



Unaudited
Business Report of the
**Telekom Slovenije Group and
Telekom Slovenije, d.d.**

for the period January to September 2024

Table of contents

1	INTRODUCTORY NOTE	3
1.1	Statement of responsibility of the Management Board.....	3
2	STRATEGIC BUSINESS PLAN OF THE TELEKOM SLOVENIJE GROUP FOR THE PERIOD 2024 TO 2028	4
2.1	Vision, mission and values	4
2.2	Summary of the Strategic Business Plan	4
3	TELEKOM SLOVENIJE GROUP	6
3.1	Markets and companies of the Telekom Slovenije Group	6
3.2	Operating highlights	7
3.3	Key operating indicators of the Telekom Slovenije Group	8
3.4	Share trading and ownership structure.....	11
3.5	Market and market shares in key service segments	15
3.6	Risk management.....	16
4	CORPORATE GOVERNANCE	18
5	SIGNIFICANT EVENTS IN THE PERIOD JANUARY TO SEPTEMBER 2024	20
6	SIGNIFICANT EVENTS AFTER THE REPORTING DATE	23
7	CONDENSED INTERIM ACCOUNTING REPORT OF THE TELEKOM SLOVENIJE GROUP AND TELEKOM SLOVENIJE, D.D. FOR THE PERIOD JANUARY TO SEPTEMBER 2024	24
7.1	Condensed interim financial statements of the Telekom Slovenije Group and Telekom Slovenije, d.d.	25
7.2	Notes to the interim financial statements of the Telekom Slovenije Group and Telekom Slovenije	33
7.3	Financial instruments and risk management	49

Ljubljana, November 2024

1 INTRODUCTORY NOTE

Pursuant to the law and the Rules of the Ljubljana Stock Exchange, Telekom Slovenije, d.d. (hereinafter: Telekom Slovenije), with its registered office at Cigaletova 15, Ljubljana, hereby publishes the Unaudited Business Report of the Telekom Slovenije Group and Telekom Slovenije for the period January to September 2024.

The condensed interim financial statements for the period ending 30 September 2024 were compiled in accordance with IAS 34 Interim Financial Reporting, and must be read in conjunction with the annual financial statements compiled for the financial year ending 31 December 2023. The financial statements for the period January to September 2024 have not been audited.

Telekom Slovenije's Supervisory Board discussed the Unaudited Business Report of the Telekom Slovenije Group and Telekom Slovenije for the period under consideration at its session on 12 November 2024.

Any significant changes to the data contained in the prospectus for listing on the stock exchange are regularly published by the Company on the Ljubljana Stock Exchange's SEOnet website and on the Company's website at www.telekom.si.

The Unaudited Business Report for the period January to September 2024 is also available on the Company's website at www.telekom.si.

1.1 Statement of responsibility of the Management Board

The members of Telekom Slovenije, d.d.'s Management Board responsible for compiling the unaudited report of the Telekom Slovenije Group and Telekom Slovenije for the period January to September 2024, hereby find that:

- to the best of our knowledge, the unaudited report of the Telekom Slovenije Group and Telekom Slovenije was compiled and published in accordance with valid legislation and the International Financial Reporting Standards as adopted by the EU;
- the condensed interim financial statements for the period ending 30 September 2024 were compiled in accordance with IAS 34 Interim Financial Reporting, and must be read in conjunction with the annual financial statements compiled for the financial year ending 31 December 2023;
- the selected accounting policies were applied consistently in the compilation of the condensed financial statements and any changes to those policies were disclosed, and that accounting estimates were made fairly and with careful consideration, according to the principle of prudence and the diligence of a good manager, and under the assumption that the Telekom Slovenije Group and Telekom Slovenije are going concerns; and
- the unaudited business report presents a fair picture of information regarding major transactions with related parties, in accordance with regulations.



Boštjan Košak
President of the
Management Board



Boštjan
Škofca Zaveršek, MSc
Vice-President of the
Management Board



Irma Gubanec, MSc
Member of the
Management Board



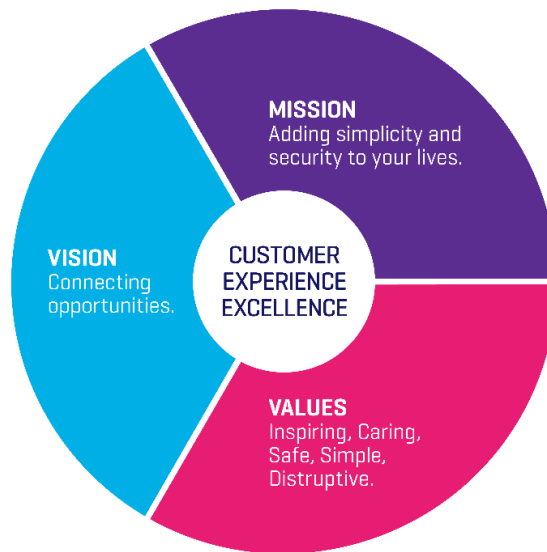
Vesna Prodnik, MSc
Member of the
Management Board



Špela Fortin
Member of the
Management Board
and Workers'
Director

2 STRATEGIC BUSINESS PLAN OF THE TELEKOM SLOVENIJE GROUP FOR THE PERIOD 2024 TO 2028

2.1 Vision, mission and values



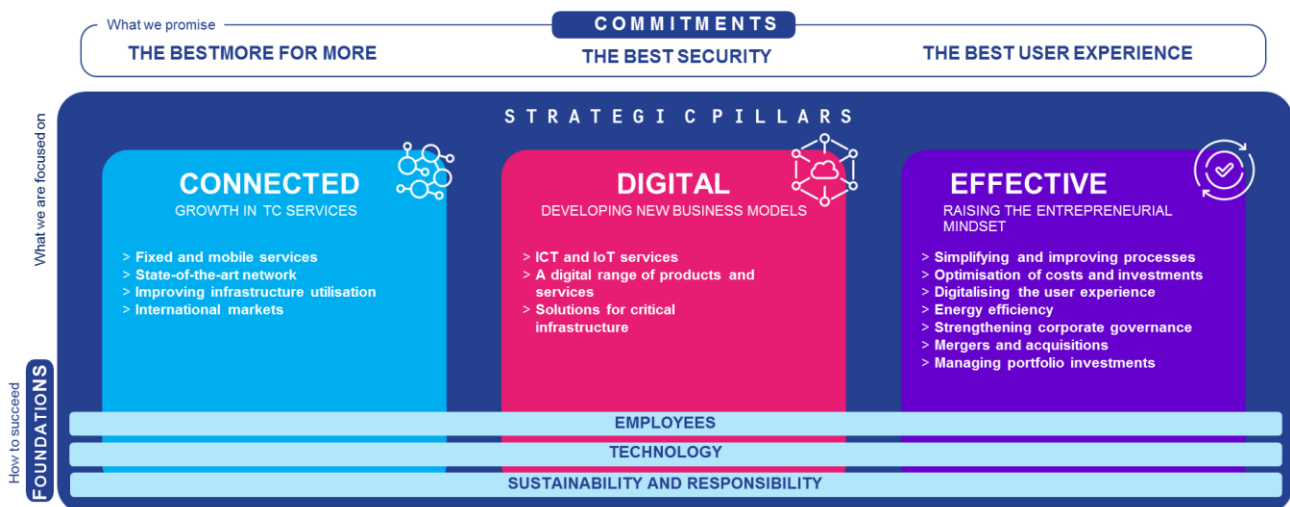
2.2 Summary of the Strategic Business Plan

The Strategic Business Plan of the Telekom Slovenije Group for the period 2024–2028 represents the core corporate document. Defined in that document through its mission, vision, values, business model and objectives is the Telekom Slovenije Group’s future development.

That document is based on available data, taking into account regulatory restrictions and trends in the macroeconomic environment of the region in which the Telekom Slovenije Group operates. In drafting the document, we took into account analyses of operations and the market shares of comparable European operators, analyses of the competition, development expectations and trends in the telecommunication sector.

Connecting opportunities

The future development of the Telekom Slovenije Group is based on the vision ‘Connecting opportunities’. We represent the infrastructure foundation of connected users and devices.



The development of the Telekom Slovenije Group in the coming period will rely on highly qualified employees, the most advanced technologies, and sustainable development and social responsibilities.

The Group's future operations will focus on three strategic pillars:

- We will record additional growth in revenues and market shares on telecommunications markets in Slovenia and abroad. Special emphasis will be given to making better use of the existing infrastructure.
- As a reliable provider of critical infrastructure and the digitalisation of services, we plan the highest growth in the ICT segment and digital services. We will increase the value of services through the inclusion of cyber security solutions.
- We will improve operational efficiency through the continued digitalisation of operations, the reduction of costs and the improved efficiency of investing activities.

Sustainable development

We include the principles of sustainability in our operations, products, services and content. We ensure the highest coverage through broadband access and advanced digital services. We responsibly accept our role in the adaptation to and mitigation of climate change, in part by reducing our carbon footprint, through energy efficiency and the use of cleaner energy sources. Together with our partners, we are promoting the transformation to a carbon-neutral and digitally connected Slovenia with a comprehensive range of solutions for the further development of smart cities, businesses and communities. Through our activities, we are bridging the digital divide and striving for an inclusive, healthy and safe society.

Objectives of the Telekom Slovenije Group for 2024

in EUR million	Objectives for 2024
Operating revenues	717.4
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	233.6
Net profit	43.2
Value of investments	235.7

3 TELEKOM SLOVENIJE GROUP

3.1 Markets and companies of the Telekom Slovenije Group

The Telekom Slovenije Group comprises the controlling company Telekom Slovenije and its subsidiaries. The composition of the Telekom Slovenije Group and participating interests as at 30 September 2024 are presented in the picture below, and in more detail on the website <https://www.telekom.si/en/about-us/telekom-slovenije-group/subsidiaries>.

Composition of the Telekom Slovenije Group as at 30 September 2024



There were no changes in the composition of the Telekom Slovenije Group in the period January to September 2024.

Telekom Slovenije is the founder of the Heart Foundation, the aim of which is to help the children of employees of Slovenian Telekom Slovenije Group companies who have lost one or both parents, or who are seriously ill. The foundation's funds are contributed voluntarily by the employees of Slovenian Telekom Slovenije Group companies.

3.2 Operating highlights

The Telekom Slovenije Group achieved the following in the period January to September 2024:

- As at 30 September 2024, the Telekom Slovenije Group had 6% or 115,554 more retail mobile users and 4% more fixed retail broadband connections than at 30 September 2023. Telekom Slovenije increased the number of fixed retail broadband connections by 11,233 and the number of retail mobile telephony users by 35,809. IPKO increased the number of retail mobile telephony users by 79,745.
- The Telekom Slovenije Group generated EUR 536.4 million in operating revenues in the period January to September 2024, an increase of 2% relative to the same period in 2023.
- Sales revenue totalled EUR 530.8 million, an increase of 2% relative to the same period in 2023. The Group recorded an increase in revenues on account of growth in the number of users and higher sales of IT merchandise and services, while revenues from financial, eHealth and insurance services were also higher.
- The Telekom Slovenije Group's operating expenses totalled EUR 475.6 million, an increase of 2% relative to the same period in 2023. As explained in previous unaudited quarterly reports for 2024, labour costs were up primarily as the result of a change in the method for the interim calculation of business and work performance costs. The estimated proportionate annual amount is included in the results for the period January to September 2024. The aforementioned effects were recorded in previous years at the time of payment or in final annual results. We are thus normalising the effects of quarterly reporting.
- Earnings before interest and taxes (EBIT) amounted to EUR 60.8 million at the Telekom Slovenije Group level, an increase of 2% relative to the same period last year.
- Earnings before interest, taxes, depreciation and amortisation (EBITDA) totalled EUR 185.3 million at the Telekom Slovenije Group level, an increase of 2% (or EUR 3.6 million) relative to the same period in 2023. The EBITDA margin (i.e. EBITDA as a proportion of sales revenue) was 34.9% at the Group level.
- Following the calculation of income tax (including deferred taxes), the Telekom Slovenije Group generated a net profit of EUR 46.6 million, an increase of 17% (or EUR 6.7 million) relative to the same period in 2023.

Assessment of operations in 2024

The Telekom Slovenije Group assesses that it will surpass originally planned operating profit and EBITDA in 2024. Based on currently available information, it is assessed that operating profit will amount to EUR 717 million, EBITDA will reach EUR 238 million and net profit will total EUR 52 million.

3.3 Key operating indicators of the Telekom Slovenije Group

Key performance indicators of the Telekom Slovenije Group, in accordance with the financial report:

in EUR thousand and %	Telekom Slovenije Group			Telekom Slovenije		
	I – IX 2024/ 30 September 2024	I – IX 2023/ 31 December 2023	Index 24/23	I – IX 2024/ 30 September 2024	I – IX 2023/ 31 December 2023	Index 24/23
Operating revenues	536,353	527,163	102	461,369	455,118	101
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	185,345	181,790	102	137,662	141,180	98
EBITDA margin = EBITDA / sales revenue	34.9%	35.0%	100	30.0%	31.4%	96
EBIT	60,802	59,513	102	33,406	38,577	87
Return on sales = EBIT / sales revenue (EBIT margin)	11.5%	11.5%	100	7.3%	8.6%	85
Net profit from continuing operations	46,605	39,923	117	25,587	24,653	104
Assets*	1,357,766	1,317,866	103	1,243,936	1,250,315	99
Equity*	663,393	658,638	101	613,961	630,189	97
Equity ratio*	48.9%	50.0%	98	49.4%	50.4%	98
Net financial debt*	364,606	355,737	102	376,376	356,577	106

* Comparative data as at 31 December 2023.

The Telekom Slovenije Group also uses the Alternative Performance Measures (APMs) defined by the ESMA to present its operating results.

Indicators of the sustainable (ESG) operations of the Telekom Slovenije Group

	I – IX 2024	I – IX 2023	Index 24/23
Environmental indicators			
Consumption of electricity (in GWh)	67,628	65,350	103
Energy intensity in MWh/EUR million (electricity consumption/sales revenues)	127.4	126.0	101
Social indicators			
Number of employees as at 30 September	3,214	3,260	99
Number of employees with a disability as at 30 September	86	91	95
Coverage of the Slovenian population with 5G technology as at 30 September	72.6%	43.6%	166
Coverage of the Slovenian population with 4G technology as at 30 September	98.0%	97.0%	101
Governance indicators			
Proportion of the under-represented gender on Telekom Slovenije's Management Board as at 30 September	40%	40%	100
Personal data protection (number of inspections by supervisory authorities)	1	2	50
Protection of privacy (number of reports of potential breaches of customer's privacy)	70	102	69

All data relate to the Telekom Slovenije Group, unless it is stated that they relate to Slovenia or Telekom Slovenije.

