financial assets.

Cash and cash equivalents amount to BAM 39.00 million, representing an increase of BAM 5.60 million compared to the beginning of the year.

Income tax prepayment amounts to BAM 8.00 million.

Other assets and receivables, including accruals and deferrals, total BAM 31.40 million, and they relate to receivables from overpaid liabilities, employee receivables, interest receivables, receivables from government and other institutions, etc. Compared to the beginning of the year, these receivables have decreased by BAM 2.39 million or 7.1%.

Capital and Liabilities

Capital

The Company's financial statements as of 31 December 2025, report the following equity:

Share capital of the Company as of 31 December 2025 amounts to BAM 2,236.9 million, representing registered share capital divided into 31,506,541 ordinary shares with a nominal value of BAM 71.00 each.

Other reserves as of 31 December 2025 amount to BAM 370.34 million. Compared to the end of 2024, they have decreased by BAM 60.95 million or 14.1%.

CAPITAL thousands BAM	31 Dec. 2025	31 Dec. 2024
Equity	2.236.964	2.236.964
Reserves	370.341	431.295
Accumulated retained earnings from previous periods		
Profit for current period		
Accumulated uncovered losses from previous periods		
Loss for current period	50.477	60.954
TOTAL CAPITAL	2.556.829	2.607.305

Compared to the position as of 31 December 2024, the Company's total capital has decreased by BAM 50.5 million.

Capital adequacy has not been compromised, as the current year's loss did not reach half of the share capital. The loss for the current year represents 2.3% of the share capital.

Non-current Liabilities

Non-current liabilities total BAM 248.69 million and include financial liabilities at amortized cost, deferred income, provisions, and other non-current liabilities.

Financial liabilities at amortized cost amount to BAM 89.19 million and consist of liabilities from loans taken (BAM 88.96 million) and lease liabilities (BAM 0.23 million).

Deferred income amounts to BAM 46.84 million and relates to the prepaid and deferred income of the Company from donations for received fixed assets, materials, and cash.

Non-current *provisions* are reported at BAM 112.67 million and comprise provisions for ongoing legal disputes of BAM 45.85 million, calculated provisions for employee benefits under IAS 19 of BAM 49.37 million, provisions for dismantling facilities at thermal power plants of BAM 17.45 million.

Current Liabilities

Current liabilities total BAM 253.23 million, representing a decrease of BAM 13.08 million compared to the end of 2024. They include financial liabilities at amortized cost, deferred income, income tax liabilities, and other liabilities, including accruals and deferrals.

Financial liabilities at amortized cost total BAM 123.77 million. The largest portion relates to trade payables amounting to BAM 59.44 million. Of this, trade payables to domestic suppliers amount to BAM 46.51 million, liabilities to foreign suppliers amount to BAM 2.61 million, and trade payables - related legal entities BAM 10.32 million.

The remainder relates to contractual liabilities of BAM 44.90 million (liabilities for advances received), loan liabilities of BAM 19.00 million (short-term portion), lease liabilities of BAM 0.43 million (vehicles), and other financial liabilities at amortized cost.

Deferred income amounts to BAM 13.68 million and relates to income received in advance for future periods and part of current accruals.

Other liabilities, including accruals and deferrals total BAM 115.79 million. These comprise liabilities for salaries, taxes and contributions, dividend liabilities, liabilities to members of the Supervisory Board and other natural persons, membership fees, and other operating liabilities.

* * *

From the presented Balance Sheet, it is evident that the total *assets* or total *capital and liabilities* of EPBiH as of 31 December 2025, amount to BAM 3,058.75 million, which is a decrease of BAM 84.24 million (or 2.7 %)

compared to the balance as of 31 December 2024. Regarding the assets, non-current assets decreased (by BAM 95.33 million). Regarding the liabilities of the balance sheet, Capital, as well as non-current and current liabilities, also decreased.

Cash Flow Statement

In 2025, the Company generated a net cash inflow, i.e. an increase in cash balances compared to the end of the previous year, amounting to BAM 5.60 million. The total net positive flow from operating and investing activities was higher compared to the net outflow from financing activities. This resulted in an increase in cash compared to the beginning of 2025.

The net cash flow from operating activities amounts to BAM 18.25 million, which is multiple times lower compared to that achieved in 2024. The net cash flow from investing activity is positive at BAM 22.78 million, with regard to the repayment of loans and termination of term assets. From financing activities, a net cash outflow of BAM 35.43 million was recorded, mainly related to the continued repayment of principal on the loan for WPP “Podveležje,” as well as settlement of other loan liabilities formed in the previous period.

Financial Performance Indicators

PROFIT AND LOSS STATEMENT INDICATORS AND OTHER	**Actual 2025**	Rev. Plan 2025	Actual 2024
Electricity production (GWh)	4.808,6	4.988,8	5.317,7
Operating revenue (thousand BAM)	**1.464.531,1**	**1.456.927,8**	**1.229.404,9**
Revenue from sales of electricity and auxiliary services	1.394.715,5	1.390.386,1	1.163.482,2
Revenue from sales of by-products, materials, and services	69.815,6	66.541,6	65.922,7
Cash operating expenses (thousands BAM)	**1.392.857,4**	**1.361.937,5**	**1.181.021,6**
- costs of materials for electricity production and coal transportation	450.102,2	467.577,2	499.653,3
- materials and maintenance services	53.042,3	48.681,4	43.982,6
- salaries and other employment expenses	209.564,5	213.675,1	197.335,4
- dependent selling expenses *	592.483,9	532.663,6	351.742,0
- duties	38.434,9	39.795,9	43.302,0
- other operating expenses	49.229,6	59.544,3	45.006,3
EBITDA (thousands BAM)	**71.673,7**	**94.990,2**	**48.383,3**
Income from donations (depreciation of donated assets)	5.337,3	5.659,8	5.841,4
Depreciation (thousands BAM)	137.429,6	144.363,6	144.675,1
EBIT (thousands BAM)	**-60.418,7**	**-43.713,6**	**-90.450,4**
Operating ratio (operating expense + depreciation) /operating revenue)	1,041	1,030	1,073
Efficiency ratio (total revenues / total costs and expenses)	0,966	0,960	0,963
Working ratio (operating expenses / operating revenue)	0,951	0,935	0,961
Employee costs per worker	53,60	52,03	52,75
Production per worker	1,230	1,215	1,421
Share of costs and expenses in total revenue	103,47	104,13	103,89
Average number of employees (end of month balance / 12)	3.910	4.107	3.741
Production cost/operating revenue	30,7%	32,1%	40,6%
Costs of materials and maintenance services/operating revenue	3,6%	3,3%	3,6%
Employment expenses/operating revenue	14,3%	14,7%	16,1%
Dependent selling expenses/operating revenue	40,5%	36,6%	28,6%
Duties/operating revenue	2,6%	2,7%	3,5%
Other expenses/operating revenue	3,4%	4,1%	3,7%

***** *dependent procurement expenses include electricity procurement costs, electricity transmission costs, costs of auxiliary services (system and other services) and fees paid to the ISO.*

6. IMPLEMENTATION OF HUMAN RESOURCES PLAN

The monitoring of the implementation of human resources plans (by activities, subsidiaries, for the Directorate and for the Company as a whole) is carried out in accordance with the established planning system in this area. As of 31 December 2025, the Company had 3,947 employees, of which 3,905 were employed for an indefinite period, 5 employees were on hold status or on unpaid leave, 0 employee was hired for a fixed-term period, while there were 35 individuals in the status of interns.

As of 31 December 2025, there were 2 employees hired as replacements for workers temporarily unable to work (sick leave) for a period longer than 42 days, and for female employees on maternity leave, so the total number of employees as of 31 December 2025 is 3,947. The recruitment of new employees was carried out in accordance with the Decision on the Determination of the manner of implementation of employment of new employees and interns in the Public Enterprise Elektroprivreda Bosne i Hercegovine d.d. – Sarajevo, and according to the number specified in the Plan. A total of 162 new employments for an indefinite period were planned for 2025, and as of 31 December 2025, 40 new employees were hired according to the plan, and additional 39 new employees were hired due to unforeseen circumstances (death, resignation, etc., which are not subject to planning restrictions). In 2025, 314 new employees were hired for an indefinite period through a recruitment process initiated in 2024 but not completed at that time. These hires are included in the total number of 3,947 employees.

For fixed-term employees, there are two categories, the first category includes employees hired in accordance with the employment plan for the current year, their number being, as of 31 December 2025, 1 out of the 18 planned, and the second category includes employees hired as replacements for workers who are temporarily unable to work (sick leave) for a period longer than 42 days, as well as employees on maternity leave, of which, by 31 December 2025, a total of 4 such employees had been hired, and this category is not subject to planning restrictions.