Overview of operations by company and key market

Operating revenues

in EUR thousand	I – IX 2024	I – IX 2023	Index 24/23
Telekom Slovenije	461,369	455,118	101
Other companies in Slovenia	59,163	72,436	82
IPKO – Kosovo	73,261	68,525	107
Other companies abroad	2,975	2,977	100
Exclusions and adjustments between Group companies	-60,415	-71,893	-
Telekom Slovenije Group	536,353	527,163	102

Earnings before interest, taxes, depreciation and amortisation (EBITDA)

in EUR thousand	I – IX 2024	I – IX 2023	Index 24/23
Telekom Slovenije	137,662	141,180	98
Other companies in Slovenia	7,659	6,982	110
IPKO – Kosovo	41,335	38,484	107
Other companies abroad	2,120	2,085	102
Exclusions and adjustments between Group companies	-3,431	-6,941	-
Telekom Slovenije Group	185,345	181,790	102

Earnings before interest and taxes (EBIT)

in EUR thousand	I – IX 2024	I – IX 2023	Index 24/23
Telekom Slovenije	33,406	38,577	87
Other companies in Slovenia	2,400	2,474	97
IPKO – Kosovo	23,813	20,698	115
Other companies abroad	775	753	103
Exclusions and adjustments between Group companies	408	-2,989	-
Telekom Slovenije Group	60,802	59,513	102

Net profit from continuing operations

in EUR thousand	I – IX 2024	I – IX 2023	Index 24/23
Telekom Slovenije	25,587	24,653	104
Other companies in Slovenia	2,244	1,734	129
IPKO – Kosovo	19,178	15,784	122
Other companies abroad	466	433	108
Exclusions and adjustments between Group companies	-870	-2,681	-
Telekom Slovenije Group	46,605	39,923	117

Investments

in EUR thousand	I – IX 2024	I – IX 2023	Index 24/23
Telekom Slovenije	110,282	86,667	127
Other companies in Slovenia	5,699	19,302	30
IPKO – Kosovo	43,264	16,603	261
Other companies abroad	637	1,594	40
Exclusions and adjustments between Group companies	-2,633	-8,971	-
Telekom Slovenije Group	157,249	115,195	137

Employees

Number of employees as at	30 September 2024	31 December 2023	Index 24/23
Telekom Slovenije	2,055	2,083	99
Other companies in Slovenia	686	684	100
IPKO – Kosovo	473	486	97
Telekom Slovenije Group	3,214	3,253	99

TELEKOM SLOVENIJE GROUP CONNECTIONS AND SERVICES BY TYPE AND MARKET

Retail mobile users

Retail mobile users as at	30 September 2024	30 September 2023	Index 24/23
Slovenia	987,624	951,815	104
Kosovo	1,132,724	1,052,979	108
Telekom Slovenije Group	2,120,348	2,004,794	106

Retail broadband connections

Retail broadband connections as at	30 September 2024	30 September 2023	Index 24/23
Slovenia	210,207	198,974	106
Kosovo	110,780	110,744	100
Telekom Slovenije Group	320,987	309,718	104

3.4 Share trading and ownership structure

General information regarding Telekom Slovenije shares as at 30 September 2024

General information regarding shares	
Ticker symbol	TLSG
ISIN code	SI0031104290
Listing	Ljubljana Stock Exchange, prime market
Share capital (EUR)	272,720,664.33
Number of ordinary registered no-par value shares	6,535,478
Number of shares held in treasury	36,836
Number of shareholders	8,112

Trading in TLSG shares

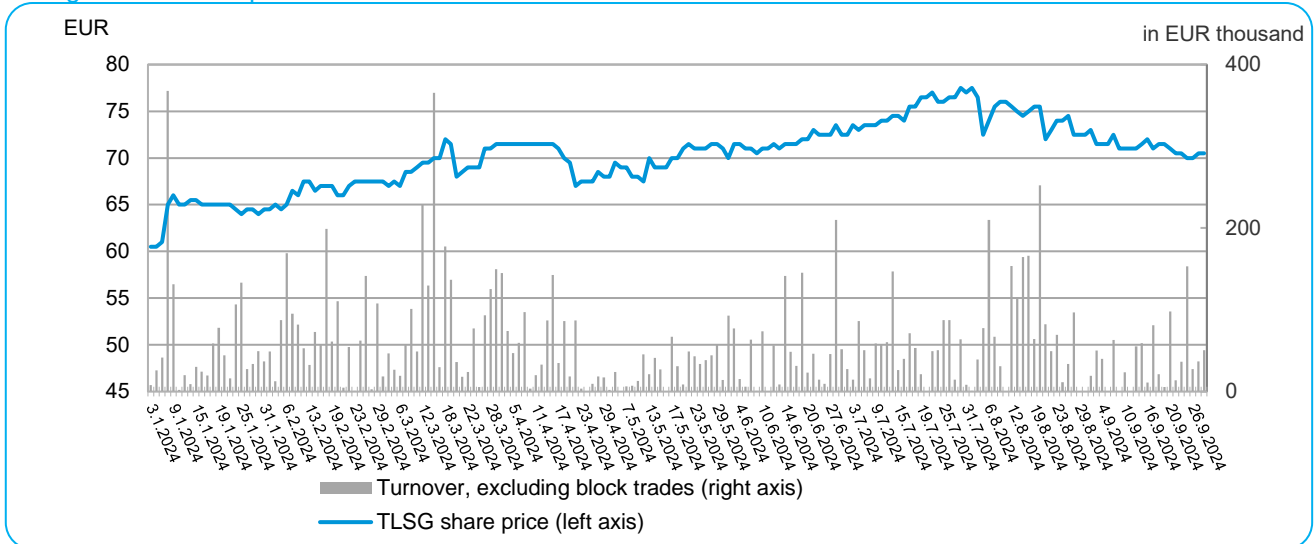
The shares of Telekom Slovenije are listed on the prime securities market of the Ljubljana Stock Exchange under the ticker symbol TLSG. The shares are included in the SBITOP and SBITOP TR share indices, and accounted for 4.34% of those two indices according to the semi-annual review of computational parameters conducted on 19 September 2024. The SBITOP and SBITOP TR are the Slovenian 'blue chip' indices that provide information regarding the movement of the most liquid and largest shares on the Ljubljana Stock Exchange. In contrast to the SBITOP, the SBITOP TR takes into account both market prices and dividends in its calculation. Telekom Slovenije's shares are also included in the ADRIAprime share index, which is a composite index of selected companies listed on the prime markets of the Ljubljana Stock Exchange and Zagreb Stock Exchange. The aforementioned index takes into account both changes in share prices and dividend yield.

The share price closed at EUR 70.50 on the last trading day of September 2024. The share price rose by 16.53% in the period January to September 2024, while the SBITOP index was up by 27.98% during the same period. Turnover in the Company's shares (excluding block trades) totalled EUR 10.99 million, representing 3.33% of total turnover on the Ljubljana Stock Exchange. The market capitalisation of Telekom Slovenije stood at EUR 460.75 million on the last trading day of September 2024.

Trading statistics for TLSG shares

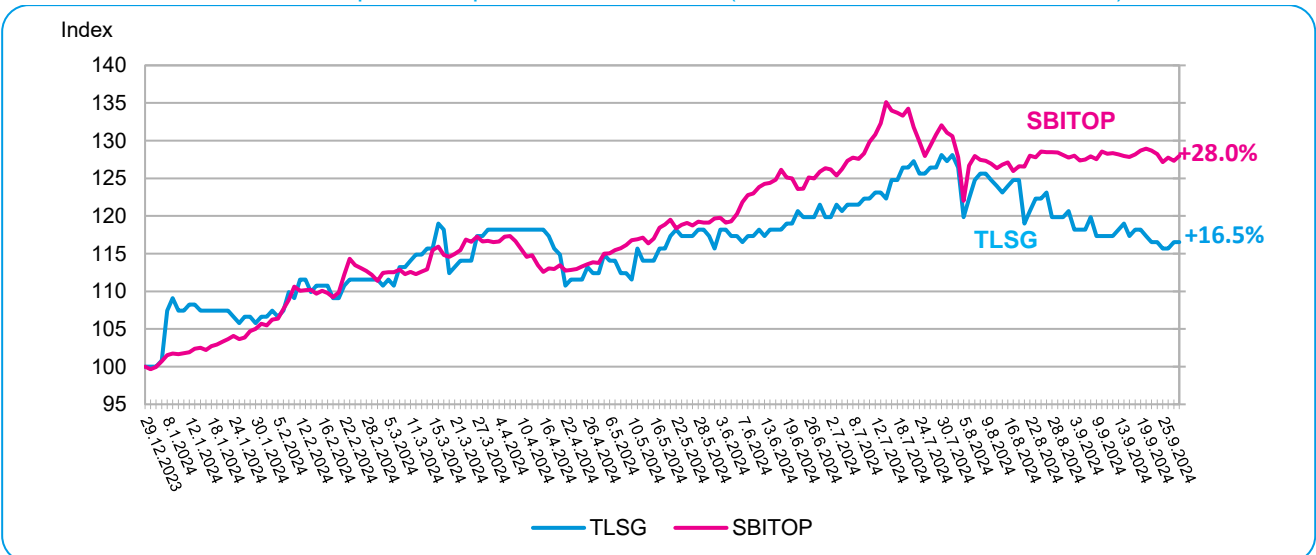
Standard price in EUR	I – IX 2024	I – IX 2023
Highest daily price	77.50	55.50
Lowest daily price	60.50	47.00
Average daily price	70.30	50.50
Turnover (excluding block trades) in EUR thousand	I – IX 2024	I – IX 2023
Total volume for the period	10,986.04	7,270.42
Highest daily volume	367.63	485.54
Lowest daily volume	0.00	0.00
Average daily volume	58.75	39.09

Change in the share price and turnover in TLSG shares



Source: Ljubljana Stock Exchange, 30. 9. 2024

Movement in the TLSG share price compared to the SBITOP (index: 31 December 2023 = 100)



Source: Ljubljana Stock Exchange, 30. 9. 2024

Key financial data relating to TLSG shares

	30 September 2024 / I – IX 2024	30 September 2023/ I – IX 2023
Closing price of one share on the last trading day of the period (in EUR)	70.50	49.80
Capital return per share during the period (in %) ¹	16.53	5.51
Telekom Slovenije		
Book value of one share (in EUR) ²	93.94	96.51
P/BV	0.75	0.52
Net earnings per share (in EUR) ³	3.94	3.79
Telekom Slovenije Group		
Book value of one share (in EUR) ⁴	101.51	99.66
P/BV	0.69	0.50
Net earnings per share (in EUR) ⁵	7.17	6.14

¹ The capital return per share is calculated as follows: (share price on the final trading day of the period – share price on the final trading day of the previous period) / share price on the final trading day of the previous period.

² The book value of one share is calculated as the ratio of the book value of Telekom Slovenije's equity on the last day of the period to the number of issued ordinary shares.

³ Net earnings per share is calculated as the ratio of Telekom Slovenije's net operating profit for the accounting period to the average number of issued ordinary shares, excluding treasury shares.

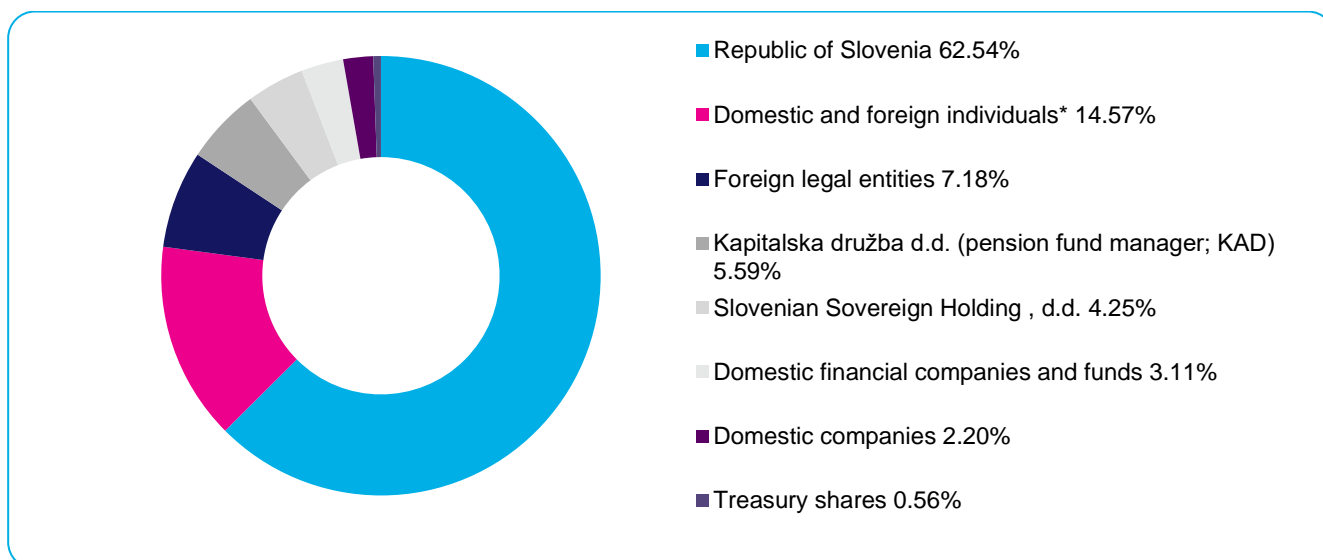
⁴ The book value of one share is calculated as the ratio of the book value of the Telekom Slovenije Group's equity on the last day of the period to the number of issued ordinary shares.

⁵ Net earnings per share is calculated as the ratio of the Telekom Slovenije Group's net operating profit for the accounting period to the average number of issued ordinary shares, excluding treasury shares.

Ownership structure and largest shareholders as at 30 September 2024

Telekom Slovenije had 8,112 shareholders as at 30 September 2024, a decrease of 150 relative to the end of 2023. At 0.68 percentage points, domestic financial corporates and funds recorded the most significant decrease in ownership stake during the first nine months of 2024. Domestic and foreign individual shareholders reduced their ownership stake by 0.22 percentage points. Foreign legal entities increased their ownership stake by 0.90 percentage points.