In 2025, the employment of 40 interns was planned, and by 31 December 2025, a total of 3 trainees had been hired in accordance with the plan, and 54 trainees were employed through a recruitment process initiated in 2024.

During the reporting period, there were 275 employment contract terminations on all grounds (by operation of law due to retirement, employee death, mutual agreement, employee resignation, employer termination, and expiry of fixed-term employment contracts).

No.	Organizational unit	Status as of 31 December 2025					
		Indefinite	Fixed-term	Other	Total	Replacement/ trainees	Total
1.1	Management and org. units of Management	137			137		**137**
1.2	Company Production	14			14		**14**
1.3	Company Distribution	23			23		**23**
1.4	Administration and Trade Sector	22			22	2	**24**
1.5	Supply	225			225	1	**226**
1.6	Economic affairs	40			40		**40**
1.7	Legal Affairs & Human Resources	34			34		**34**
1.8	Capital Investments	26			26		**26**
1.9	Company Development	19			19		**19**
1.10	Subsidiaries and Affiliates	12			12		**12**
1.11	Company Secretary Office	3			3		**3**
1.12	Internal Audit Department	8			8		**8**
1. DIRECTORATE TOTAL		**563**			**563**	**3**	**566**

No.	Organizational unit	Status as of 31 December 2025					
		Indefinite	Fixed-term	Other	Total	Replacement/ trainees	Total
2	HPPs on the Neretva River	324		1	325	1	**326**
3	TPP "Kakanj"	490		2	492	3	**495**
4	TPP "Tuzla"	547		0	547	3	**550**
5	ED Bihać	308		1	309	9	**318**
6	ED Mostar	175		0	175	0	**175**
7	ED Travnik	196		0	196	7	**203**
8	ED Sarajevo	453		0	453	0	**453**
9	ED Tuzla	473		1	474	0	**474**
10	ED Zenica	376		0	376	11	**387**
	EPBiH Total	**3.905**		**5**	**3.910**	**37**	**3.947**

Employee Training

The majority of training activities in 2025 were carried out through employee participation in seminars, conferences, and other forms of training by invitation, part of which was held online.

The most significant employee participation was realized at the 17th Consultation of the BH CIGRE Committee, held in October 2025 in Neum, which was attended by 130 employees, and at the Sarajevo Energy & Climate Week 2024 - SECW, held in September 2025, which was attended by 35 employees, then at the Conference "Energy Turnaround – the Road to Climate Neutrality, Decarbonisation and Just Transition" in Tuzla, held in April 2025, which was attended by 28 employees, and at the Sarajevo Energy Forum SEF 2025, held in January 2025, which was attended by 16 employees.

During 2025, eight in-house training sessions were held at the Training Centre in Zenica, attended by 147 employees of the Company.

In 2025, employees also attended and successfully completed 158 online courses via the Education Portal, meaning that, since the Education Portal was launched, the total number of completed online courses has reached 4,781.

7. IMPLEMENTATION OF INVESTMENT PLAN

In EPBiH, the total amount of investment expenditures in activities and branches in 2025 amounts to BAM 151.4 million, which is 40.7% lower than planned and 38.4% higher compared to the investment implemented in 2024.

The main reasons that prevented the implementation of the Investment Plan are:

- strict enforcement of the Law on Public Procurement, resulting in some public procurement procedures being repeated due to an insufficient number of bidders,
- prolonged processes in securing the necessary permits and approvals for project implementation,
- delays in the execution of projects involving the construction of new and replacement production facilities.

IMPLEMENTATION OF INVESTMENT PLAN BY BRANCHES/ ACTIVITIES IN 2025

million BAM

Level of Investment	Actual 2024	Plan for 2025	Actual 2025	Structure within activity	In relation to total investments
Production activity					
TPP "Tuzla"	11,5	30,3	24,6	36,5%	16,2%
TPP "Kakanj"	16,1	41,0	38,1	56,5%	25,1%
HPPs on the Neretva River	3,4	5,5	4,3	6,4%	2,9%
SHPPs	0,1	1,0	0,1	0,2%	0.1%
ICT for Production activity	0,1	0,5	0,3	0,5%	0,2%
Total Production activity	31,1	78,2	67,4	100,0%	44,5%
Distribution activity					
ED Bihać	15,4	13,6	17,4	21,4%	11,5%
ED Mostar	4,8	2,9	4,8	5,9%	3,2%
ED Sarajevo	18,8	18,7	18,1	22,3%	11,9%
ED Travnik	6,7	15,5	8,3	10,2%	5,5%
ED Tuzla	14,5	12,3	17,7	21.8%	11,7%
ED Zenica	11,5	12,0	14,0	17,3%	9,3%
ICT for Distribution activity	0,2	2,6	1,0	1,2%	0,6%
Total Distribution activity	72,0	77,8	81,2	100,0%	53,6%

Supply and Trade activity					
All supply areas	0,001	0,9	0,075	78,9%	0,0%
ICT for Supply and Trade activity	0,0	0,8	0,02	21,1%	0,0%
Total Supply and Trade activity	0,001	1,7	0,094	100,0%	0.1%
Investments at Company level					
Investments in capital projects	5,0	91,3	1,9	71,1%	1,3%
Joint projects	0,1	2,4	0,1	4,2%	0.1%
ICT	1,2	3,8	0,7	24,7%	0,4%
Total at Company Level	6,3	97,5	2,7	100,0%	1,8%
Total EPBiH Investment	**109,4**	**255,2**	**151,4**	**-**	**100,0%**

Investments in coal mining subsidiaries during 2025 amounted to BAM 9.7 million, which is 36.7% of the planned 26.5 million.

IMPLEMENTATION OF INVESTMENT PLAN IN PRODUCTION ACTIVITY

The business plan forecasts a total investment of BAM 78,2 million for Production activity in 2025, all being own funds, given that part of these funds, BAM 1.0 million is allocated for investments in the Tuzla, Bihać, Sarajevo, and Mostar business units, while part of funds, BAM 453 thousand is planned for investment in System ICT projects. During 2025, a total of BAM 67.4 million was realized, representing 86.2 % of the planned investments.

The reasons why the planned funds were not fully realized are as follows:

- public procurement procedure under the Law on Public Procurement is highly challenging, primarily due to the submission of a significant number of complaints regarding both the public procurement procedure documentation and the selection of bidders, where, in most cases, these complaints are either irregular or unfounded and are dismissed, but they significantly delay the procurement procedures;
- the number of companies specializing in the production of equipment for thermal power plants, their maintenance, and the provision of qualified workforce has significantly decreased in the market. For this reason, the number of qualified bidders submitting offers for initiated procurement procedures has been substantially reduced;
- in addition, it should be noted that energy crisis caused by the war in Ukraine has resulted in constant problems in the implementation of contracts in terms of hiring workers necessary for their implementation and a significant increase in the prices of energy products, materials, services and transport.

To partially mitigate external impacts on the implementation of certain projects, measure were taken, and in the Production activity, detailed monitoring of the market for goods, works, and services is conducted, along with comparisons to previous years' data and adjustments to the estimated value of planned procurements, which has resulted in some projects being realized within the planned scope but for a monetary amount lower than the investment amount approved in the relevant investment decision. Certain previously made investment decisions have also been reviewed and reconsidered, as from the current perspective they could not be realized to the planned extent, and such implementation would not yield the desired results. These investment decisions were abandoned, resulting in a higher amount of own funds available for projects that must be completed as soon as possible. Taking into account these facts, primarily the highly challenging public procurement process under the Law on Public Procurement, based on undertaken activities (initiated procurement procedures and signed contracts), the implementation of certain projects planned for 2025 has been postponed, and the plan is for them to be successfully implemented in 2026.

The most important activities for projects planned for implementation in 2025, which have characteristics of both investment and ongoing maintenance, are:

- contracted procurement of goods and services for regular annual overhaul of Block 5 and Block 6 at TPP "Tuzla", which were successfully completed;
- contracted procurement of goods and services for the capital overhaul of Block 4 in TPP "Tuzla", which was successfully completed;
- contracted procurement of goods and services for regular annual overhaul of Block 5 and Block 5 at TPP "Kakanj", which were successfully completed;
- certain procurement procedures were initiated, the contracting of which created the preconditions for the successful implementation of all planned activities in the project "Revitalization of Block 7 at TPP 'Kakanj'", whereby the subject revitalization began on 1 August 2025;
- contracted procurement of goods and services for the purpose of realization of the regular annual maintenance/overhaul of Generator A1 and A2 at HPP "Grabovica" and all three Generators at HPP "Salakovac", whereby the subject maintenance/overhauls of generators were successfully realized at the planned dates or the outage dates were postponed in accordance with the requirements of the electric power system and energy needs;
- contracted procurement of goods and services for the overhaul of Generator A2 at HPP "Jablanica", which is being implemented;
- initiated procurement procedure for the purpose of implementation of the Project "Construction of the flue gas desulphurisation plant at Block 6 in TPP "Tuzla", and the same is in the contracting phase;
- at the end of 2024, a Contract was signed for the implementation of the project "Construction of a joint flue gas desulphurization plant at Block 6 and Block 7 in TPP "Kakanj" and it is in the implementation phase, with the problem relating to obtaining the necessary permits due to complaints and lawsuits by certain organizations from the non-governmental sector;
- initiated procurement procedure for the purposes of implementation of the project "Construction of the flue gas denitrification plant at TPP 'Kakanj'".
- an investment decision was made by the competent authorities of the EPBiH and the phase of preparation of tender documentation for the implementation of the project "Construction of a flue gas denitrification plant at TPP 'Tuzla'" is ongoing;
- an investment decision was made by the competent authorities of the EPBiH and the preparation of tender documentation for the implementation of the project "Construction of a flue gas desulphurization plant for lignite-fired blocks in TPP 'Tuzla'" is currently underway.