Ownership structure

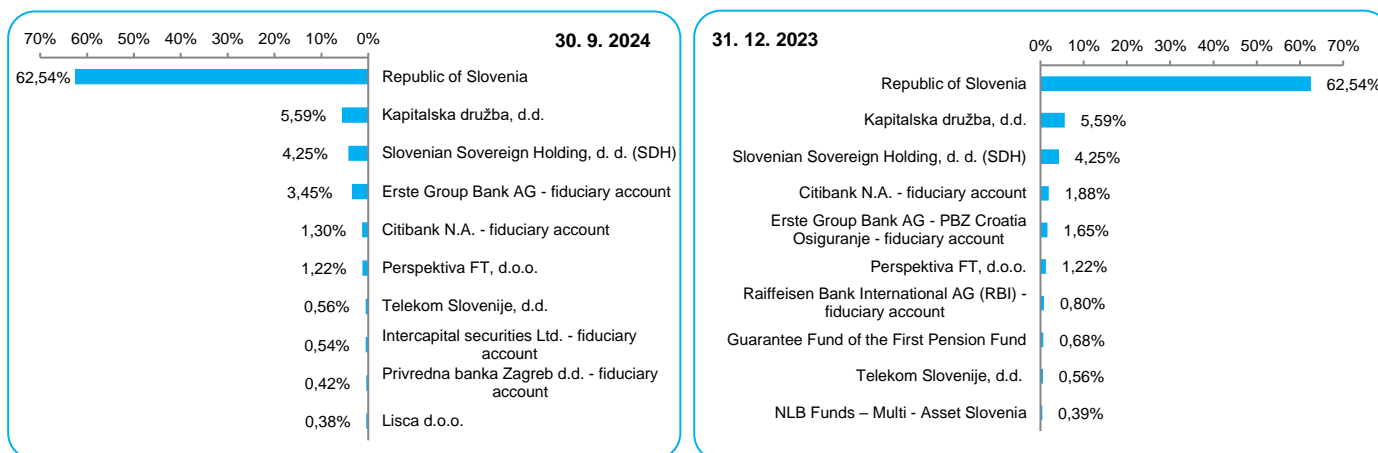


* Individual shareholders include individuals who pursue gainful activities on the market.

Source: KDD, 30. 9. 2024

Ten largest shareholders

The concentration of ownership, as measured by the ownership stake held by the ten largest shareholders, stood at 80.26% as at 30 September 2024, an increase of 0.69 percentage points relative to the end of 2023. The composition of the ten largest shareholders changed as a result of these changes.



Source: KDD, 30. 9. 2024

Shares held by the Management Board and Supervisory Board of Telekom Slovenije

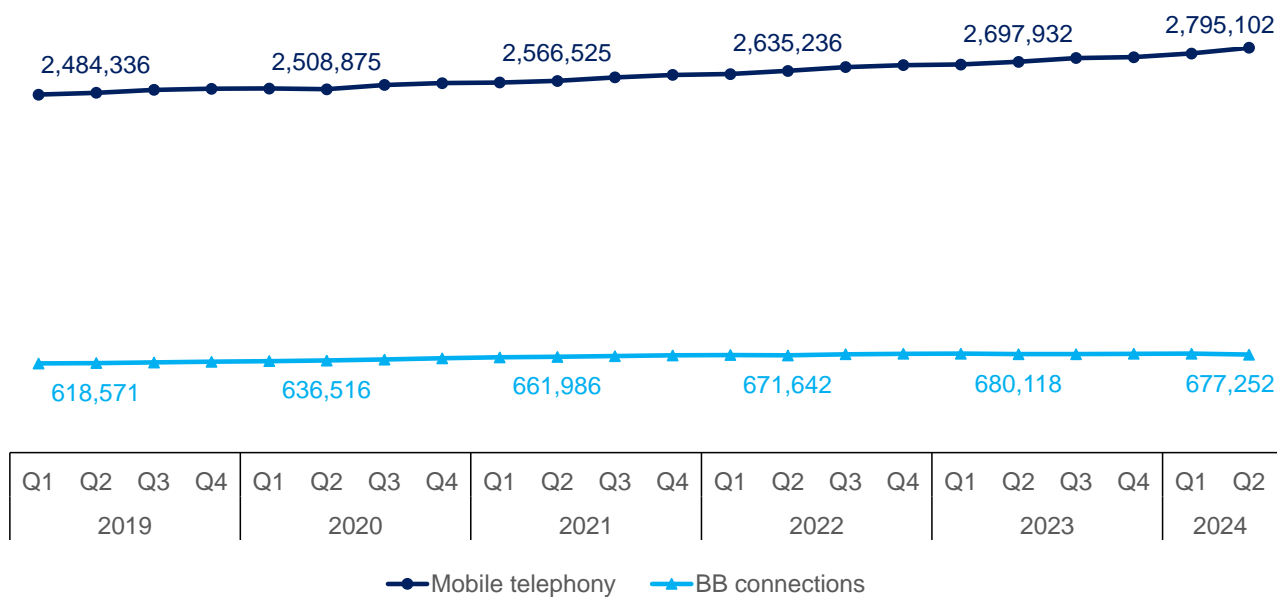
Members of the Management Board and Supervisory Board held 1,178 TLSG shares as at 30 September 2024.

Name and surname	Office	Number of shares	% of equity
Management Board			
Boštjan Škufca Zaveršek	Vice-President of the Management Board	380	0.00581
Vesna Prodnik	Member of the Management Board	400	0.00612
Supervisory Board			
Aleksander Igličar	Member of the Supervisory Board	150	0.00230
Drago Kijevčanin	Vice-President of the Supervisory Board	212	0.00324
Dušan Pišek	Member of the Supervisory Board	36	0.00055
Total Management Board and Supervisory Board		1,178	0.01802

When the Company's shares are traded by its representatives and when reporting on such transactions at Telekom Slovenije, we comply with the applicable legislation and the Rules Restricting Trading in the Shares of Telekom Slovenije.

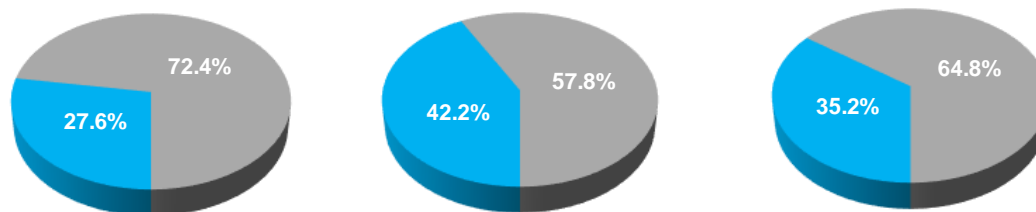
3.5 Market and market shares in key service segments

Changes in the number of connections on the electronic communications market in Slovenia



Source: Statistical Office of the Republic of Slovenia, Electronic Communications, second quarter of 2024.

Telekom Slovenije’s market shares in the second quarter of 2024 in key market segments



	Fixed broadband access	IP TV	Mobile telephony
Market share	27.6%	42.2%	35.2%
Quarterly change (p.p.)	0.2 p.p.	0.2 p.p.	-0.2 p.p.
Connections	196.344	174.237	982.341
Quarterly change	0.6%	1.3%	0.6%

Source: Report on the development of the electronic communications market for the second quarter of 2024, AKOS; internal Telekom Slovenije figures.

3.6 Risk management

The material risks at the Telekom Slovenije Group and the measures to manage them are presented below.

Strategic risks

- We operate on markets subject to stiff competition in terms of pricing, services and the infrastructure, regulatory requirements, and changing customer needs, expectations and price sensitivity. Managing these risks requires a targeted market approach, constant innovation, the active monitoring of user expectations and market trends, and flexibility in supply.
- The optimisation and development of the product portfolio are ongoing processes. We follow user needs by updating our mobile and fixed packages, by offering innovations and by enriching programme content. The emphasis is on ensuring the highest quality and the broadest set of competitive services for the most diverse user segments. We promote the migration of users to more current packages, and implement activities to maintain subscribers.
- We promote the use of advanced mobile payment options (e.g. VALÚ, VALÚ Moneta and payments for digital content).
- We carry out activities to promote the sale of cyber security, IT support, eCare and digital infrastructure services (smart cities, energy, mobility, Industry 4.0 and mobile private networks), and comprehensive ICT solutions tailored to the needs of business users. Strategic partnerships for innovative solutions are being formed.
- Intensive activities are being carried out in the area of eCare for the smooth transition to an insurance system for long-term care in line with the entry into force of the Long-Term Care Act.
- We are digitalising user processes (digital communications, simple IT architecture and technology).
- A new cloud-based CRM system has been introduced to provide support to sales processes for business users and the needs of the wholesale market. That system will facilitate the most advanced customer relationship management approaches and methods.
- We manage risks in connection with securing investment projects and taking on major transactions by searching for new opportunities on domestic and foreign markets.
- Liquidity risk is controlled through the management and planning of cash flows, through the optimisation of working capital, by ensuring that financial debt has appropriate maturities, through the use of liquid assets within the Group, and through short-term credit lines that are regularly rolled over with respect to needs.
- Credit risk management is achieved through credit assessment and the active monitoring of subscribers' transactions, and by setting maximum allowable exposures. We manage the risk of the deteriorating financial position of subscribers through credit insurance and by regularly monitoring the appropriateness thereof. Monitoring of the settlement of contractual obligations and the active recovery of past-due debt are elements of comprehensive credit risk management.
- Interest rate risk is managed by ensuring that financial debt with fixed interest rates and/or hedged interest rates or with variable interest rates is properly structured.

Regulatory and compliance-related risks

- In our operations, we comply with valid legislation, as well as decisions and aspects of sectoral regulations and other competent bodies. We manage regulatory risks through organisational and procedural measures, through constructive dialogue, by putting forth opinions, comments and suggestions in public consultations regarding drafts of general and specific laws issued by the regulator, and by taking legal action against issued regulatory decisions, whenever that is justified.
- The decision designating Telekom Slovenije as a universal service provider in the territory of the Republic of Slovenia expires at the beginning of December 2024. In the administrative procedure of designating a universal service provider for a further 5 years, initiated by AKOS, Telekom Slovenije responded by stating all the facts and arguments against the re-appointment of Telekom Slovenije as the universal service provider.
- We process extensive collections of personal data relating to users, business partners, employees and other stakeholders. Much of our attention is therefore dedicated to the security and compliance of data processing, for existing services and for new services alike. Crucial in that regard is the application of general EU regulations and national legislation

Financial risks

- We regularly monitor changes in the financial environment and the financial risks to which we are exposed in our operations.

(GDPR, Personal Data Protection Act, etc.), and sectoral legislation, in particular the Electronic Communications Act (ZEKom-2). Underlying laws have brought stricter regulation and increased the awareness of both users and the general public regarding the protection of data, while sectoral legislation sets out the obligations of the Company in individual areas of operations.

- We provide services in areas that are governed by Regulation (EU) 2022/2554 on digital operational resilience for the financial sector, which enters into force on 17 January 2025. In accordance with the requirements of the aforementioned regulation and associated implementing acts, we are updating our digital operational resilience processes and procedures.

Operational risks

- A great deal of attention is given to the management of ICT-related operational and security risks.
- We continuously optimise the network and the target architecture, data centres and other technical infrastructure. The fixed and mobile network and systems are the continuous subject of general and technological upgrades. The capacity of equipment is being upgraded and the number of licences increased in line with growth in traffic. The modernisation of the radio access network (RAN) and core network is being carried out at an accelerated pace in connection with the decision on the allocation of radio frequencies.
- In terms of information security, systems for the control and management of this area are continuously developed. The network (fixed and mobile) and systems are continuously upgraded and adapted to new threats with the aim of preventing abuse. Potential threats on the dark web (stolen credentials, cyber-attacks and attack vectors used, etc.) are continuously checked. Security testing is performed continuously, and knowledge and data regarding threats are shared with European telecommunications operators and international cyber incident response teams. In place is the Cyber Security and Resilience Centre where increasing emphasis is placed on improving resilience.
- Modern network technology (Software Defined Access or SDA), which already includes the zero trust principle of cyber security and advanced user identification and authorisation techniques, is being introduced at an accelerated rate in the internal business network.
- We ensure business continuity through the establishment and continuous development of

the business continuity management system (BCMS), through the regular assessment of the system and the testing of plans, and through upgrades of topology and the capacity of the infrastructure and ICT services, as required. A search is in progress in Kosovo for a new secondary location to ensure business continuity in the event of a catastrophe (disaster recovery).

- We also face risks associated with retaining key employees. We respond to these risks through targeted development and training programmes, by promoting the transfer of knowledge through mentors, by offering support to employees in the acquisition of new competences, by promoting cooperation and internal mobility, and by implementing other activities to motivate and retain employees. We work actively with various educational institutions, implement numerous activities to build the employer brand with the aim of attracting new and diverse candidates, and offer company scholarships.
- We manage risks in connection with procurement processes through standardised procurement process and a supplier risk assessment methodology. To that end, compliance with contractual provisions is monitored. The Supplier Code of Conduct falls into this category of activities. We search for alternative suppliers and employ a strategy of two or more suppliers. We also explore the possibility of additional suppliers, in particular for critical goods and services.

Risks relating to sustainability aspects of operations

- We regularly monitor the impacts of the internal and external environments, and determine the impacts and probability of risks based on a materiality assessment in the process of identifying risks to which the Group is exposed.
- Exposure to transition and physical risks is relatively low. Risk management measures relate primarily to ongoing efforts aimed at energy efficiency and reducing greenhouse gas emissions in line with the strategy.
- The digital and green transitions are integrated into the Group's strategy, which is based on the superior quality of the network, the most advanced ICT services and solutions and cleaner energy sources, all of which contributes to the mitigation of climate and environmental changes and the adaptation to the impacts thereof, and also facilitates energy savings.
- We regularly brief stakeholders and provide information regarding activities relating to socially responsible and sustainable conduct via communication campaigns and cooperation with prominent groups of stakeholders.

4 CORPORATE GOVERNANCE

Management Board

Telekom Slovenije's Management Board functioned in the following composition as at 30 September 2024:

- Boštjan Košak, President,
- Boštjan Škufca Zaveršek, MSc, Vice-President,
- Irma Gubanec, MSc, Member,
- Vesna Prodnik, MSc, Member, and
- Špela Fortin, Member and Workers' Director.