IMPLEMENTATION OF INVESTMENT PLAN IN DISTRIBUTION ACTIVITY

The business plan for the Distribution activity in 2025 foresees an investment amount of BAM 77.8 million. Part of the funds, amounting to BAM 2.6 million, is allocated to investments in system ICT projects. The remaining amount is planned for implementation across electricity distribution branches, with BAM 75.0 million from own funds and BAM 169 thousand from loan funds. During 2025, the level of investment in Distribution activity projects reached BAM 80.3 million (excluding ICT investments), which is 6.8% above the plan and 11.8% higher compared to the investment realized in 2024. A significant part of the realized investments relates to investments planned and started before 2025. Considering that the revenue from connection fees was higher than the plan, there was also a greater realization of investments related to the connection.

Investments were realized in the planned amount despite challenging circumstances, such as:

- prolonged and complex procurement procedures for of goods/works/services;
- lengthy and complex procedure to obtain the necessary permits and approvals for implementation of investment projects;
- complex procedures for resolving property-legal issues due to outdated land registers, which are also inconsistent with the cadastre;
- EIB loan for *Electricity distribution* project did not become operational during 2025.

During 2025, regular activities were carried out in the distribution branches involving the construction and reconstruction of electricity distribution facilities with the goal being to create conditions for connecting new end users to the distribution network and to improve the quality of electricity supply for existing end users. Connection of end customers is treated as an investment, with 50% of the funds collected from one-time connection fees paid by end customers/producers, and the other 50% provided by the distributor from its own funds. This approach has created significant prerequisites for the development and expansion of the electricity distribution network by enabling connections for end customers/producer. Thus, the distributor acts as the investor in connections to the electricity distribution network and carries out all activities, from preparatory tasks (resolving property and legal issues, designing, obtaining permits and approvals) to the construction of connections and energizing the facilities of end customers/producers.

Below is an overview of the most significant projects completed in 2025:

- completed construction of 97 transformer stations (TS) 10(20)/0.4 kV and distribution network construction spanning 684 km, of which 103 km is medium-voltage and 581 km low-voltage distribution network;
- completed construction of 6 transformer stations 20/0.4 kV;
- completed reconstruction of 51 TS 10(20)/0.4 kV and reconstruction of distribution network spanning 76 km, of which 21 km is medium-voltage and 55 km low-voltage distribution network;
- completed reconstruction of 38,264 billing metering points;
- number of metering points integrated into the AMM system increased by 34,986;
- in line with the strategic commitment to transition MV network to a unified 20 kV voltage level, activities are continued on preparation for switching parts of the DSO currently operating at 10 kV to 20 kV;
- in accordance with the strategic decision to eliminate the 35 kV voltage level, activities continue towards transition to a unified 20 kV voltage level.

IMPLEMENTATION OF INVESTMENT PLAN IN SUPPLY ACTIVITY

The Investment Plan for the Supply activity for 2025 foresees total capital investments in the amount of BAM 1.7 million, of which BAM 915 thousand is allocated to projects within the Supply activity, and BAM 777 thousand to system ICT projects related to this activity. During 2025, BAM 94 thousand investment was made in projects related to the Supply activity and for systemic ICT projects related to this activity.

IMPLEMENTATION OF INVESTMENT PLAN AT COMPANY LEVEL

Capital Investments

Planned capital investments for 2025 amounted to BAM 91.3 million, while BAM 1.9 million was realized, or 2.1% of the planned amount. The activities on the realization of capital investments focused on preparing and realization of power facilities: thermal power plants, hydropower plants, wind power plants, and solar power plants. Although the financial realization reflects a relatively modest volume of investments, the operational activities were extremely intensive and complex, since they include a significant number of projects at different stages of preparation, which require long-term administrative, technical, financial and property-legal processes. The activities included the preparation of investment and technical documentation, site testing and surveys, obtaining urban planning, water, environmental and energy approvals and permits, conducting procedures for real property expropriation, securing financial structures in cooperation with international financial institutions, and preparing and implementing procurement procedures, including multi-stage tenders for the procurement of construction in accordance with the procedures of international financial institutions. Although efforts were made on all projects, and a significant amount of work was done on the preparation of the construction of new power facilities, the realization of capital investments in 2025 took place in a complex environment marked by administrative, property-legal, regulatory and court obstacles, including challenges related to the disposal of state property, inconsistency of spatial planning documents, complaints of non-governmental organizations, and lengthy permitting procedures. These factors continue to strongly influence the dynamics of preparation and implementation of the Company's strategic energy projects and remain one of the key challenges for the implementation of capital investments.

The activities of preparation and construction of thermal power plants were predominantly aimed at continuing to protect the rights and interests of the Company after the termination of the EPC contract for the construction of Block 7 – 450 MW at TPP "Tuzla", including negotiations with the EPC contractor for the amicable resolving of the remaining outstanding issues, with continuous insisting on the protection of the Company's interests. EPBiH completed the preparatory works for Block 7 at the beginning of 2021, including site development, infrastructure connections, and activities related to the relocation of transmission lines and connection to the network. The contractor's litigation against EPBiH in the amount of BAM 4.56 million is still ongoing, and several accompanying contracts, including the one with Elektroprijenos BiH, remained unresolved due to disagreement on assuming responsibility for possible disputes. The procurement of the supervisory authority was suspended and its cancellation was proposed because after the termination of the EPC contract there is no longer a need for this service.

During the reporting period, activities were also carried out on the implementation of the project of transport and disposal of solid products from TPP "Tuzla" to PK Šikulje. This project, which is crucial for the reclamation of degraded areas at PK Šikulje, includes the implementation of additional mining projects at the location of the surface mine, as well as the development of main and conceptual designs for the transport and storage of process products within the thermal power plant. During the reporting year, a positive opinion of the competent Cantonal Ministry was obtained, and at the end of November, an official application was submitted to the Federal Ministry of Physical Planning (FMPU) for the issuance of an urban planning approval. There were no activities on other thermal power projects, including Block 8 at TPP "Kakanj" and the Kakanj–Sarajevo hot water pipeline, since they are still in the phase of strategic review and dependence on future decisions of the FBiH Government and regulatory authorities.

Hydropower portfolio in 2025 included a wide range of projects at different stages of preparation: HPP "Janjići", HPP "Ustikolina", HPP "Kovanići", HPP "Una Kostela", HPP "Vranduk", SHPPs on the Neretva River, as well as small hydropower plants such as SHPP "Modrac" 2 and SHPP "Kakanj". Most of the activities related to administrative procedures, expropriation, obtaining consent, and preparation of technical documentation, while continuously facing legal and regulatory obstacles. The expropriation procedures for HPP "Janjići" take place through city authorities, while the FMPU has reached a conclusion on the termination of the procedure for issuing building permits due to open issues related to the disposal of state property. The first phase of road infrastructure construction for this project has been completed, but the environmental permit remains the subject of court proceedings initiated by NGOs. HPP "Ustikolina" faces similar challenges: although the FMPU launched an initiative to remove obstacles in June 2025, the process of obtaining the necessary acts is still ongoing, including the preparation of an environmental flow study. Regarding the HPP "Una Kostela" project, the Supreme Court rejected the EPBiH's request for review of the court decision rejecting the EPBiH's request for issuing of an urban planning approval for the construction of HPP "Una Kostela", which seriously calls into question the justification for further investment in this project. The projects of HPP "Vranduk" and HPP "Kovanići" are the subject of court proceedings related to environmental permits. At the same time, an expropriation study and an assessment of the environmental flow are in progress for HPP "Kovanići".

In the segment of small hydropower plants, the situation is also challenging: SHPP "Kakanj" cannot be realized because it is not possible to obtain an energy permit in accordance with the new Law on Electricity, while for SHPP "Modrac" 2, the issuance of a prior water consent was refused and all possibilities for the continuation of the project were exhausted.

Wind power projects during 2025 were marked by intensive activities on the projects of WPP "Vlašić" and WPP "Bitovnja", two strategic projects to diversify energy sources and increase the share of renewable sources in the production portfolio of EPBiH. For WPP "Vlašić", the Critical Habitats Study was completed, on the basis of which the innovative technical documentation is being prepared. The first phase of the tender for the selection of the implementation consultant was carried out, the preparation of the second phase began, and activities were conducted to provide connections to the transmission network. It is particularly significant that at the end of 2025, the BiH Council of Ministers approved loan and grant funds agreements with KfW Bank, which ensured the financing of the project. WPP "Bitovnja" entered the advanced stage of preparation after the Feasibility Study was completed and an assessment mission was conducted by KfW and EIB. Preliminary designs and applications for urban approvals have been prepared, and a tender for an implementation consultant has been published.

The most activities and the greatest progress in the preparation of construction during 2025 were on the projects of solar power plants, primarily PVPP "Gračanica" 1 and 2, PVPP "Gornja Breza", PVPP "Višća" and PVPP "Podveležje" 3. For PVPP "Gračanica" 1 and 2, construction approvals were obtained in principle, urban approval for the connection transmission line was obtained, an incomplete expropriation procedure was initiated for the route of the connection transmission line, multiphase tender documentation was prepared and published, and a construction right contract was concluded between EPBiH and RU "Gračanica", which is one of the key preconditions for the withdrawal of credit tranches for this project. For projects from the so-called Solar Portfolio; PVPP "Gornja Breza", PVPP "Višća" and PVPP "Podveležje" 3, loan financing agreements were signed, including the EBRD, with the completion of the first phase of the tender (technical offer) for the procurement of the construction of these three solar power plants. The projects of PVPP "Divkovići", PVPP "Kreka-Šićki Brod" and PVPP "Bijele Vode" face unresolved property-legal and spatial-planning issues that prevent progress in the implementation of these projects. For the project of PVPP "Podveležje" 1 and PVPP "Podveležje" 2 (45 MW), activities on solving spatial planning problems, obtaining urban approvals and acquiring concession rights for the implementation of this project were intensively conducted this year as well. After an almost three-year procedure, there has been a shift in terms of urban planning documentation, but the project still depends on the analysis of Elektroprijenos BiH on the possibility of connection. PVPP "Banovići Selo" has received approval in principle, but at the same time it is the subject of a court dispute initiated by the Municipality of Banovići. Finally, PVPP "Rešetnica" was successfully commissioned at the beginning of the year, the qualitative acceptance was completed, and the facility was officially handed over to the jurisdiction of the organizational units for production.

Information and Communications Technologies - ICT

In the field of ICT, the 2005 Business Plan projected an investment totalling BAM 7.6 million. In 2025, BAM 2.0 million was invested in implementation of ICT investment projects, for joint projects and activity-specific projects. Planned and realized investments by activity are presented in the table below:

Investments by plan item	Plan for 2025	Actual 2025	Realisation rate
I.b ICT Production	0,5	0,32	69,6%
II.b ICT Distribution	2,6	0,95	36.1%
III.b ICT Supply and Trade	0,8	0,02	2,6%
V.a ICT Shared	3,8	0,66	17,9%
Total ICT	**7,6**	**2,0**	**25,6%**

The most significant ICT projects implemented in 2025:

Telecommunications equipment: procurement of the construction of the antenna pole at the location of Grič, Fojnica municipality was initiated.

IT equipment: ITP was implemented for the upgrade of the mobile application and the procurement procedure for the maintenance of the mobile application for customers and readers was initiated.

Within the *information security*, the following projects and activities were implemented: vulnerability scanner, POC for SIEM solution, BCP (Business Continuity Plan), Copyright Protocol for MDM, Law on Personal Data Protection.

Information systems: upgrade of functionalities in the SAP system, new functionalities and refinements in the DISP system, implementation of an interactive report for prosumers by distribution branches in DISP BI. Implementation, maintenance and increase of functionalities in the following applications: Investment of EEE, IPO, IPOP, Implementation of the PP Plan, Assembly-application for monitoring the sessions of the Company's Assembly, Dispute Base, Register of Acts, IM, Guarantees of Origin, GIS/DEEO, MDM system.

SOEE/son/SODM system: implemented internal system modifications in the part of reminders and notifications, including the management of their copies within the SOEE application; implemented a new type of reminder before the lawsuit; internally performed mass updates of consumer classes, which ensured up-to-date and accurate record keeping; successfully developed and implemented module "Green Energy" within the SOEE application, in accordance with the energy transition, and changes to the calculation; implemented redesign of the tariff list; successfully implemented changes related to the DPO on electricity bills in the SOEE application.

SPP System: preparatory activities for upgrading the system with the introduction of Prosumer and Green Energy, data analysis and preparation of reports for process users and creation of new templates.

Corporate Web Portal: maintenance contract successfully terminated and security flaws removed. *Supply Web Portal:* web portal put into production and enabled public access; enabled automatic completing of market supply requirements; enabled automatic updating of supply class for metering points on the backend. *Distribution Web Portal:* completed implementation and internal technical acceptance of the new distribution web page (available within the EP domain); upgraded module of the Service for processing user requests for non-standard measurement services, coming from the DSO web portal.

DMS System: preparatory activities for the introduction of digital signature; implementation of a new list of registry material; preparatory activities and upgrade of the system to simplify process steps in ED Sarajevo.

SCADA/DMS/OMS and integration: finalizing of data export from existing SCADA systems and importing them into the new SDO; transferring a larger number of effective line disconnectors from the old system to the new SDO, ED Tuzla; P2P testing of EEO.

CRM/Contact Centre: execution of e-mail campaigns; development and commissioning of a new application for listening to conversations from the CRM system, with the aim of improving customer support; modification of the web service method for e-invoice activation, in order to optimize the activation process; system updates related to the problems of phone number formats within the CRM application; custom CRM application for market supply workers, with a focus on improving correspondence with market customers; successful completion and termination of the Contract related to the maintenance and refinement of the CRM application.

IMPLEMENTATION OF INVESTMENT PLAN IN SUBSIDIARIES AND AFFILIATES

<u>Coal Mines</u>

For the recapitalization of four coal mining subsidiaries according to recapitalization decisions, the 2025 plan allocated investments totalling BAM 26.52 million, while for this period BAM 9.71 million was realized, representing 36.7% of the plan.

Investments by mined during 2025 amounted to:

- Coal mine "Kreka" d.o.o. – Tuzla — BAM 9.5 million
- Brown Coal Mine „Breza“ d.o.o. – Breza — BAM 0.22 million

There were no investments in other mines.

The most significant investments in in coal mining subsidiaries during 2025 are as follows:

Coal mines „Kreka” d.o.o. Tuzla

- Expropriation of land at PK Dubrave and PK Šikulje BAM 1.4 million
- Revitalization of BTO and BTK complexes of PK Dubrave and PK Šikulje BAM 8.1 million

Brown Coal Mine „Breza” d.o.o. Breza

- Spare parts for mining machinery BAM 0.22 million

Investments in coal mining subsidiaries were not realized in accordance with the plan because the decisions on amendments to the Recapitalization Decision were made at the end of December 2024, and because procurement procedures in the amount of approximately BAM 25 million were initiated in 2025, the implementation of which is expected in 2026.

Establishment of DSO

The Business Plan 2025 - 2027 plans to invest in the establishment of DSO in the amount of BAM 1.0 million. The deadline for the separation of DSO is two years from the date of entry into force of the FBiH Law on Electricity and is prescribed by Article 167, paragraph (1) of the Law, and that deadline expired on 17 August 2025. For objective reasons, the separation activities could not be completed by the legal deadline, but it is realistic to expect that they could be completed in the upcoming period. After the acquisition of all legal conditions for the formation of DSO (creation of legal preconditions for the implementation of the procedure for the separation of DSO, assessment and division of assets, transfer of the permit for the operation of DSO, the issue of investments, regulation of mutual relations between DSO and EPBiH, ICT, etc.), it will be possible to realize full separation and functional operation of DSO.

8. PROCUREMENT REPORT

The total value of contracts concluded through public procurement by EPBiH in 2025 that were entered into the SAP system is BAM 755,176,163.56. The amount in question refers to all contracts concluded in 2025, which were initiated in previous years and according to procurement plans from previous years, i.e. it represents the sum of monthly reports adopted by the Management Board and the Supervisory Board in 2025.