President of the Management Board Boštjan Košak began his four-year term of office on 4 October 2022. Irma Gubanec, MSc began her four-year term of office on 12 October 2022. Boštjan Škufca Zaveršek, MSc, who was appointed Vice-President of the Management Board, and Vesna Prodnik, MSc began their four-year terms of office on 14 November 2022. Member of the Management Board and Workers' Director Špela Fortin began her second four-year term of office on 14 September 2023.

Supervisory Board

Telekom Slovenije's Supervisory Board comprises nine members, six of whom are shareholder representatives and three of whom are employee representatives. The members of the Supervisory Board submitted a statement of compliance with the criteria of independence in accordance with the Corporate Governance Code.

The Supervisory Board comprised the following members as at 30 September 2024:

Shareholder representatives:

- Žiga Debeljak, MSc, President,
- Karla Pinter, MSc, Vice-President,
- Marko Boštjančič, Member,
- Alenka Čok Pangeršič, MSc, Member,
- Mateja Čuk Orel, MSc, Member, and
- Aleksander Igličar, MSc, Member.

Employee representatives:

- Drago Kijevčanin, Vice-President,
- Dušan Pišek, Member, and
- Rok Pleteršek, Member.

Members of the Supervisory Board are elected for a term of four years.

The composition of the Supervisory Board is diverse, as its members complement each other in terms of their expertise, competences, experience, age, gender, work method and other aspects. This facilitates the effective exchange of opinions and views at sessions.

For more information, visit <https://www.telekom.si/en/about-us/company>.

SLOVENIA

GVO, d.o.o.

Managing Director: Dr Zef Vučaj

Supervisory Board: Vesna Prodnik, MSc (President), Peter Anžin and Helena Jakič

INFRADEL, d.o.o.

Managing Director: Dr Zef Vučaj

OPTIC-TEL, d.o.o.

Managing Director: Dr Zef Vučaj

AVTENTA, d.o.o.

Managing Director: Matija Nendl

TSmedia, d.o.o.

Managing Director: Igor Gajster

SOLINE, d.o.o.

Managing Director: Aleksander Valentin

Klavdij Godnič served as the company's Managing Director until 30 June 2024.

TSinpo, d.o.o.

Managing Director: Vesna Lednik

OTHER COUNTRIES

IPKO Telecommunications LLC, Kosovo

CEO: András Páli

SIOL d.o.o., Croatia

Managing Director: Simon Furlan, MSc

SIOL doo Podgorica, Montenegro

Managing Director: Simon Furlan, MSc

SIOL d.o.o. Sarajevo, Bosnia and Herzegovina

Managing Director: Simon Furlan, MSc

SIOL DOOEL Skopje, North Macedonia

Managing Director: Simon Furlan, MSc

SIOL DOO BEOGRAD-PALILULA, Serbia

Managing Director: Simon Furlan, MSc

SIOL Prishtina LLC, Kosovo

Managing Director: Simon Furlan, MSc

5 SIGNIFICANT EVENTS IN THE PERIOD JANUARY TO SEPTEMBER 2024

FIRST QUARTER OF 2024

JANUARY

- GVO is celebrating 20 years of operations in 2024.
- On 23 January, the Court of Audit of the Republic of Slovenia published the audit report 'Efficiency of the operations of Telekom Slovenije, d.d.' in the period 1 January 2019 to 31 October 2022. Telekom Slovenije cooperated with the Court of Audit throughout the entire audit procedure, and took an active approach to the rectification of deficiencies. As a result, the audit report did not impose measures on the Company or require the submission of a response report.
- **ESG:** For the third year in a row, Telekom Slovenije received the international Top Employer certificate, which is received by companies that implement excellent HR practices.

FEBRUARY

- On 2 February, the Ljubljana District Court sent Telekom Slovenije the preliminary filing of the plaintiff, T-2, according to which the latter proposes an increase in its claim in the amount of EUR 59 million. Telekom Slovenije received a lawsuit for the payment of ordinary damages in the amount of EUR 12,195,656.00, payment for lost profit in the amount of EUR 35,760,909.00 and the non-existence of claims in the amount of EUR 1,778,033.00, together with appertaining amounts, on 2 March 2021. The claim represents damages that the plaintiff allegedly incurred in the period 1 September 2018 to 31 July 2020.
- On 28 February, the Ljubljana District Court sent Telekom Slovenije a lawsuit filed by T-2, demanding, *inter alia*, that the court find that Telekom Slovenije does not have the right to request the submission of collateral in accordance with contracts concluded on the basis of sample offers for local access at a fixed location (WLA) and central access at a fixed location (WCA). The Company responded to that lawsuit by the prescribed deadline.
- The 37th General Meeting of Shareholders of Telekom Slovenije was held on 7 February. Shareholders supported the proposal that distributable profit from 2022 in the amount of EUR 40,291,580.40 be earmarked for the payment of dividends, i.e. EUR 6.20 gross per share.

- With the aim of mitigating interest rate risk, Telekom Slovenije entered into an interest rate swap (IRS) for 75% of the principal amount of a long-term loan drawn down at the end of 2023. As a result, the proportion of the total financial liabilities of the Group and Company accounted for by loans bearing a fixed or hedged interest rate rose to 51.9%.
- TSmedia redesigned the Siol.net portal.

MARCH

- On 12 March, Telekom Slovenije received a ruling from the Administrative Court of the Republic of Slovenia in the administrative matter involving the Competition Protection Agency (CPA) with respect to the reversal of the decision of 2 February 2015. The Administrative Court upheld Telekom Slovenije's claim in full, and also reversed the CPA's decision in the remaining part regarding the alleged abuse of a dominant position on the inter-operator broadband access market with bit-streaming and on the inter-operator market for access to the fixed network infrastructure in the Republic of Slovenia. The matter was returned for a new hearing before the CPA.
- On 1 March, Telekom Slovenije doubled speeds in mobile packages and thus facilitated a fast internet with gigabit speeds (download speeds of up to 1 Gbit/s and upload speeds of up to 200 Mbit/s).
- **ESG:** Avtenta received the Top Cloud Performer Award for best SAP cloud solution partner for 2023, as well as the Platinum Credit Excellence award. The platinum certificate of credit rating excellence is given to companies that retain the highest credit rating (Gold AAA) for three years in a row. Avtenta met those criteria in 2021, 2022 and 2023.
- **ESG:** Soline added a salt shower body bar to its range of natural products.

SECOND QUARTER OF 2024

APRIL

- Telekom Slovenije published the audited annual report of the Telekom Slovenije Group and Telekom Slovenije, d.d. for 2023.
- **ESG:** Telekom Slovenije has launched the 'Uživajmo pametno' (Enjoy Smart) platform, within which, in cooperation with experts from the Logout, neodvisen.si and TOM Telefon organisations, recommendations and tools have been developed to help parents and young people by providing a space for discussion of digital dangers and the responsible and smart

use of technology. The contents are available online at telekom.si/pametno.

MAY

- In the event of future natural or other disasters that affect network operation, Telekom Slovenije will employ its own mobile unit to help reestablish mobile services as soon as possible in the affected areas.
- Telekom Slovenije users are the most satisfied users of (mobile and fixed) telecommunications services in the country according to the results of a spring survey carried out by Valicon, which measured how satisfied customers were with their telecommunications services. Telekom Slovenije thereby consolidates its position as the leading operator and the operator with the most satisfied customers, with similar results having been produced in the spring 2023 survey.
- Telekom Slovenije received the top award as the most secure company of 2023 at the Corporate Security Days conference. Presented by the Institute for Corporate Security Studies (ICS Ljubljana) in conjunction with the Slovenian Corporate Security Association, this is the most important award in the field of security in Slovenia.
- Telekom Slovenije took the next development step by establishing the first mobile roaming with voice traffic via the LTE/4G network (VoLTE/Voice over LTE services). Telekom Slovenije provided the first VoLTE mobile roaming in the USA, in cooperation with T-Mobile.
- **ESG:** At TSinpo, as part of efforts to raise awareness of sustainability, they have been organising 'green breakfasts' for staff. In addition to the important role of training and the equal inclusion of persons with disabilities, they highlight the importance of taking steps together to lead more sustainable lives and explore ways of ensuring that TSinpo can contribute to the common goals of the Telekom Slovenije Group.
- On 24 May the Telekom Slovenije Supervisory Board gave its consent to the appointment of Aleksander Valentin as Managing Director of Soline Pridelava soli, d.o.o. for a four-year term of office that began on 1 July.

JUNE

- The 38th General Meeting of Shareholders was held on 17 June. Shareholders were briefed on the annual report and on the Supervisory Board's report on the results of the verification of the annual report for the 2023 financial year, and conferred official approval on the Management Board and Supervisory Board for the 2023 financial year. Shareholders were also briefed on the report on the remuneration of members of Telekom Slovenije's Management

Board and Supervisory Board for 2023. The General Meeting approved the proposed use of distributable profit for the 2023 financial year. A portion of the distributable profit, which amounts to EUR 26,215,980.71, is to be used thus: EUR 23,863,902.71, which represents the net profit for 2023, is to be allocated to other profit reserves, and the remainder (EUR 2,352,078.00), which comes from retained earnings from previous years, shall remain unallocated as retained earnings, with a decision on its use being taken in the coming financial years. The General Meeting of Shareholders elected Aleksander Igličar to serve a four-year term of office as member of the Supervisory Board and shareholder representative, beginning on 22 January 2025.

- **ESG:** Telekom Slovenije donated EUR 20,000 to the Slovenian Red Cross for the renovation of the Starfish Youth Home at the Debeli Rtič Youth Spa and Resort.
- The 2024 Slovenian telephone directory was published on DVD in the spring.
- As a sponsor of the Slovenian football team, Telekom Slovenije provided subscribers to its NAJ and SUPR mobile packages with unlimited data transfer and free 'Brezskrbni' (Worry-Free) travel insurance during the European championships in Germany.
- **ESG:** In cooperation with its partners, Telekom Slovenije has developed a comprehensive smart charging network solution for companies that wish to electrify their vehicle fleet. This customised solution is modular, and can also include everything from the installation and maintenance of charging stations to advanced software for managing and optimising energy consumption. In this way Telekom Slovenije is easing the transition to electric vehicles and contributing to sustainable mobility.
- Telekom Slovenije received two innovation awards. The 'eCare and vital functions' project received a gold award and a solution for identification using a biometric personal identity card on a mobile telephone a silver award from the Chamber of Commerce and Industry of Slovenia for the Central Slovenia region as being among the best innovations in the region.
- In the first half of the year, the Cyber Security and Resilience Centre handled a record number of security events (more than three times the number handled in the same period the previous year). There were 15% more security events in the second quarter than in the first, which indicates an upward trend.

THIRD QUARTER OF 2024

JULY

- Together with partners in Trieste, Telekom Slovenije presented the results of a study that was carried out as part of the European 5G-SITACOR project, and focuses on exploiting the potential of 5G technology for developing infrastructure for improved safety in road traffic between Slovenia and Italy. The main objective was to assess the technical requirements for the comprehensive establishment of Mediterranean and Baltic-Adriatic road corridors, with particular emphasis on the cross-border sections between Friuli-Venezia Giulia (Italy) and Slovenia.
- During this Olympic year we introduced the responsible 'Cheer Smart' initiative. Through that initiative and with the help of Olympic athletes, such as sports climber Janja Garnbret, volleyball player Tine Urnaut and track and field star Anita Horvat, we encouraged sportsmanship and cheering (including in the digital world). At the same time, we built on the message of the 'Enjoy Smart' platform, which raises awareness about the smart use of digital technologies.
- **ESG:** Telekom Slovenije offered free and unlimited mobile data to all of its mobile subscribers who cheered at the Olympic Games in Paris. Thus, Telekom Slovenije's mobile subscribers did not need to search for Wi-Fi networks. The Company similarly supported fans attending the European Football Championships in Germany with unlimited mobile data.
- **ESG:** Telekom Slovenije, a long-time supporter of the Slovenian men's volleyball team, once again demonstrated its commitment to the development of volleyball in Slovenia. In the scope of its sponsorship of this year's Nations League in Stožice, the Company activated a prize game in which spectators guessed the number of balls in a special box. Those balls were distributed to 21 clubs whose primary aim is the functioning of youth teams.
- To make access to communication services even easier for the citizens of Ptuj and the surrounding areas, the Telekom Centre in Ptuj opened its doors on Monday, 29 July, in a new location, at the Supernova Shopping Centre located on Ormoška cesta. The new premises are more accessible and, like before, visitors will be assisted by friendly and professional advisors in the selection of communication services and products.

AUGUST

- Telekom Slovenije is the only operator in Slovenia selling the newest Google Pixel 9

series of mobile phones, which Google unveiled at a global presentation on the evening of Tuesday, 13 August. Presales were possible via the Online Shop, while Telekom Slovenije is the only Slovenian operator that offers users the possibility to officially purchase Google Pixel 9, Google Pixel 9 Pro and Google Pixel 9 Pro XL mobile phones. Those phones are officially supported in full in Telekom Slovenije's mobile network, ensuring an excellent user experience and comprehensive after-sales support.

- **ESG:** Telekom Slovenije and GVO received special recognition in the form of a certificate of solidarity. The latter is special recognition awarded by the Municipality of Črna na Koroškem for 'prompt, selfless and invaluable assistance in the saving of the lives and property of inhabitants of the municipality following flooding in August 2023'.
- **TSmedia:** TSmedia's network of outdoor digital screens was joined this year by four new jumbo screens, the newest of which was set-up in Postojna in August. In doing so, we have added a 34th screen to the network and plotted our 14th Slovenian city on TSmedia's coverage map. TSmedia's screen network is the only digital network in Slovenia that offers advertisers national coverage and a nationwide presence.

SEPTEMBER

- **ESG:** Telekom Slovenije can connect an additional 250,000 households to the fibre optic network in both urban centres and rural areas. The main advantages of fibre optic connections are reliability, safety, high internet speeds, improved picture and sound quality, and reduced latency. As the technology of the future, fibre optics are also more stable in the event of a lightning strike or power fluctuations. Stability, reliability and high connection speeds are maintained even at long distances from exchanges, which is crucial for the provision of high-quality services, particularly in rural areas and outside settlements.
- In conjunction with leading providers, Telekom Slovenije has already integrated into its network an advanced technological solution that will soon provide users an even better experience when using smart watches and other wearable devices. With support for different manufacturers and models, including Apple, Google and Samsung smartwatches, users will be able to use a single number across multiple devices via an electronic SIM card (eSIM).
- **ESG:** Telekom Slovenije is strengthening its role as the leading operator by investing in the network and developing user-friendly services. In the last ten years, it has invested more than EUR 680 million just in the development and maintenance of the network. Through the

continuous expansion, upgrading and modernisation of the network and the introduction of state-of-the-art technologies, the Company serves as the pillar of Slovenia's digital development. In the last year and a half, it has increased the capacity of the entire mobile network by more than 30% and increased the capacity of the 5G network threefold.

- By setting up a new base station, Telekom Slovenije has improved coverage by the mobile signal in the Poljane Valley.
- **ESG:** For the second year in a row, Telekom Slovenije organised a development-training programme for students from 16 to 18

September. That programme focused on 5th generation (5G) mobile technology and new technologies. It is free-of-charge and intended for students interested in contemporary telecommunications, future technological development and the functioning of the most advanced technologies in practice.

- **TSmedia:** According to data from MOSS, Siol.net recorded close to 817,000 unique visitors. This is the highest number of unique monthly users recorded this year, and means that 54.5% of all Slovenian web users visited Siol.net at least once in September.

6 SIGNIFICANT EVENTS AFTER THE REPORTING DATE

FOURTH QUARTER OF 2024

OCTOBER

- At its 26th ordinary session held on Thursday, 3 October 2024, the Supervisory Board discussed and adopted the annual business plan of Telekom Slovenije, d.d. and the Telekom Slovenije Group for 2025 with projections until 2029.
- **ESG:** Telekom Slovenije extended its long-term partnership with the Slovenian Football Association for the next four years through its sponsorship of the men's and women's national teams.
- **ESG:** October is international breast cancer awareness month. Again this year, Samsung and Telekom Slovenije joined forces with the Slovenian chapter of the Europa Donna association to raise awareness about breast cancer, with the two aforementioned companies donating EUR 10,000 to support that association.
- We have already delivered 300,000 NEO Smartboxes. NEO is an advanced platform with a voice model in Slovene that is adapted to Slovenian users with the help of artificial intelligence and also supports different dialects. Voice control has been very well received by users, with more than 90% of NEO users using voice commands. A total of 177 million voice commands were given in 2023, with that number already exceeding 200 million this year.
- On 25 October 2024, AKOS sent a proposal for a new *Recommendation on the actions of operators in cases of unreasonable requests for operator access* to the European Commission for notification.



7 CONDENSED INTERIM ACCOUNTING REPORT OF THE TELEKOM SLOVENIJE GROUP AND TELEKOM SLOVENIJE, D.D. FOR THE PERIOD JANUARY TO SEPTEMBER 2024

The condensed financial statements of the Telekom Slovenije Group and the condensed financial statements of the controlling company Telekom Slovenije, d.d. for the reported period and the comparable period last year were compiled in accordance with the International Financial Reporting Standards (IFRS) as adopted by the EU and in accordance with the requirements of the Companies Act (ZGD).

The condensed financial statements for the period ending 30 September 2024 were compiled in accordance with IAS 34 Interim Financial Reporting, and must be read together with the financial statements and disclosures compiled for the 2023 financial year. The financial statements for the period January to September 2024 and for the comparative period January to September 2023 have not been audited, while the financial statements for the comparative period ending 31 December 2023 have been audited. The financial statements of the Group and Company were compiled under the assumption that both are going concerns. Operations are not seasonal.

Changes in accounting policies

The accounting policies used in the compilation of the interim condensed financial statements are the same as those applied in the compilation of the financial statements for the financial year ending 31 December 2023.

Use of significant estimates and judgements

The compilation of the financial statements requires of management certain estimates, assessments and assumptions that affect the carrying amount of assets and liabilities, the disclosure of contingent liabilities as at the statement of financial position date and the amount of revenues and expenses in the period ending on the statement of financial position date. Future events and their impact cannot be determined with certainty. Accounting assessments therefore apply a judgement subject to change taking into account new events, experiences and additional information, and as the result of changes in the business environment. Actual values may vary from estimates. Estimates and assumptions are reviewed on a regular basis. Revisions to accounting estimates are recognised in the period in which estimates are revised, and in all future years affected by such revisions.

Functional and presentation currency

The reporting currency of the Telekom Slovenije Group is the euro, which is also the functional and presentation currency of the controlling company Telekom Slovenije. All financial information is presented in thousands of euros, unless otherwise stated.

7.1 Condensed interim financial statements of the Telekom Slovenije Group and Telekom Slovenije, d.d.

Unaudited consolidated and separate statement of profit or loss

in EUR thousand	Telekom Slovenije Group		Telekom Slovenije	
	I – IX 2024	I – IX 2023	I – IX 2024	I – IX 2023
Sales revenue	530,826	518,800	458,341	449,341
Other operating income	5,527	8,363	3,028	5,777
Historical cost of goods sold	-67,162	-65,316	-70,056	-68,237
Costs of materials and energy	-16,678	-22,779	-13,177	-18,803
Costs of services	-162,721	-159,184	-154,213	-149,247
Labour costs	-96,134	-84,561	-78,465	-68,817
Amortisation and depreciation	-124,543	-122,277	-104,256	-102,603
Other operating expenses	-8,313	-13,533	-7,796	-8,834
Total operating expenses	-475,551	-467,650	-427,963	-416,541
Earnings before interest and taxes	60,802	59,513	33,406	38,577
Finance income	2,040	966	4,511	3,793
Finance expenses	-13,515	-13,175	-12,151	-12,366
Profit before tax	49,327	47,304	25,766	30,004
Corporate income tax	-5,456	-4,293	-2,866	-2,260
Deferred taxes	2,734	-3,088	2,687	-3,091
Net profit from continuing operations	46,605	39,923	25,587	24,653
Earnings per share				
Basic earnings per share in EUR	7.17	6.14	3.94	3.79
Diluted earnings per share in EUR	7.17	6.14	3.94	3.79

Unaudited consolidated and separate statement of other comprehensive income

in EUR thousand	Telekom Slovenije Group		Telekom Slovenije	
	I – IX 2024	I – IX 2023	I – IX 2024	I – IX 2023
Net profit for the period	46,605	39,923	25,587	24,653
<i>Other comprehensive income that may be subsequently reclassified to the statement of profit or loss</i>	<i>-1,700</i>	<i>-14</i>	<i>-1,707</i>	<i>-16</i>
Translation reserves	7	0	0	0
Effective part of change in the fair value of hedging instrument	-2,188	-19	-2,188	-20
Deferred tax	481	5	481	4
<i>Other comprehensive income that may not be subsequently reclassified to the statement of profit or loss</i>	<i>184</i>	<i>-151</i>	<i>185</i>	<i>-150</i>
Net gain/loss on equity instruments at fair value through other comprehensive income	0	37	0	37
Change in the fair value of financial assets through other comprehensive income	236	-232	237	-231
Deferred tax	-52	44	-52	44
Other comprehensive income for the period after tax	-1,516	-165	-1,522	-166
Total comprehensive income for the period	45,089	39,758	24,065	24,487

Unaudited consolidated and separate statement of financial position

in EUR thousand	Telekom Slovenije Group		Telekom Slovenije	
	30 September 2024	31 December 2023	30 September 2024	31 December 2023
ASSETS				
Intangible assets	222,826	203,754	161,345	162,379
Property, plant and equipment	690,245	686,497	604,228	607,716
Right-of-use assets	87,344	79,205	94,219	85,356
Investments in subsidiaries	0	0	37,420	36,920
Other investments	2,707	2,472	14,486	22,014
Contract assets	4,218	4,179	3,831	3,749
Other receivables	18,113	19,685	18,113	19,684
Deferred costs	2,046	2,714	2,070	2,787
Investment property	3,378	3,296	3,378	3,296
Deferred tax assets	45,411	42,203	44,965	41,848
Total non-current assets	1,076,288	1,044,005	984,055	985,749
Assets held for sale	588	588	588	588
Inventories	34,911	24,802	31,460	21,176
Operating and other receivables	169,687	170,123	159,586	161,091
Receivables for corporate income tax	229	932	58	442
Contract assets	20,114	14,148	19,717	14,036
Deferred costs	9,413	6,743	6,153	4,855
Investments	1,005	1,046	3,996	18,002
Cash and cash equivalents	45,531	55,479	38,323	44,376
Total current assets	281,478	273,861	259,881	264,566
Total assets	1,357,766	1,317,866	1,243,936	1,250,315
EQUITY AND LIABILITIES				
Share capital	272,721	272,721	272,721	272,721
Share premium	181,489	181,489	180,956	180,956
Profit reserves	130,343	106,479	128,842	104,978
<i>Legal reserves</i>	51,612	51,612	50,434	50,434
<i>Reserves for treasury shares and interests</i>	4,065	4,065	4,065	4,065
<i>Treasury shares and interests</i>	-4,065	-4,065	-4,065	-4,065
<i>Statutory reserves</i>	54,854	54,854	54,544	54,544
<i>Other profit reserves</i>	23,877	13	23,864	0
Retained earnings	79,047	96,640	31,923	70,492
<i>Retained earnings from previous periods</i>	32,442	49,575	6,336	46,628
<i>Profit or loss for the period</i>	46,605	47,065	25,587	23,864
Fair value reserves	-1,695	-172	-1,695	-172
Reserves for actuarial gains/losses	1,429	1,429	1,214	1,214
Translation reserves	59	52	0	0
Total equity	663,393	658,638	613,961	630,189
Contract liabilities	18,121	19,730	17,585	19,237
Provisions	25,294	24,711	21,734	21,139
Other operating liabilities	39,228	23,336	16,026	17,316
Accrued liabilities	8,986	8,916	381	426
Loans	290,257	306,578	290,257	306,578
Lease liabilities	73,765	65,216	79,820	70,267
Other financial liabilities	2,188	0	2,188	0
Deferred tax liabilities	304	304	0	0
Total non-current liabilities	458,143	448,791	427,991	434,963
Trade payables	133,170	123,746	109,288	108,222
Income tax payable	1,285	7	1,076	0
Loans	34,878	30,598	34,878	30,598
Lease liabilities	10,052	9,868	11,552	11,512
Other financial liabilities	2	2	0	0
Contract liabilities	11,195	11,907	5,103	5,779
Accrued liabilities	45,648	34,309	40,087	29,052
Total current liabilities	236,230	210,437	201,984	185,163
Total liabilities	694,373	659,228	629,975	620,126
Total equity and liabilities	1,357,766	1,317,866	1,243,936	1,250,315

Unaudited consolidated statement of changes in equity of the Telekom Slovenije Group for the period ending 30 September 2024

in EUR thousand	Share capital	Share premium	Profit reserves					Retained earnings		Fair value reserve for financial instruments	Fair value reserve for hedging instruments in net amount	Reserves for actuarial deficits and surpluses	Translation reserves	Total
			Legal reserves	Treasury share reserves	Treasury shares	Statutory reserves	Other profit reserves	Retained earnings from previous years	Profit or loss for the period					
Balance as at 1 January 2024	272,721	181,489	51,612	4,065	-4,065	54,854	13	49,575	47,065	-172	0	1,429	52	658,638
Net profit or loss for the period	0	0	0	0	0	0	0	0	46,605	0	0	0	0	46,605
Other comprehensive income for the period	0	0	0	0	0	0	0	0	0	184	-1,707	0	7	-1,516
Total comprehensive income for the period	0	0	0	0	0	0	0	0	46,605	184	-1,707	0	7	45,089
Payment of dividends	0	0	0	0	0	0	0	-40,292	0	0	0	0	0	-40,292
Transactions with owners	0	0	0	0	0	0	0	-40,292	0	0	0	0	0	-40,292
Transfer to reserves							23,864	-23,864	0					0
Transfer of profit or loss from the previous year to retained earnings	0	0	0	0	0	0	0	47,065	-47,065	0	0	0	0	0
Changes in equity	0	0	0	0	0	0	23,864	23,201	-47,065	0	0	0	0	0
Other	0	0	0	0	0	0	0	-42	0	0	0	0	0	-42
Balance as at 30 September 2024	272,721	181,489	51,612	4,065	-4,065	54,854	23,877	32,442	46,605	12	-1,707	1,429	59	663,393

Unaudited consolidated statement of changes in equity of the Telekom Slovenije Group for the period ending 30 September 2023

in EUR thousand	Share capital	Share premium	Profit reserves					Retained earnings		Fair value reserve for financial instruments	Fair value reserve for hedging instruments in net amount	Reserves for actuarial deficits and surpluses	Translation reserves	Total
			Legal reserves	Treasury share reserves	Treasury shares	Statutory reserves	Other profit reserves	Retained earnings from previous years	Profit or loss for the period					
Balance as at 1 January 2023	272,721	181,489	51,612	4,065	-4,065	54,854	13	12,497	37,506	-202	14	1,155	18	611,677
Net profit or loss for the period	0	0	0	0	0	0	0	0	39,923	0	0	0	0	39,923
Other comprehensive income for the period	0	0	0	0	0	0	0	0	0	-151	-14	0	0	-165
Total comprehensive income for the period	0	0	0	0	0	0	0	0	39,923	-151	-14	0	0	39,758
Transfer of profit or loss from the previous year to retained earnings	0	0	0	0	0	0	0	37,506	-37,506	0	0	0	0	0
Other movements in equity	0	0	0	0	0	0	0	3	0	-37	0	0	34	0
Changes in equity	0	0	0	0	0	0	0	37,509	-37,506	-37	0	0	34	0
Other	0	0	0	0	0	0	0	-103	0	0	0	0	-1	-104
Balance as at 30 September 2023	272,721	181,489	51,612	4,065	-4,065	54,854	13	49,903	39,923	-390	0	1,155	51	651,331