Overview of procurement contracts concluded in 2025 for the needs of EPBiH

Type of procedure	Number of procedures	Value in BAM	% of value
Direct agreement	788	1.581.478,85	0,21%
Competitive procedure with publication	187	2.263.820,67	0,30%
QUALIFICATION SYSTEM Negotiated procedure	10	6.264.088,25	0,83%
QUALIFICATION SYSTEM Restricted procedure	23	16.785.456,63	2,22%
Negotiated procedure with publication	41	93.547.769,80	12,33%
Negotiated procedure without publication	17	124.705.696,41	16,51%
Open procedure	1.243	161.084.945,56	21,33%
Restricted procedure with prequalification	113	19.786.586,90	2,62%
Contracts awarded under special regime	8	447.461,60	0,06%
Annex II	39	84.840,14	0,01%
Procurement from subsidiaries	32	328.165.297,82	43,46%
Exemption from the application of the Law on Public Procurement	15	458.720,93	0,06%
T O T A L:	**2.516**	**755.176.163,56**	**100%**

EPBiH, through the open procedure (1,243 procedures), concluded contracts in the amount of approximately BAM 161.08 million, which represents 21.33% of the total procurement value, as well as through the negotiated procedure with publication (which is equivalent to the open procedure for sector contracting authorities) in the amount of approximately BAM 93.55 million or 12.33%, then through the QUALIFICATION SYSTEM (negotiated procedure with publication of a notice + restricted procedure) in the amount of approximately BAM

23.05 million; competitive procedure with publication of a notice in the amount of approximately BAM 2.26 million, which accounts for approximately BAM 279.94 million or 37.1% of the total value of contracts concluded in 2025.

Procurement by EPBiH from its subsidiaries was carried out through 32 procedures and accounts for 43.46% of EPBiH's total procurement value, where the majority of the value pertains to coal procurement contracts from the subsidiary coal mining companies that are part of the EPBiH Concern.

Out of the total BAM 328.16 million in procurement from subsidiaries, approximately BAM 288.4 million related to coal procurement, and with other subsidiaries, contracts for the supply of goods/services/works were concluded in the following amounts:

1. Iskraemeco d.o.o. Sarajevo – BAM 24.7 million
2. Eldis-tehnika d.o.o. Sarajevo – BAM 15.1 million
3. Geolp d.o.o. Kakanj – BAM 20.0 thousand

Procurement through negotiated procedure without publication was carried out through 17 procedures, amounting to approximately BAM 124.71 million, which represents 16.51% of the total value of all procurements conducted during the reporting year.

An analysis of the value of concluded contracts, it can be seen that in negotiated procedure without publication of a notice most contracts relate to transport of coal via Railways of FBiH, amounting to approximately BAM 28.5 million; then, coal procurement from the Brown Coal Mine "Banovići" approximately BAM 92.1 million, and from Coal Mine "Gračanica" approximately BAM 1.5 million.

The procedures of "exemption" from the Law on Public Procurement mainly relate to contracts concluded for legal services; video content production and broadcasting services; rental of space for the housing ICT equipment, etc., all in accordance with the exceptions defined in the Law on Public Procurement.

The remaining the value under this procedure includes commercial procurements of specific goods/services/works, conducted in accordance with the Law on Public Procurement.

Overview of the Report on the Implementation of Planned Procurements for the period from 1 January 2025 to 30 April 2026

No.	Type of procedure	No. of planned procedures	Planned amount (BAM)	No. of contracted procedures	Contracted amount (BAM)
	Goods				
1	Open procedure	606	244.075.900,00	420	91.255.265,14
2	Restricted procedure with prequalification	1	245.000,00	0	0,00
3	Negotiation procedure with publication of notice	4	130.170.000,00	9	6.871.298,60
4	Negotiated procedure without publication of notice	3	150.325.400,00	6	111.055.197,00
5	Competition for Preparation of Conceptual Design	0	0,00	0	0,00
6	Competitive Request for Proposals	89	1.470.290,00	57	719.447,58
7	Direct agreement	215	888.250,00	195	413.800,84
8	Procurement from Subsidiaries	18	461.613.283,00	16	313.995.529,14
9	Contracts awarded under special regime	0	0,00	0	0,00
10	Exemption from the application of the Law on Public Procurement	6	21.015.000,00	2	295.950,00
11	Annex II	0	0,00	0	0,00
12	Competitive dialogue	0	0,00	0	0,00
13	Negotiated procedure - Qualification system	3	15.184.939,00	7	6.976.692,79
14	Restricted Procedure - Qualification System	36	60.685.995,00	21	26.705.905,29
Σ	**TOTAL GOODS**	**981**	**1.085.674.057,00**	**733**	**558.289.086,38**
	Services				
No.	**Type of procedure**	**No. of planned procedures**	**Planned amount (BAM)**	**No. of contracted procedures**	**Contracted amount (BAM)**
1	Open procedure	519	125.040.713,00	446	33.083.287,54
2	Restricted procedure with prequalification	1	65.000,00	0	0,00
3	Negotiation procedure with publication of notice	4	7.949.000,00	0	0,00
4	Negotiated procedure without publication of notice	18	29.820.124,00	12	26.367.522,16
5	Competition for Preparation of Conceptual Design	1	15.100,00	0	0,00
6	Competitive Request for Proposals	187	2.738.300,00	97	951.979,71
7	Direct agreement	493	2.661.850,00	533	1.100.218,74
8	Procurement from Subsidiaries	12	2.900.000,00	6	2.370.592,32
9	Contracts awarded under special regime	0	0,00	0	0,00
10	Exemption from the application of the Law on Public Procurement	25	8.315.758,00	13	114.122,82
11	Annex II	22	944.900,00	43	109.810,10
12	Competitive dialogue	0	0,00	0	0,00
13	Negotiated procedure - Qualification system	1	1.250.000,00	0	0,00
14	Restricted Procedure - Qualification System	0	0,00	0	0,00
Σ	**TOTAL SERVICES**	**1283**	**181.700.745,00**	**1150**	**64.097.533,39**

Works					
No.	**Type of procedure**	**No. of planned procedures**	**Planned amount (BAM)**	**No. of contracted procedures**	**Contracted amount (BAM)**
1	Open procedure	93	61.886.864,00	40	3.749.339,17
2	Restricted procedure with prequalification	9	27.160.000,00	160	20.245.531,45
3	Negotiation procedure with publication of notice	1	55.000.000,00	0	0,00
4	Negotiated procedure without publication of notice	0	0,00	0	0,00
5	Competition for Preparation of Conceptual Design	0	0,00	0	0,00
6	Competitive Request for Proposals	37	821.539,00	20	432.147,66
7	Direct agreement	31	134.500,00	16	62.019,41
8	Procurement from Subsidiaries	12	5.034.800,00	5	3.306.425,00
9	Contracts awarded under special regime	0	0,00	0	0,00
10	Exemption from the application of the Law on Public Procurement	6	302.600.000,00	0	0,00
11	Annex II	0	0,00	0	0,00
12	Competitive dialogue	0	0,00	0	0,00
13	Negotiated procedure - Qualification system	0	0,00	0	0,00
14	Restricted Procedure - Qualification System	6	6.300.000,00	16	4.126.874,25
Σ	**TOTAL WORKS**	**195**	**458.937.703,00**	**257**	**31.922.336,94**
Σ	**GOODS +SERVICES+WORKS**	**2459**	**1.726.312.505,00**	**2140**	**654.308.956,71**

In 2025, there were no contracts concluded for the needs of coal mining subsidiaries, i.e. there were no procedures conducted according to the decisions on the recapitalization of the mines.

An analysis of reports and procurement procedures for 2025 reveals that challenges persist across all phases of the public procurement process, from the development of the Procurement Plan, conducting of procedures, to contract implementation. Improvements in the execution of Procurement Plan were achieved through the implementation of a “Qualification System” (published on the portal as a negotiated procedure with notice), particularly for the Production activity, relating mainly to the procurement of energy sources (fuel oil, diesel, and heating oil), where significantly lower prices were obtained compared to previous open procedures of public procurement.

Also, under the “Qualification System” in 2025, the procurement of goods for the needs of the Distribution activity was successfully carried out, including: concrete elements (reinforced concrete poles, reinforced concrete brackets, and concrete pipes); cables (aerial bundled cables and power cables); connecting and suspension materials (various clamps, lugs, sleeves, etc.); construction and electrical installation works in ED branches, and so on.

Certain progress has been made in increasing the competitiveness of public procurements due to the fact that public procurement procedures are published electronically through the information system “E-nabavke” published by the Public Procurement Agency. By amending the bylaws, specifically the new Rulebook on the conditions and manner of using e-Auction, which came into force on 1 January 2024, contracting authorities can foresee the implementation of e-Auction for at least 60% of their procedures where the criterion for contract award is the lowest price. This means that in the coming years, special attention will be paid, especially to procedures where competition is limited, to (non-)application of e-Auction in cooperation with the competent executive directors for the subject procurement. In this way, the aim is to avoid unprincipled collusion among bidders, to the detriment of the Company.

In recent years, e-Auction has produced fewer and fewer positive effects in terms of increasing competition and reducing prices. Bidders withdraw before and after the e-Auction, similar bids are received in procurements, etc., which indicates collusion among bidders. The Competition Council and the Public Procurement Agency are late in implementing the activities of increasing supervision in case of possible prohibited agreements between bidders (collusion), which they were obliged to implement with the planned public procurement strategy 2024-2028.

Transparency was also achieved in the field of publishing all elements of concluded contracts on the Public Procurement Agency portal and possible amendments to the concluded contracts, which mainly related to the extension of deadlines for execution.

During 2025, there was a smaller number of complaints compared to previous years, thanks to the amendments to the Law on Public Procurement ("Official Gazette of BiH," no. 59/24). The amendments came into effect on 1 August 2024, and since then, the number of complaints has drastically decreased, particularly complaints from "professional" complainants who used complaints to delay or annul procurement procedures. The total number of complaints at the EPBiH level was 73. After the amendments to the Law on Public Procurement came into effect, procurement procedures were carried out more quickly and smoothly.

In 2025, the Company Directorate received 24 complaints in the procedures of centralizes procurements. By 1 January 2026, 21 of these complaints were resolved (3 are still ongoing). Among them, there were 1 improperly filed complaints, then 2 complaints where bidders did not even appeal to the second-instance authority (the Complaints Review Office - CRO), and 3 in cases where the bidder withdrew their complaint, which all indicates that the bidders did not have serious intentions to address the issues raised in their complaints; Complaints Review Office upheld 8 complaints and dismissed 7 complaints as unfounded.

At the Company's Procurement Directorate, there were no procurements in 2025 on the basis of the Decision on the recapitalization of the mine, so there were no complaints on this basis.

When it comes to centralized public procurement for the needs of EPBiH, a total of 24 complaints were filed by bidders during 2025.

Regarding decentralized public procurement, procedures conducted within the Company's branches, a total of 49 complaints were filed in 2025, of which:

- filed in the Company's branches within Production activity - 26 complaints;
- filed in the Company's branches within Distribution activity - 23 complaints.

Report on contracts on published the of the Public Procurement Agency's Portal for 2025

Directorate/Branch	Amount in BAM
Company Directorate	589.899.080,18
TPP "Tuzla"	30.604.834,39
TPP "Kakanj"	20.288.420,06
HPPs on the Neretva River	4.540.647,20
ED Sarajevo	9.077.704,58
ED Tuzla	12.371.143,10
ED Zenica	9.456.415,85
ED Bihać	15.608.177,51
ED Mostar	2.742.455,75
ED Travnik	3.245.563,14
T O T A L:	**697.834.241,76**

Note:

The differences in the amounts of concluded contracts shown in the first and second table have arisen due to different reporting methods, in terms of withdrawal of reports by date of entry (SAP application) or by date of conclusion of the contract/purchase order (reports from the Public Procurement Agency's Portal).

The differences mainly relate to the transition period from the current year to the following year, i.e. from the period 2024 - 2025 and 2025 - 2026.

9. ENVIRONMENTAL PROTECTION

EPBiH and its subsidiaries are committed to responsible and sustainable business practices that include a high level of environmental protection and rational use of natural resources. In addition to consistent compliance with applicable legal regulations, international obligations and strategic documents in the field of environmental protection, the company continuously improves its activities in order to preserve the quality of the environment, protect biodiversity, reduce negative impacts on nature, and prevent pollution. Special focus is placed on aligning business activities with the principles of sustainable development and responsible management of natural resources.

As part of the energy transition process and the continuous improvement of the environmental management system, EPBiH seeks to reduce the environmental risks associated with its business, while ensuring reliable and safe electricity production. Environmental protection activities are carried out through the work of competent organizational units within the Directorate and its branches, as well as the engagement of professional teams formed for the implementation of individual projects and tasks. Particular attention is paid to the planning and implementation of measures to prevent or mitigate potential negative impacts on the environment and biodiversity.

The company continuously includes environmental protection requirements in the processes of planning, development and implementation of investment projects with the aim of aligning development activities with the principles of sustainable management of natural resources. In doing so, special attention is paid to the implementation of measures for the conservation of habitats and species, rational use of land and water, waste management, reduction of emissions into the environment, as well as adaptation of operations to the challenges of climate change.

Monitoring of International and Domestic Legislation

EPBiH continuously monitors changes in domestic and international legislation in the field of environmental protection, energy sector and climate policies, and timely aligns its operations with new regulatory requirements. Special attention is paid to monitoring the obligations arising from the process of Bosnia and Herzegovina's accession to the European Union, the acquis communautaire in the field of environment and energy sector, as well as the obligations arising from membership in the Energy Community.

In the coming period, the company will continue to strengthen the environmental management system through the application of modern standards, the improvement of internal procedures, the development of renewable energy projects, the increase of energy efficiency, and the consistent application of nature and biodiversity protection measures. In this way, EPBiH confirms its commitment to responsible business and contribution to the achievement of sustainable development goals, while ensuring safe, reliable and environmentally friendly electricity production and supply.

Environmental and Water Permits

In 2025, activities mandated under valid environmental and water permits continued to be implemented within the Company's production branches.

Capital Projects

- ✓ **HPP „Janjići“**

NGO initiated an administrative dispute requesting the annulment of the Conclusion of the FBiH Ministry of Environment and Tourism regarding the environmental permit for HPP "Janjići". On 28 March 2025, the Cantonal Court of Sarajevo rendered a judgment annulling the Conclusion due to a violation of the rules of administrative procedure and returning the case to the FBiH Ministry of Environment and Tourism for repeated procedure. EPBiH provided the necessary information for the preparation of the response to the lawsuit.

- ✓ **HPP „Kovanići“**

The Decision on the approval of the Environmental Impact Study from 2024 was challenged by NGOs. The case is being reviewed by the Supreme Court of the Federation of BIH.

- ✓ **Preparation of environmental flow assessment report**

In May 2025, contracts were signed for the preparation of the Report on Environmental Flow for HPP „Ustikolina“, HPP „Janjići“ and HPP „Kovanići“, in accordance with the applicable Rulebook on Environmental Flow, for the purpose of meeting the requirements for the continuation of procedures for issuing prior water approvals.
During 2025, two series of measurements were performed for each power plant.

- ✓ **WPP „Vlašić“**

At the beginning of 2025, the development of the Study on Critical Habitat Assessment at the Project Site financed by a grant from the European Investment Bank was finalized. It cost €300,000 to create the study.
Based on the amended Request for Preliminary Environmental Impact Assessment for the WPP "Vlašić" construction project, the FBiH Ministry of Environment and Tourism issued a Decision in July 2025, stating that no further environmental impact assessment was necessary through the preparation of the Environmental Impact Study.

- ✓ **WPP "Bitovnja"**

Upon the filed Request for Preliminary Environmental Impact Assessment of December 2024 (financed by a grant from KfW), the FBiH Ministry of Environment and Tourism issued a Decision in May 2025, stating that no further environmental impact assessment was necessary through the preparation of the Environmental Impact Study.

- **Preparation of Planning and Study Documents**

In the segment of planning and study documents, the following projects/studies were implemented:

✓ **Development projects**

− Implementation of the project for the DANUBE INTERREG programme – Empowerment of the stakeholders in the implementation of the Directive on the promotion of the use of energy from renewable sources in term of energy storages and energy networks stability (ESINERGY) project

Environmental impact: Increased production from renewable sources, resulting in reduced CO_2 and pollutant emissions.

− Implementation of the project for HORIZON EUROPE - Supporting European R&I Through stakeholder cooperation and institutional reform (INITIATE) project

Environmental impact: Increased production from renewable sources, resulting in reduced CO_2 and pollutant emissions.

− Implementation of the project for IPA ADRION Programme - Adriatic-Ionian Offshore Wind Network of Excellence (ADRIONWIND) project

Environmental impact: Increased production from renewable sources, resulting in reduced CO_2 and pollutant emissions.

− Electromobility development project in EPBIH – pilot projects under implementation:
  - ✓ Construction of the infrastructure of public AC charging stations for electric vehicles in Bosnia and Herzegovina;
  - ✓ Installation of two ultra-fast 150 kW DC charging stations for electric vehicles at gas station locations;
  - ✓ Implementation of a Charge Point Monitoring and Management System (CPMS) with payment services.

Environmental impact: Reduction of CO_2 and pollutant emissions due to increased use of electric vehicles compared to internal combustion engine vehicles.

− Project for the campaign measuring wind- and solar energy potential (assessment of wind energy potential and solar energy potential at several sites across Bosnia and Herzegovina with the aim of identifying suitable locations for the construction of production facilities utilizing these renewable resources).