Unaudited statement of changes in equity of Telekom Slovenije for the period ending 30 September 2024

in EUR thousand	Share capital	Share premium	Profit reserves					Retained earnings		Fair value reserve for financial instruments	Fair value reserve for hedging instruments in net amount	Reserves for actuarial deficits and surpluses	Total
			Legal reserves	Treasury share reserves	Treasury shares	Statutory reserves	Other profit reserves	Retained earnings from previous years	Profit or loss for the period				
Balance as at 1 January 2024	272,721	180,956	50,434	4,065	-4,065	54,544	0	46,628	23,864	-171	-1	1,214	630,189
Net profit or loss for the period	0	0	0	0	0	0	0	0	25,587	0	0	0	25,587
Other comprehensive income for the period	0	0	0	0	0	0	0	0	0	184	-1,707	0	-1,523
Total comprehensive income for the period	0	0	0	0	0	0	0	0	25,587	184	-1,707	0	24,064
Payment of dividends	0	0	0	0	0	0	0	-40,292	0	0	0	0	-40,292
Transactions with owners	0	0	0	0	0	0	0	-40,292	0	0	0	0	-40,292
Transfer to reserves							23,864	-23,864	0				
Transfer of profit or loss from the previous year to retained earnings	0	0	0	0	0	0	0	23,864	-23,864	0	0	0	0
Changes in equity	0	0	0	0	0	0	23,864	0	-23,864	0	0	0	0
Other	0	0	0	0	0	0	0	0	0	0	0	0	0
Balance as at 30 September 2024	272,721	180,956	50,434	4,065	-4,065	54,544	23,864	6,336	25,587	13	-1,708	1,214	613,961

Unaudited statement of changes in equity of Telekom Slovenije for the period ending 30 September 2023

in EUR thousand	Share capital	Share premium	Profit reserves					Retained earnings		Fair value reserve for financial instruments	Fair value reserve for hedging instruments in net amount	Reserves for actuarial deficits and surpluses	Total
			Legal reserves	Treasury share reserves	Treasury shares	Statutory reserves	Other profit reserves	Retained earnings from previous years	Profit or loss for the period				
Balance as at 1 January 2023	272,721	180,956	50,434	4,065	-4,065	54,544	0	26,076	20,793	-203	15	897	606,233
Net profit or loss for the period	0	0	0	0	0	0	0	0	24,653	0	0	0	24,653
Other comprehensive income for the period	0	0	0	0	0	0	0	0	0	-187	21	0	-166
Total comprehensive income for the period	0	0	0	0	0	0	0	0	24,653	-187	21	0	24,487
Transfer of profit or loss from the previous year to retained earnings	0	0	0	0	0	0	0	20,793	-20,793	0	0	0	0
Other movements in equity	0	0	0	0	0	0	0	37	0	-37	0	0	0
Changes in equity	0	0	0	0	0	0	0	20,830	-20,793	-37	0	0	0
Other	0	0	0	0	0	0	0	0	0	1	0	-1	0
Balance as at 30 September 2023	272,721	180,956	50,434	4,065	-4,065	54,544	0	46,906	24,653	-426	36	896	630,720

Unaudited consolidated and separate cash flow statement

in EUR thousand	Telekom Slovenije Group		Telekom Slovenije	
	I – IX 2024	I – IX 2023	I – IX 2024	I – IX 2023
Cash flows from operating activities				
Net profit for the period	46,605	39,923	25,587	24,653
Adjustments for:				
Amortisation/depreciation	124,543	122,277	104,256	102,603
Impairment and write-offs of property, plant and equipment and intangible assets	119	8,139	0	3,665
Gain/loss on disposal of property, plant and equipment	192	119	200	-791
Adjustment for discontinued operations	0	0	0	0
Impairment and write-offs of inventories	740	516	741	515
Net impairment of receivables and contract assets	5,334	2,908	4,690	2,143
Adjustment for provisions	-26	-26	0	0
Finance income	-2,040	-965	-4,511	-3,793
Finance expenses	13,515	13,175	12,151	12,367
Income tax expense with deferred taxes	2,722	7,381	179	5,352
Cash flows from operating activities before changes to working capital and provisions	191,704	193,447	143,293	146,714
Changes in inventories	-9,843	-4,942	-10,019	-3,980
Change in trade and other receivables	-3,288	-7,490	-2,017	-3,182
Change in accrued and deferred asset items and contract assets	-8,792	-11,669	-4,774	-8,466
Changes in provisions	609	509	595	436
Change in trade and other payables	22,608	-12,409	-427	-7,657
Change in accrued and deferred liability items and contract liabilities	9,088	12,988	7,879	9,712
Income tax paid	-1,636	-1,476	-1,503	-657
Net cash flow from operating activities	200,450	168,958	133,027	132,920
Cash flows from investing activities				
Inflows from investing activities	1,725	714	26,520	24,647
Proceeds from the sale of property, plant and equipment	670	457	760	1,861
Dividends received	125	164	1,270	270
Proceeds from interest	869	14	2,155	2,543
Proceeds from the sale of investments	0	37	0	37
Proceeds from repayment of loans and deposits	61	42	22,335	19,936
Outflows from investing activities	139,297	105,131	-93,177	-85,073
Disbursements for property, plant and equipment	-65,827	-58,315	-48,545	-39,996
Disbursements for intangible assets	-73,470	-46,616	-43,522	-40,957
Investments in subsidiaries and associates	0	0	-500	0
Disbursements for loans and deposits issued	0	-200	-610	-4,120
Net cash flow from investing activities	137,572	104,417	-66,657	-60,426
Cash flows from financing activities				
Proceeds from financing activities	0	0	0	0
Outflows from financing activities	-72,831	-37,013	-72,418	-36,419
Repayment of lease liabilities – principal	-7,721	-8,155	-7,613	-7,843
Repayment of non-current borrowings	-15,084	-20,110	-15,084	-20,110
Disbursements for interest	-9,734	-8,748	-9,429	-8,466
Payment of dividends	-40,292	0	-40,292	0
Net cash flow from financing activities	-72,831	-37,013	-72,418	-36,419
Net increase/decrease in cash and cash equivalents	-9,953	27,528	-6,048	36,075
Opening balance of cash and cash equivalents	55,479	37,382	44,376	19,573
Effect of exchange rate changes on cash and cash equivalents	5	57	-5	57
Closing balance of cash and cash equivalents	45,531	64,967	38,323	55,705

7.2 Notes to the interim financial statements of the Telekom Slovenije Group and Telekom Slovenije

Telekom Slovenije Group

The Telekom Slovenije Group comprised the controlling company Telekom Slovenije and the following subsidiaries as at the reporting date (30 September 2024):

Company	Country	30 September 2024
Telekom Slovenije, d.d.	Slovenia	100%
GVO, d.o.o.	Slovenia	100%
OPTIC-TEL d.o.o.*	Slovenija	100%
INFRATEL d.o.o.*	Slovenija	100%
TSmedia, d.o.o.	Slovenia	100%
AVTENTA, d.o.o.	Slovenia	100%
SOLINE, d.o.o.	Slovenia	100%
TSinpo, d.o.o.	Slovenia	100%
IPKO Telecommunications LLC	Kosovo	100%
SIOL d.o.o.	Croatia	100%
SIOL d.o.o., Sarajevo	Bosnia and Herzegovina	100%
SIOL doo Podgorica	Montenegro	100%
SIOL DOOEL Skopje	North Macedonia	100%
SIOL DOO BEOGRAD-PALILULA	Serbia	100%
USTANOVA SRČNI SKLAD	Slovenia	100%
SIOL Prishtina LLC	Kosovo	100%

* subsidiaries of GVO, d.o.o.

Segment reporting

Segment reporting is based on the internal reporting system used by management in the management of operations. The criterion for segment reporting is the registered office where an activity is performed. The Telekom Slovenije Group thus presents its operations in the following two segments:

Slovenia: this segment includes all Group companies registered in Slovenia, and primarily activities in the areas of fixed and mobile telephony services, the construction and maintenance of the telecommunications network, multimedia and internet services, and content and digital TV. The segment comprises the following companies: Telekom Slovenije, GVO, Avtenta, TSmedia, TSinpo, Optic-Tel, Infratel and Soline, as well as the Heart Foundation, which organises and collects donations, grants and other monetary and non-monetary contributions to achieve the foundation's charitable mission.

Other countries: this segment comprises other Group companies, including IPKO, SIOL Zagreb, SIOL Sarajevo, SIOL Podgorica, SIOL Skopje, SIOL Belgrade and SIOL Prishtina. This segment's main activity is the provision of telecommunication services.

Inter-segment sales were executed according to market terms. Intra-group transactions are eliminated in the consolidation process, and included in eliminations and adjustments.

The Group does not disclose finance income and expenses by segment, as the Group's financing is centralised at the level of the controlling company. Disclosures regarding revenues generated with external customers are described by type in the note 'Revenue'.

Segment reporting

in EUR thousand	Slovenia		Other countries		Eliminations and adjustments*		Total	
	I – IX 2024	I – IX 2023	I – IX 2024	I – IX 2023	I – IX 2024	I – IX 2023	I – IX 2024	I – IX 2023
Sales revenue	463,287	455,077	67,539	63,723	0	0	530,826	518,800
Inter-segment sales	52,869	63,439	7,312	7,181	-60,181	-70,620	0	0
Total segment revenue	516,156	518,516	74,851	70,904	-60,181	-70,620	530,826	518,800
Other operating income	4,370	7,922	1,157	441	0	0	5,527	8,363
Total operating expenses	-429,106	-422,759	-46,445	-44,891	0	0	-475,551	-467,650
Operating profit per segment	91,420	103,679	29,563	26,454	-60,181	-70,620	60,802	59,513
Finance income	0	0	0	0	0	0	2,040	966
Finance expenses	0	0	0	0	0	0	-13,515	-13,175
Profit before tax	0	0	0	0	0	0	49,327	47,304
Corporate income tax	0	0	0	0	0	0	-5,456	-4,293
Deferred taxes	0	0	0	0	0	0	2,734	-3,088
Net profit for the period							46,605	39,923

Other data by segment	Slovenia		Other countries		Eliminations and adjustments*		Total	
	30 September 2024	31 December 2023	30 September 2024	31 December 2023	30 September 2024	31 December 2023	30 September 2024	31 December 2023
Segment assets	1,343,333	1,350,732	163,110	135,536	-148,677	-168,402	1,357,766	1,317,866
Segment liabilities	683,592	675,667	83,601	75,429	-72,820	-91,868	694,373	659,228

* Inter-company amounts are excluded from the consolidated financial statements.

Sales revenue by segment

in EUR thousand	Slovenia		Other countries		Total	
	I – IX 2024	I – IX 2023	I – IX 2024	I – IX 2023	I – IX 2024	I – IX 2023
Mobile services on end-user market	157,546	157,213	45,640	40,995	203,186	198,208
Fixed-line telephone services on end-user market	149,992	142,828	17,005	15,980	166,997	158,808
Additional services	4,128	3,724	0	0	4,128	3,724
Wholesale market	128,264	127,436	4,894	6,748	133,158	134,184
Other revenues and merchandise	23,357	23,876	0	0	23,357	23,876
Total sales revenue	463,287	455,077	67,539	63,723	530,826	518,800

Sales revenue

Breakdown of revenue by service category

in EUR thousand	Telekom Slovenije Group		Telekom Slovenije	
	I – IX 2024	I – IX 2023	I – IX 2024	I – IX 2023
Mobile services on end-user market	203,186	198,208	157,678	157,355
Fixed-line telephone services on end-user market	166,997	158,808	149,168	142,011
Additional services	4,128	3,724	4,231	3,816
Wholesale market	133,158	134,184	130,358	129,946
Other revenues and merchandise	23,357	23,876	16,906	16,213
Total sales revenue	530,826	518,800	458,341	449,341

in EUR thousand	Telekom Slovenije Group		Telekom Slovenije	
	I – IX 2024	I – IX 2023	I – IX 2024	I – IX 2023
Revenue from sale of services	461,094	449,883	388,299	379,616
Sales revenue – goods	69,732	68,917	70,042	69,725
Total sales revenue	530,826	518,800	458,341	449,341

The sales revenue of the Telekom Slovenije Group amounted to EUR 530.8 million in the period January–September 2024, an increase of EUR 12.0 million relative to the same period in 2023.

Revenues were up **in the mobile segment of the end-user market** due to higher revenues at IPKO, primarily due to an increase in the number of users.

Revenues were higher **in the fixed segment of the end-user market** primarily due to higher revenues from broadband services as the result of growth in the number of users and sales of IT merchandise and services at Telekom Slovenije.

Revenues from **additional services** include revenues from financial services, eHealth services and insurance. All revenue categories have recorded growth in 2024.

At group lever we have recorded a decrease in wholesale revenues, while Telekom Slovenije wholesale revenues are higher than in the same period in 2023.

Revenues from leases

The Telekom Slovenije Group generated revenue from leases in the amount of EUR 9,602 thousand in the period January to September 2024, compared with EUR 9,895 thousand during the same period last year.

Telekom Slovenije generated revenue from leases in the amount of EUR 10,371 thousand in that period, compared with EUR 10,724 thousand during the same period last year.

Costs of services

in EUR thousand	Telekom Slovenije Group		Telekom Slovenije	
	I – IX 2024	I – IX 2023	I – IX 2024	I – IX 2023
Costs of telecommunication services	86,924	86,231	84,968	84,524
Costs of leased lines, networks and platforms	4,712	3,838	7,791	6,258
Costs of multimedia content	7,447	7,210	6,833	6,672
Costs of subcontractors	19,219	18,789	16,012	13,477
Maintenance of property, plant and equipment	14,682	14,911	14,891	15,342
Costs of other services	29,737	28,205	23,718	22,974
Total costs of services	162,721	159,184	154,213	149,247

The costs of services incurred by the Group in the period January to September 2024 were up by EUR 3,537 thousand relative to the same period in 2023.

The increase in the cost of other services in the Group is mainly due to higher costs of advertising and sponsorship in the amount of EUR 6,405 thousand (January to September 2023: EUR 5,282 thousand) and the costs of intellectual and personal services in the amount of EUR 4,961 thousand (January to September 2023: EUR 4,450 thousand). The costs of other services include also costs of attracting customers in the amount of EUR 2,668 thousand (January to September 2023: EUR 3,601 thousand), the costs of insurance premiums in the amount of EUR 2,431 thousand (January to September 2023: EUR 2,498 thousand) and the costs of other services in the amount of EUR 8,883 thousand (January to September 2023: EUR 7,978 thousand).

Operating profit (EBIT) and net profit

Telekom Slovenije Group

Earnings before interest and taxes (EBIT) in the amount of EUR 60,802 thousand were up by EUR 1,289 thousand relative to the same period last year. A net profit of EUR 46,605 thousand was achieved for the accounting period in the context of a net financial loss of EUR 11,475 thousand.