Environmental impact: Increased production from renewable sources, resulting in reduced CO_2 and pollutant emissions.

− Development of the WPP "Bitovnja" project.

Environmental impact: Increased production from renewable sources, resulting in reduced CO_2 and pollutant emissions (approx. 230,000 tons of CO_2 annually).

− Implementation of the pilot project for the construction of rooftop PVPPs on EPBiH's own facilities

Environmental impact: Increased production from renewable sources, resulting in a significant reduction in CO_2 and pollutant emissions.

-Pilot-project Experimental firing of coal-RDF in TPP "Kakanj"

- R&D project of exploring the possibility of partial replacement of coal with Arbacore black pellet at Unit 6 of TPP Tuzla – fundamental testing of combustion kinetics (Faculty of Mechanical Engineering Belgrade) and Lab-scale tests (Faculty of Mechanical Engineering Sarajevo).

- Pilot project of test acacia plantations at RU “Kreka” and RMU “Đurđevik” (supported by the EBRD) – establishment of a new test plot at RU “Kreka” 0.5 ha.

✓ ***Planning and Study Documents***

− Continuation of the Development of projects for the construction of PVPP Power Plants at selected locations in FBiH with a total capacity of 150 MW until the implementation phase

Environmental impact: Increased production from renewable sources, resulting in a significant reduction in CO_2 and pollutant emissions.

− Participation in the project of just transition of coal regions implemented by WB (EPBiH components: support to the closure of RMU "Zenica", construction of PVPP "Dubrave" of RU "Kreka").

Environmental impact: Reduction of CO_2 and pollutant emissions.

− Preparation of the Project Study Full biomass repowering of TPP "Tuzla" unit, completion of the study and review.

Environmental impact: Reduction of CO_2 (approx. 100 000 t/yr) and pollutant emissions.

− Investment Elaborate Study CCGT Kakanj unit.

− Prepared Study "Design of the system for monitoring the quality of electricity in JP Elektroprivreda BiH d.d. – Sarajevo"

Environmental impact: Increasing energy efficiency in distribution activity, which leads to reduced CO_2 and pollutant emissions.

− Participation in the development of the Indicative Production Development Plan 2026 - 2035 (in coordination with ISO BiH).

Environmental impact: Increased production from renewable sources, resulting in reduced CO_2 and pollutant emissions.

− Development of the "Battery Energy Storage System Feasibility Study and Preliminary ESIA"

Environmental impact: Increased production from renewable sources, resulting in reduced CO_2 and pollutant emissions.

- Preparation of the Feasibility Study for the construction of the Pumped HPP in EPBiH.

Environmental Management System

TPP "Tuzla"

In February and March 2025, internal audits of the IMS-integrated management system (quality and environment) in TPP "Tuzla" were successfully conducted. The process risks for 2025 were defined, the QMS objectives were defined, customer satisfaction surveys were conducted, and the System was reviewed. The first supervisory audit was successfully performed on 13 August 2025 and 14 August 2025. The Institute for Certification of Systems, ICS d.o.o. Sarajevo, confirmed in the Audit Report that confirmed that there was not any non-compliance or any need for corrective actions of the integrated system of the integrated business quality and environmental management system at TPP "Tuzla", according to the requirements of the ISO 9001:2015 and ISO 14001:2015 standards.

The certification audit of the Energy Efficiency System (EnMS) according to the ISO 50001:2018 standard was successfully implemented on 3 November 2025 (Phase I) and 20 and 21 November 2025 (Phase II). Previously, the projects of energy audit of the production process were implemented, the energy goals and risks of EnMS were adopted, the energy policy of TPP Tuzla was adopted, the Rules of Procedure and Context of TPP Tuzla were amended in accordance with the requirements of EnMS, EnMS procedures were developed, an internal audit of the EnMS process was conducted and the system was reviewed by the Management. During the audit, there were no inconsistencies or need for corrective actions.

TPP "Kakanj"

On 7 and 8 July 2025, TPP Kakanj, as part of regular system maintenance activities, reviewed the documentation for the supervisory audit II according to ISO standards - the supervisory audit was carried out by TUV NORD Adriatic d.o.o. Zagreb.
The thermal power plant has recertified its environmental management system, according to the requirements of the ISO 14001:2015 Standard. The obtained certificate is valid until 24 August 2026.

By introducing and certifying the environmental management system according to the requirements of the ISO 14001 Standard, the thermal power plant received a quality tool for harmonizing its work with legislation and standards in the field of environmental protection.

Improvements in the environmental management system defined by the Standard included the introduction of the following principles:
- to define and publish the environmental policy,
- to constantly familiarize employees with the importance of meeting the environmental legal requirements,
- to define the environmental goals.

Within the accompanying activities, in order to carry out the certification of the environmental management system, the following activities were carried out:
- The Quality and Environmental Policy of TPP "Kakanj" has been updated;
- An internal audit and assessment of the compliance of the thermal power plant with the environmental requirements were carried out in all organizational units;
- Environmental management system documents have been innovated;
- The list of legal and other applicable environmental requirements was updated;
- Re-identification and assessment of the significance of environmental aspects was carried out;
- The Waste Management Plan of the thermal power plant has been updated;
- A new Large-Scale Accident Prevention Plan has been developed;
- Environmental Management System framework and operational objectives have been updated;
- Practical check of preparedness in case of occurrence of environmental incidents was carried out;
- Other activities were carried out in order to maintain and improve the environmental management system.

HPPs on the Neretva River

The HPPs on the Neretva River developed the Integrated Management System (IMS) Improvement Programme for 2025/2026, based on which the following activities were carried out:
- a meeting was held on ISU review by the management no. 02-31-3-2857-1/2025, of 26 May 2025;
- Minutes of the review of the Energy Management System (ISO 50001:2018) were prepared by the management no. 02-31-3-2933-1/2025, of 26 May 2025;
- an Internal audit was conducted in all plants/sectors concluding with December 2025;
- the assessment of work compliance with legal and other environmental requirements was reviewed in February and April 2025;

- a summary report on compliance with legal and other environmental requirements was prepared in May 2025;
- given recommendations for improvement from the external audit held on 29 May 2025;
- given quality, environmental and energy objectives with implementation programmes no. 02-31-3-5079-1/2025 of 27 October 2025.

ED Tuzla

The External Audit of Environmental Management System BAS EN ISO 14001 was completed in July 2025, with an audit of the System according to ISO 9001 and Management System according to ISO 50001, which together constitute the Integrated Management System - IMS. The Subsidiary continuously work to improve the relationship with the environment, through a systematic approach to waste management, control of environmental aspects, identification and implementation of legal regulations, fulfilment of set environmental objectives, and corrective measures. With the implementation of the energy efficiency management system, it is planned to further improve the relationship of the Subsidiary with the environment, because by achieving energy savings, raw materials are consequently saved and energy reserves are preserved, which results in a positive environmental effect.
The environmental management, which is recognized as a separate process, was evaluated in terms of determining the context of organization and potential risks, and measures for identified risks and possible situations were considered.

ED Sarajevo

The service of recertification of the Quality Management System in accordance with ISO 9001:2015 and certification of the Energy Management System (EMS) in accordance with ISO 50001:2018 was carried out at the end of June 2024 by the certification company "TuvNord". The subsidiary "Elektrodistribucija", Sarajevo has obtained certificates of ISO 9001:2015 and ISO 50001:2018 standards with a validity period until 21 August 2027 with the mandatory implementation of annual supervisory audits. Supervisory audit of the management system is planned for February 2026.
In the field of environmental management, the Subsidiary is continuously working to improve the relationship with the environment, through a systematic approach to waste management and implementation of regulations. In accordance with the procedure of Monitoring, identification and assessment of legal and other requirements in the field of environmental management, in 2025, a regular annual assessment of the existence of conditions for the implementation of legal and other requirements in the field of environmental management for the field of activity of the subsidiary ED Sarajevo was carried out. In accordance with the procedure of Waste Management, seventeen (17) Construction Waste Management Plans were developed in 2025.

10. REPORT ON INTRODUCTION OF ENERGY MANAGEMENT SYSTEM (EnMS)

EPBiH is implementing the energy efficiency management process in its organisational units in accordance with previous decisions on the establishment of an energy efficiency management structure. Due to the growing need to increase energy efficiency and energy savings in generation (with a focus on own consumption and specific heat consumption as key energy indicators), distribution (reduction of grid distribution losses), and consumption (particularly in public supply categories; households, but also in public sector), in order to achieve direct financial effects and reduce negative impact on the environment, as well as to reduce CO_2 emissions and related financial obligations, it is necessary to improve the energy management system throughout the organization of EPBiH and comply it with the requirements of the Energy Management System ISO 50001. These activities do not prejudice the legal obligations under the current legislation in the field of energy efficiency in the Federation of Bosnia and Herzegovina, which relate to the recording of consumption in the EMIS system, as well as the certification of EPBiH buildings/facilities for the purpose of determining their energy efficiency class.