Telekom Slovenije

Earnings before interest and taxes (EBIT) in the amount of EUR 33,406 thousand were down by EUR 5,171 thousand relative to the same period last year. A net profit of EUR 25,587 thousand was achieved for the accounting period in the context of a net financial loss of EUR 7,640 thousand. As also explained in section 3.2 Business Highlights, operating profit and net profit are lower due to higher labour costs as the result of a change in the method for the interim calculation of business and work performance costs. The estimated proportionate annual amount is included in the results for the period January to September 2024. The aforementioned effects were recorded in previous years at the time of payment or in final annual results. We are thus normalising the effects of quarterly reporting.

Intangible assets

Changes in intangible assets of the Telekom Slovenije Group in the period January to September 2024

in EUR thousand	Goodwill	Concessions and licences	Costs of obtaining contracts with customers	Computer software	Other intangible assets	Intangible assets under construction	Total
Cost							
Balance as at 1 January 2024	49,737	436,637	24,670	255,783	67,606	5,244	839,677
Increases	0	28,556	0	0	0	43,575	72,131
Assets generated in the Group	0	0	0	0	0	1,339	1,339
Transfer into use	0	20,252	10,916	8,096	5	-39,269	0
Impairments and write-offs	0	-27,094	0	-53,676	0	-2	-80,772
Other transfers*	0	0	0	10	356	0	366
Balance as at 30 September 2024	49,737	458,351	35,586	210,213	67,967	10,887	832,741
Value adjustment							
Balance as at 1 January 2024	46,019	299,193	10,788	227,451	52,205	267	635,923
Impairments and write-offs	0	-26,895	0	-53,510	0	0	-80,405
Other transfers*	0	0	0	4	354	0	358
Amortisation	0	31,941	6,851	13,817	1,430	0	54,039
Balance as at 30 September 2024	46,019	304,239	17,639	187,762	53,989	267	609,915
Carrying amount							
Balance as at 1 January 2024	3,718	137,444	13,882	28,332	15,401	4,977	203,754
Balance as at 30 September 2024	3,718	154,112	17,947	22,451	13,978	10,620	222,826

* Other transfers include transfers between intangible assets and property, plant and equipment, and transfers between groups of assets.

Changes in intangible assets of the Telekom Slovenije Group in 2023

in EUR thousand	Goodwill	Concessions and licences	Costs of obtaining contracts with customers	Computer software	Other intangible assets	Intangible assets under construction	Total
Cost							
Balance as at 1 January 2023	49,737	421,678	21,142	253,952	67,620	13,262	827,391
Increases	0	0	0	0	2	73,936	73,938
Assets generated in the Group	0	0	0	0	0	1,414	1,414
Transfer into use	0	52,040	10,633	20,402	30	-83,105	0
Impairments and write-offs	0	-37,627	-7,105	-17,567	-46	-263	-62,608
Other transfers*	0	546	0	-1,004	0	0	-458
Balance as at 31 December 2023	49,737	436,637	24,670	255,783	67,606	5,244	839,677
Impairment							
Balance as at 1 January 2023	46,019	293,491	10,267	222,667	50,328	267	623,039
Increases	0	0	0	1,126	0	0	1,126
Impairments and write-offs	0	-35,015	-7,105	-17,550	-46	0	-59,716
Other transfers*	0	283	0	-560	0	0	-277
Amortisation	0	40,434	7,626	21,768	1,923	0	71,751
Balance as at 31 December 2023	46,019	299,193	10,788	227,451	52,205	267	635,923
Carrying amount							
Balance as at 1 January 2023	3,718	128,187	10,875	31,285	17,292	12,995	204,352
Balance as at 31 December 2023	3,718	137,444	13,882	28,332	15,401	4,977	203,754

* Other transfers include transfers between intangible assets and property, plant and equipment, and transfers between groups of assets.

Changes in intangible assets of Telekom Slovenije in the period January to September 2024

in EUR thousand	Goodwill	Concessions and licences	Costs of obtaining contracts with customers	Computer software	Other intangible assets	Intangible assets under construction	Total
Cost							
Balance as at 1 January 2024	3,602	293,809	24,670	242,612	19,336	4,954	588,983
Increases	0	0	0	0	0	42,406	42,406
Assets generated at the Company	0	0	0	0	0	1,116	1,116
Transfer into use	0	19,980	10,916	7,015	5	-37,916	0
Impairments and write-offs	0	-7,006	0	-53,673	0	0	-60,679
Other transfers*	0	0	0	10	0	0	10
Balance as at 30 September 2024	3,602	306,783	35,586	195,964	19,341	10,560	571,836
Impairment							
Balance as at 1 January 2024	0	186,751	10,788	212,194	16,871	0	426,604
Impairments and write-offs	0	-6,805	0	-53,509	0	0	-60,314
Other transfers*	0	0	0	4	1	0	5
Amortisation	0	24,222	6,851	12,859	264	0	44,196
Balance as at 30 September 2024	0	204,168	17,639	171,548	17,136	0	410,491
Carrying amount							
Balance as at 1 January 2024	3,602	107,058	13,882	30,418	2,465	4,954	162,379
Balance as at 30 September 2024	3,602	102,615	17,947	24,416	2,205	10,560	161,345

* Other transfers include transfers between intangible assets and property, plant and equipment, and transfers between groups of assets.

Changes in intangible assets of Telekom Slovenije in 2023

in EUR thousand	Goodwill	Concessions and licences	Costs of obtaining contracts with customers	Computer software	Other intangible assets	Intangible assets under construction	Total
Cost							
Balance as at 1 January 2023	3,602	282,259	21,142	240,289	19,352	12,723	579,367
Increases	0	0	0	0	0	67,910	67,910
Assets generated at the Company	0	0	0	0	0	1,220	1,220
Transfer into use	0	46,856	10,633	19,242	30	-76,761	0
Impairments and write-offs	0	-35,852	-7,105	-15,915	-46	-138	-59,056
Other transfers*	0	546	0	-1,004	0	0	-458
Balance as at 31 December 2023	3,602	293,809	24,670	242,612	19,336	4,954	588,983
Impairment							
Balance as at 1 January 2023	0	190,312	10,267	206,980	16,549	0	424,108
Increases	0	0	0	1,126	0	0	1,126
Impairments and write-offs	0	-33,240	-7,105	-15,913	-46	0	-56,304
Other transfers*	0	283	0	-562	0	0	-279
Amortisation	0	29,396	7,626	20,563	368	0	57,953
Balance as at 31 December 2023	0	186,751	10,788	212,194	16,871	0	426,604
Carrying amount							
Balance as at 1 January 2023	3,602	91,947	10,875	33,309	2,803	12,723	155,259
Balance as at 31 December 2023	3,602	107,058	13,882	30,418	2,465	4,954	162,379

* Other transfers include transfers between intangible assets and property, plant and equipment, and transfers between groups of assets.

Commitments for intangible assets amounted to EUR 16,078 thousand at the Telekom Slovenije Group level and to EUR 17,408 thousand at Telekom Slovenije as at 30 September 2024.

Property, plant and equipment

Changes in property, plant and equipment of the Telekom Slovenije Group in the period January to September 2024

in EUR thousand	Land, buildings and cable ducts	Cable network	Telephone exchanges	Equipment for the mobile network	Other equipment	Assets under construction	Other	Total
Cost								
Balance as at 1 January 2024	528,488	1,261,294	82,980	311,798	350,596	6,921	247	2,542,324
Difference from the translation to the presentation currency	0	2	0	0	-151	0	0	-149
Increases	0	216	0	0	161	54,752	16	55,145
Assets generated in the Group	0	0	0	0	0	12,527	0	12,527
Transfer into use	6,398	20,030	432	15,301	20,298	-62,459	0	0
Impairments and write-offs	-58	-198	-5,939	-15,341	-19,844	-12	0	-41,392
Other transfers*	8	-1,338	-1	0	-16	1,376	0	29
Balance as at 30 September 2024	534,836	1,280,006	77,472	311,758	351,044	13,105	263	2,568,484
Impairment								
Balance as at 1 January 2024	241,884	991,555	77,949	257,340	275,709	11,390	0	1,855,827
Difference from the translation to the presentation currency	0	1	0	0	-153	0	0	-152
Increases	11	0	2	0	15	0	0	28
Impairments and write-offs	-33	-139	-5,933	-15,273	-16,951	0	0	-38,329
Depreciation	10,060	18,203	1,305	9,726	21,576	0	0	60,870
Other transfers*	1	-2	1	0	-5	0	0	-5
Balance as at 30 September 2024	251,923	1,009,618	73,324	251,793	280,191	11,390	0	1,878,239
Carrying amount								
Balance as at 1 January 2024	286,604	269,739	5,031	54,458	74,887	-4,469	247	686,497
Balance as at 30 September 2024	282,913	270,388	4,148	59,965	70,853	1,715	263	690,245

* Other transfers include transfers between intangible assets and property, plant and equipment, transfers to investment property and transfers between groups of assets.

Changes in property, plant and equipment of the Telekom Slovenije Group in 2023

in EUR thousand	Land, buildings and cable ducts	Cable network	Telephone exchanges	Equipment for the mobile network	Other equipment	Assets under construction	Other	Total
Cost								
Balance as at 1 January 2023	518,088	1,219,276	84,890	300,538	355,401	27,491	61	2,505,745
Difference from the translation to the presentation currency	0	-4	0	0	-3	0	0	-7
Increases	0	640	0	0	1,069	79,506	186	81,401
Assets generated in the Group	0	0	0	0	0	16,205	0	16,205
Transfer into use	11,185	46,137	1,290	19,212	33,904	-111,728	0	0
Impairments and write-offs	-1,624	-4,594	-3,648	-7,952	-39,784	-4,562	0	-62,164
Other transfers*	839	-161	448	0	9	9	0	1,144
Balance as at 31 December 2023	528,488	1,261,294	82,980	311,798	350,596	6,921	247	2,542,324
Impairment								
Balance as at 1 January 2023	229,415	971,670	79,481	253,252	281,036	11,390	0	1,826,244
Difference from the translation to the presentation currency	0	-1	0	0	-1	0	0	-2
Increases	85	0	5	8	71	0	0	169
Impairments and write-offs	-798	-2,907	-3,634	-7,831	-35,085	0	0	-50,255
Depreciation	13,509	22,807	1,830	11,911	29,678	0	0	79,735
Other transfers**	-327	-14	267	0	10	0	0	-64
Balance as at 31 December 2023	241,884	991,555	77,949	257,340	275,709	11,390	0	1,855,827
Carrying amount								
Balance as at 1 January 2023	288,673	247,606	5,409	47,286	74,365	16,101	61	679,501
Balance as at 31 December 2023	286,604	269,739	5,031	54,458	74,887	-4,469	247	686,497

* Other transfers include transfers between intangible assets and property, plant and equipment, and transfers between groups of assets.

Changes in property, plant and equipment of Telekom Slovenije in the period January to September 2024

in EUR thousand	Land, buildings and cable ducts	Cable network	Telephone exchanges	Equipment for the mobile network	Other equipment	Assets under construction	Total
Cost							
Balance as at 1 January 2024	503,398	1,158,489	81,552	195,407	331,395	14,311	2,284,552
Increases	0	0	0	0	0	46,358	46,358
Assets generated at the Company	0	0	0	0	0	4,031	4,031
Transfer into use	6,376	15,690	432	9,523	17,577	-49,599	-1
Impairments and write-offs	-58	-25	-5,939	-15,289	-19,327	-1	-40,639
Other transfers*	10	-10	0	0	-17	9	-8
Balance as at 30 September 2024	509,726	1,174,144	76,045	189,641	329,628	15,109	2,294,293
Impairment							
Balance as at 1 January 2024	232,873	938,008	76,714	163,852	265,389	0	1,676,836
Increases	11	0	2	0	15	0	28
Impairments and write-offs	-33	-18	-5,933	-15,220	-16,464	0	-37,668
Depreciation	9,717	14,187	1,277	6,211	19,482	0	50,874
Other transfers*	3	-1	-1	0	-7	0	-6
Balance as at 30 September 2024	242,571	952,176	72,059	154,842	268,417	0	1,690,064
Carrying amount							
Balance as at 1 January 2024	270,525	220,481	4,838	31,555	66,006	14,311	607,716
Balance as at 30 September 2024	267,155	221,968	3,986	34,799	61,211	15,109	604,228

* Other transfers include transfers between intangible assets and property, plant and equipment, transfers to investment property and transfers between groups of assets.

Changes in property, plant and equipment of Telekom Slovenije in 2023

in EUR thousand	Land, buildings and cable ducts	Cable network	Telephone exchanges	Equipment for the mobile network	Other equipment	Assets under construction	Total
Cost							
Balance as at 1 January 2023	488,699	1,139,346	83,665	185,472	337,505	20,541	2,255,228
Increases	0	0	0	0	0	67,523	67,523
Assets generated at the Company	0	0	0	0	0	4,713	4,713
Transfer into use	11,179	23,180	1,087	12,831	29,904	-78,181	0
Impairments and write-offs	-1,604	-3,876	-3,648	-2,896	-36,023	-286	-48,333
Other transfers*	5,124	-161	448	0	9	1	5,421
Balance as at 31 December 2023	503,398	1,158,489	81,552	195,407	331,395	14,311	2,284,552
Impairment							
Balance as at 1 January 2023	220,231	921,561	78,259	159,497	270,748	0	1,650,296
Increases	85	0	5	8	67	0	165
Impairments and write-offs	-1,237	-2,318	-3,634	-2,870	-32,262	0	-42,321
Depreciation	12,984	18,779	1,817	7,217	26,827	0	67,624
Other transfers*	810	-14	267	0	9	0	1,072
Balance as at 31 December 2023	232,873	938,008	76,714	163,852	265,389	0	1,676,836
Carrying amount							
Balance as at 1 January 2023	268,468	217,785	5,406	25,975	66,757	20,541	604,932
Balance as at 31 December 2023	270,525	220,481	4,838	31,555	66,006	14,311	607,716

* Other transfers include transfers between intangible assets and property, plant and equipment, and transfers between groups of assets.

Commitments for property, plant and equipment amounted to EUR 11,127 thousand at the Telekom Slovenije Group level and to EUR 24,124 thousand at Telekom Slovenije as at 30 September 2024.