In this regard, activities in 2025 focused on conducting energy audits across all activities and parts of the EPBiH Concern, as well as establishing key energy performance indicators, along with defining measures to improve the monitoring and enhancement of these indicators. The energy management system must be implemented continuously, both in the short and long term, across all activities/sectors, with full documentation of the entire process, through instruments for setting objectives, as well as for planning and implementing improvement measures, with quantified and ambitious targets aimed at increasing energy efficiency and achieving energy savings.

Regarding the key energy performance indicators for **Production** in 2025, **the total achieved specific heat consumption (kJ/kWh)** in TPP for 2025 amounted to 12,870 kJ/kWh (27.97% **net efficiency**), which was 914 (kJ/kWh) or 7.6% higher than planned, and 183 (kJ/kWh) or 1.4% higher compared to the result achieved in 2024, which result amounted to 12,687 kJ/kWh (28.37% net efficiency).

The total internal consumption of power plants in 2025 stood at 9.0%, representing a deterioration compared to 2024, when it amounted to 8.7%. The main reason for the higher overall internal consumption is the proportionally lower share of electricity production from HPPs in the total production of EPBiH's power plants. However, when looking at individual TPPs, there was a further degradation in the internal consumption indicators.

The main reason for the registered deterioration of efficiency as well as internal consumption in TPPs is the deteriorated quality of delivered coal (due to the fact that the mines within the EPBiH Concern are not supplying sufficient quantities and quality of coal), the plants are being operated with coal that falls outside of the designed parameters, leading to operating regimes with lower net efficiency (due to inability to achieve optimal load levels in the operation of TPP blocks when using non-design coal). This has had both a direct and indirect impact on reduced efficiency and increased internal consumption of TPP facilities.

It is necessary, through a structured action plan, to work on increasing both the quantity and quality of delivered design coal, in the short term in 2026, but also in the medium-term, with a with a perspective extending at least until 2030, and to initiate and continue the implementation of the remaining planned modernization activities on Block 7 of TPP "Kakanj" and Block 4 of TPP "Tuzla".

With regard to the key energy performance indicators in the Distribution activity in 2025, results were generally in line with the plan. **Distribution losses** in 2025 amounted to 388.7 GWh, which represents 7.25% of gross distributed consumption. Network losses in the EPBiH electricity distribution grid, relative to gross energy in 2025, stood at 7.25%, which is lower (better) compared to 2024 (when they amounted to 7.62%).

Total electricity consumption in 2025 amounted to 5,835.9 GWh, which is 27.5 GWh or 0.5% above the plan, and 132.3 GWh or 2.3% higher than in 2024.

In PTZ Directorate in 2025, recorded **overall electricity consumption in kWh** was higher compared to the previous year, 2024, resulting in increased energy use per square meter in kWh/m^2. The total annual water consumption in 2025 was 4059 m^3 and compared to the three-year average (4289 m^3) it was lower by about 5.3%, while it is lower by 13.68% compared to the consumption in 2024.

For 30 ICE vehicles, **the total average fuel consumption** (l/100km) was increased, from 6.26 l/100km in 2024, to 6.84 l/100km in 2025. Gasoline engines improve the environment compared to diesel engines, which is not currently recorded. On the other hand, there is a noticeable increase in the use of electric vehicles (for two EVs used by the PTZ Directorate, 5,285 km were driven in 2024, while in 2025 the number of kilometres was increased to 8,551 km). Therefore, it is necessary to continue promoting with appropriate measures greater use of EM vehicles in relation to ICE vehicles.

In line the commitment of the EPBiH Energy Committee, in accordance with the Guidelines (Chapter **Energy Management System – Energy Efficiency**) and the adopted EPBiH Business Plan for the period 2026 - 2028, activities were initiated for the development of the Program for the construction of PVPPs for own needs on rooftops of facilities and land owned by EPBiH (production branches, ED/distribution branches, and supply areas). In 2024 - 2025, the feasibility of installing PVPPs for own consumption on existing rooftops of EPBiH-owned buildings was assessed. In the first phase of project implementation, through the initiated pilot project, the plan is to construct one PVPP on the rooftop of existing buildings in each production and distribution branch, while the second phase would include the remaining EPBiH-owned buildings, as well as consider the construction of PVPPs on EPBiH-owned land. The aforementioned represents a part of EPBiH's integrated activities aimed at implementing measures for electricity savings in its facilities through the construction of PVPPs for own consumption. The goal is to continuously achieve electricity savings, that is to cover own consumption within the facilities of production and ED branches. Additionally, EPBiH has launched a review, through its ESCO service, of a prosumers project for households.

*With the aim of continuing consistent **energy management** and successfully completing the process of establishing and implementing the EnMS (**Energy Management System**) in all organizational units of the EPBiH Concern, following goals have been set for 2026:*

1. *apply legal provisions and implement activities in the field of energy efficiency in FBiH;*
2. *continue monitoring energy indicators across all activities/units of EPBiH, with further improvements in monitoring and enhancing energy performance;*
3. *prepare, adopt and continuously implement the Action Plan of measures for energy savings in final consumption (for customers);*
4. *carry out preparations (engagement of accredited bodies) for the pre-audit and audit (certification in accordance with EN ISO 50001:2018 by an accredited body) of production and distribution branches;*
5. *complete the audit (certification in accordance with EN ISO 50001:2018 by an accredited body) of production and distribution branches;*
6. *implement pilot projects for the construction of PVPPs on EPBiH-owned buildings, as well as a pilot prosumer project.*

CONCLUSIONS

In 2025, EPBiH managed to fulfil the tasks defined by the legal framework, i.e. to execute contracts with customers regarding the distribution and supply of electricity, which were carried out continuously, without reductions. In the absence of primary energy sources, and consequently insufficient quantities of self-generated electricity, such an undertaking also had its high price, and there was no surplus for sale through the Trade activity, nor profit in business operations.

The key features of operations during 2025 can be summarized as follows:

- HPPs produced 3.6 GWh more than the revised plan (about 200 GWh less than the original plan in conditions of extremely dry hydrological conditions during the year) and 80.5 GWh less compared to the previous year; the aggregate state of reservoirs was 211.2 GWh less than planned;
- total coal stocks in depots at the beginning of 2025 were lower than planned by 25.2 thousand tons, while coal procurement during the year was 220.4 thousand tons or 5.0% below the planned delivery quantities (1,015 thousand tons less deliveries compared to the contracted quantities); the quality of delivered coal was 3.3% better than planned on the basis of calorific value, but 4.11% below the contracted value, and had 1% lower quality compared to 2024;
- thermal power plant production was 4.7% below plan; by the end of December, total coal stocks were 69.1 thousand tons or 28.2% above the revision-planned level;
- total electricity production was 3.6% below the planned amount, and 9.6% lower than in 2024; availability of most production plants was below the planned level; average specific of coal heat consumption achieved (12,870 kJ/kWh) was 7.6% higher than planned, and 1.4% higher than in 2024;
- total electricity consumption was 0.5% higher than planned, and 2.3% higher than the in the previous year; customer consumption at 110 kV voltage was 4.4% lower in GWh than planned, and 4.8% lower compared to the 2024 takeover; distribution losses in relation to gross distribution consumption exceeded the plan by 7.8%, and at the same time they were 2.0% lower compared to 2024; net distribution consumption was achieved at the planned level, i.e. 3.4% higher than in 2024;
- purchase of electricity for emergency situations (including covering hourly deficits and energy resource deficits) exceeded the planned amount by 244.8 GWh (23.5%), with a slightly higher average purchase price than planned (1.9%); the costs of purchased energy for emergencies increased more than twice compared to 2024;
- revenue from electricity sale to end customers within public supply service was realized at the level of the planned, due to the change in prices in public supply service, additional revenue of approximately BAM 7.97 million was generated in the period 1 September - 31 December 2025 , compared to the realized average prices in the public supply service in the same period 2024;
- revenue from market supply for 2025 exceeded revenue for 2024 by BAM 123 million;
- delivery of electricity in the public supply below the production/purchase price of electricity;
- supply of electricity to RMU "Zenica" which is in the closure procedure without the possibility of collecting it with an accounting write-off of receivables on that basis;
- failure to collect receivables from the FBiH Budget on the basis of approved subsidies, with an accounting write-off of receivables on that basis;

- in 2025, a pre-tax loss of BAM 52.38 million was recorded (planned loss of BAM 61.18 million according to the revised plan); in 2024, pre-tax loss amounted to BAM 57.96 million).

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