Right-of-use assets

Changes in right-of-use assets of the Telekom Slovenije Group in the period January to September 2024

in EUR thousand	Base stations – easement and lease	Technological premises – easement and lease	Lease of business premises and land	Vehicles	Lease of lines	Other	Total
Cost							
Balance as at 1 January 2024	85,401	9,514	11,970	3,104	23,363	4,345	137,697
Contract modifications	12,164	468	2,206	109	395	122	15,464
Transfer into use – new contracts	1,680	95	99	452	69	102	2,497
Decreases	-196	-125	-255	0	-2	-224	-802
Other transfers	-1	2	-7	1	9	0	4
Balance as at 30 September 2024	99,048	9,952	14,011	3,668	23,834	4,345	154,859
Impairment							
Balance as at 1 January 2024	35,032	4,093	7,587	1,369	8,110	2,301	58,492
Decreases	-80	-55	-190	0	0	-203	-528
Depreciation	5,663	565	1,194	525	1,292	310	9,549
Other transfers	3	-3	149	2	-152	3	2
Balance as at 30 September 2024	40,618	4,600	8,740	1,896	9,250	2,411	67,515
Carrying amount							
Balance as at 1 January 2024	50,369	5,421	4,383	1,735	15,253	2,044	79,205
Balance as at 30 September 2024	58,430	5,352	5,271	1,772	14,584	1,934	87,344

Changes in right-of-use assets of the Telekom Slovenije Group in 2023

in EUR thousand	Base stations – easement and lease	Technological premises – easement and lease	Lease of business premises and land	Vehicles	Lease of lines	Other	Total
Cost							
Balance as at 1 January 2023	74,036	8,929	9,719	2,687	22,246	4,224	121,841
Difference from the translation to the presentation currency	0	0	0	0	-88	0	-88
Contract modifications	8,304	409	1,368	231	86	98	10,496
Transfer into use – new contracts	3,564	322	872	664	1,119	60	6,601
Decreases	-503	-146	0	-478	0	-37	-1,164
Other transfers	0	0	11	0	0	0	11
Balance as at 31 December 2023	85,401	9,514	11,970	3,104	23,363	4,345	137,697
Impairment							
Balance as at 1 January 2023	27,748	3,337	5,923	1,220	6,365	1,829	46,422
Decreases	-197	-82	0	-457	0	-37	-773
Depreciation	7,481	802	1,664	606	1,745	509	12,807
Other transfers	0	36	0	0	0	0	36
Balance as at 31 December 2023	35,032	4,093	7,587	1,369	8,110	2,301	58,492
Carrying amount							
Balance as at 1 January 2023	46,288	5,592	3,796	1,467	15,881	2,395	75,419
Balance as at 31 December 2023	50,369	5,421	4,383	1,735	15,253	2,044	79,205

Changes in right-of-use assets of Telekom Slovenije in the period January to September 2024

in EUR thousand	Base stations – easement and lease	Technological premises – easement and lease	Lease of business premises and land	Vehicles	Lease of lines	Other	Total
Cost							
Balance as at 1 January 2024	66,326	8,376	4,939	2,753	55,949	711	139,054
Contract modifications	11,414	455	958	12	2,896	122	15,857
Transfer into use – new contracts	1,680	95	99	416	69	0	2,359
Decreases	-196	-120	-255	0	-2	0	-573
Balance as at 30 September 2024	79,224	8,806	5,741	3,181	58,912	833	156,697
Impairment							
Balance as at 1 January 2024	28,029	3,509	2,833	1,200	17,493	634	53,698
Decreases	-82	-50	-189	1	0	-1	-321
Depreciation	4,818	489	556	461	2,712	65	9,101
Balance as at 30 September 2024	32,765	3,948	3,200	1,662	20,205	698	62,478
Carrying amount							
Balance as at 1 January 2024	38,297	4,867	2,106	1,553	38,456	77	85,356
Balance as at 30 September 2024	46,459	4,858	2,541	1,519	38,707	135	94,219

Changes in right-of-use assets of Telekom Slovenije in 2023

in EUR thousand	Base stations – easement and lease	Technological premises – easement and lease	Lease of business premises and land	Vehicles	Lease of lines	Other	Total
Cost							
Balance as at 1 January 2023	60,695	7,994	4,054	2,456	44,461	633	120,293
Contract modifications	2,389	185	13	133	10,368	78	13,166
Transfer into use – new contracts	3,564	322	872	599	1,120	0	6,477
Decreases	-322	-125	0	-435	0	0	-882
Balance as at 31 December 2023	66,326	8,376	4,939	2,753	55,949	711	139,054
Impairment							
Balance as at 1 January 2023	21,882	2,884	2,100	1,063	13,759	478	42,167
Decreases	-141	-62	0	-415	0	0	-618
Depreciation	6,288	687	733	552	3,734	155	12,149
Balance as at 31 December 2023	28,029	3,509	2,833	1,200	17,493	633	53,698
Carrying amount							
Balance as at 1 January 2023	38,813	5,110	1,954	1,393	30,702	155	78,126
Balance as at 31 December 2023	38,297	4,867	2,106	1,553	38,456	78	85,356

Depreciation in the amount of EUR 9,549 thousand and interest expense on lease liabilities in the amount of EUR 2,271 thousand were disclosed in the Telekom Slovenije Group's income statement in the period January to September 2024. The Group disclosed depreciation in the amount of EUR 9,483 thousand and interest expense in the amount of EUR 1,776 thousand during the same period last year.

Depreciation in the amount of EUR 9,101 thousand and interest expense on lease liabilities in the amount of EUR 1,966 thousand were disclosed in Telekom Slovenije's statement of profit or loss in the period January to September 2024. The Company disclosed depreciation in the amount of EUR 9,111 thousand and interest expense in the amount of EUR 1,497 thousand during the same period last year.

Operating and other receivables

The Group and Company disclose receivables from the sale of merchandise with a maturity exceeding one year in non-current receivables. Corrections to the value of receivables relate to expected credit losses. The maturity structure of receivables is presented in Section 7.3.

Current trade and other receivables were down by EUR 436 thousand at the Telekom Slovenije Group level and by EUR 1,505 thousand at Telekom Slovenije relative to the balance at the end of 2023.

Financial liabilities for borrowings received and other financial liabilities

Financial liabilities amounted to EUR 327,325 thousand at the Telekom Slovenije Group level and comprised the following as at 30 September 2024 (EUR 337,178 thousand at the end of 2023):

- loans and borrowings in the amount of EUR 325,135 thousand (EUR 337,176 thousand at the end of 2023);
- other liabilities in the amount of EUR 2 thousand (the same as at the end of 2023); and
- derivatives in the form of interest rate swaps (IRS) in the amount of EUR 2,188 thousand (zero balance in 2023).

Telekom Slovenije's financial liabilities in the amount of EUR 327,323 thousand as at 30 September 2024 (EUR 337,176 thousand at the end of 2023) relate to the following:

- loans and borrowings in the amount of EUR 325,135 thousand (EUR 337,176 thousand at the end of 2023); and
- derivatives in the form of interest rate swaps (IRS) in the amount of EUR 2,188 thousand (zero balance in 2023).

Lease liabilities

The lease liabilities of the Telekom Slovenije Group amounted to EUR 83,817 thousand as at 30 September 2024 and were up by EUR 8,733 thousand relative to the end of 2023.

Telekom Slovenije's lease liabilities amounted to EUR 91,372 thousand as at 30 September 2024 and were up by EUR 9,593 thousand relative to the end of 2023.

Fair value hierarchy

In view of the accounting policies and breakdown, the fair value of financial and non-financial assets and liabilities is to be determined in certain cases. The Group and the Company apply the following hierarchy in determining fair values:

- Level 1: determination of fair value directly by referencing the official published price on an active market;
- Level 2: other models used to determine fair value based on assumptions and material impact on fair value in line with observed current market transactions with the same instruments either directly or indirectly; and
- Level 3: other models used to determine fair value based on assumptions and material impact on fair value that are not in line with observed current market transactions with the same instruments and investments.

The table below only includes information regarding classification to the fair value hierarchy for assets and financial liabilities measured at fair value and for which fair value is disclosed.

Book and fair values of the Telekom Slovenije Group's financial instruments as at 30 September 2024

in EUR thousand	Book value	Fair value	Level 1	Level 2	Level 3
Non-current financial assets					
Investments in shares and interests listed on the stock exchange, measured at fair value through other comprehensive income	2,406	2,406	2,406	0	0
Investments in shares and interests not listed on the stock exchange, measured at fair value through other comprehensive income	284	284	0	0	284
Other non-current financial assets	17	17	0	17	0
Operating receivables	18,113	18,113	0	18,113	0
Current financial assets					
Loans granted	3	3	0	3	0
Other current financial assets	1,002	1,002	0	1,002	0
Operating and other receivables	169,916	169,916	0	169,916	0
Cash and cash equivalents	45,531	45,531	0	45,531	0
Non-current financial liabilities					
Borrowings	290,257	290,257	0	290,257	0
Liabilities for interest-rate swaps	2,188	2,188		2,188	
Other liabilities	39,228	39,228	0	39,228	0
Current financial liabilities					
Borrowings	34,878	34,878	0	34,878	0
Other financial liabilities	2	2	0	2	0
Trade payables	133,170	133,170	0	133,170	0

Book and fair values of the Telekom Slovenije Group's financial instruments as at 31 December 2023

in EUR thousand	Book value	Fair value	Level 1	Level 2	Level 3
Non-current financial assets					
Investments in shares and interests listed on the stock exchange, measured at fair value through other comprehensive income	2,170	2,170	2,170	0	0
Investments in shares and interests not listed on the stock exchange, measured at fair value through other comprehensive income	284	284	0	0	284
Loans granted	2	2	0	2	0
Other non-current financial assets	16	16	0	16	0
Operating receivables	19,685	19,685	0	19,685	0
Current financial assets					
Loans granted	7	7	0	7	0
Other current financial assets	1,039	1,039	0	1,039	0
Operating and other receivables	171,055	171,055	0	171,055	0
Cash and cash equivalents	55,479	55,479	0	55,479	0
Non-current financial liabilities					
Borrowings	306,578	306,578	0	306,578	0
Other liabilities	23,336	23,336	0	23,336	0
Current financial liabilities					
Borrowings	30,598	30,598	0	30,598	0
Other financial liabilities	2	2	0	2	0
Trade payables	123,746	123,746	0	123,746	0

Book and fair values of Telekom Slovenije's financial instruments as at 30 September 2024

in EUR thousand	Book value	Fair value	Level 1	Level 2	Level 3
Non-current financial assets					
Investments in shares and interests listed on the stock exchange, measured at fair value through other comprehensive income	2,406	2,406	2,406	0	0
Investments in shares and interests not listed on the stock exchange, measured at fair value through other comprehensive income	285	285	0	0	285
Loans granted	11,795	11,795	0	11,795	0
Operating receivables	18,113	18,113	0	18,113	0
Current financial assets					
Loans granted	3,996	3,996	0	3,996	0
Operating and other receivables	159,644	159,644	0	159,644	0
Cash and cash equivalents	38,323	38,323	0	38,323	0
Non-current financial liabilities					
Borrowings	290,257	290,257	0	290,257	0
Liabilities for interest-rate swaps	2,188	2,188		2,188	
Trade payables	16,026	16,026	0	16,026	0
Current financial liabilities					
Borrowings	34,878	34,878	0	34,878	0
Trade payables	109,288	109,288	0	109,288	0

Book and fair values of Telekom Slovenije's financial instruments as at 31 December 2023

in EUR thousand	Book value	Fair value	Level 1	Level 2	Level 3
Non-current financial assets					
Investments in shares and interests listed on the stock exchange, measured at fair value through other comprehensive income	2,170	2,170	2,170	0	0
Investments in shares and interests not listed on the stock exchange, measured at fair value through other comprehensive income	284	284	0	0	284
Loans granted	19,560	19,560	0	19,560	0
Operating receivables	19,684	19,684	0	19,684	0
Current financial assets					
Loans granted	17,966	17,966	0	17,966	0
Other current financial assets	36	36		36	
Operating and other receivables	161,533	161,533	0	161,533	0
Cash and cash equivalents	44,376	44,376	0	44,376	0
Non-current financial liabilities					
Borrowings	306,578	306,578	0	306,578	0
Trade payables	17,316	17,316	0	17,316	0
Current financial liabilities					
Borrowings	30,598	30,598	0	30,598	0
Trade payables	108,222	108,222	0	108,222	0

Fair values at levels 2 and 3 of the hierarchy were estimated using the discounted cash flow valuation technique. The Group and the Company did not record any transfers between fair value levels during the reporting period.

Contingent liabilities from lawsuits

Telekom Slovenije Group

in EUR thousand	30 September 2024	2023
Value of lawsuits	299,757	250,542

A total of 83 lawsuits had been filed against Group companies as at the balance-sheet date (31 December 2023: 83 lawsuits).

Based on senior management's assessment and legal opinions received, provisions from lawsuits were created in the amount of EUR 7,787 thousand as at 30 September 2024 (31 December 2023: EUR 4,161 thousand).

Telekom Slovenije

in EUR thousand	30 September 2024	2023
Value of lawsuits	297,043	247,802

A total of 40 lawsuits had been filed against company Telekom Slovenije as at the balance-sheet date (31 December 2023: 41 lawsuits).

Based on senior management's assessment and legal opinions received, provisions from lawsuits were created in the amount of EUR 7,487 thousand as at 30 September 2024 (31 December 2023: EUR 3,895 thousand).

Contingent liabilities from guarantees issued

The Group had provided the following guarantees as at 30 September 2024:

- performance guarantees and warranty bonds in the amount of EUR 11,735 thousand (at the end of 2023: EUR 11,741 thousand); and
- other guarantees in the amount of EUR 473 thousand (at the end of 2023: EUR 1,020 thousand).

The Company had provided the following guarantees as at 30 September 2024:

- performance guarantees and warranty bonds in the amount of EUR 8,566 thousand (at the end of 2023: EUR 8,480 thousand); and
- other guarantees in the amount of EUR 458 thousand (at the end of 2023: EUR 28 thousand).

None of the above-stated liabilities meet the conditions for recognition under liabilities in the statement of financial position, and the Group does not expect any material consequences as the result thereof.

Related party transactions

Related parties of the Company include the Republic of Slovenia as the majority shareholder of Telekom Slovenije, other shareholders, members of the Management Board, members of the Supervisory Board and their family members.

Transactions with individuals

Individuals (members of the Management Board and Supervisory Board) held 1,178 shares in Telekom Slovenije as at 30 September 2024, representing a holding of 0.01802%.

No loans to related individuals were approved in the period January to September 2024.

Transactions with owners and their related parties

The majority owner of Telekom Slovenije is the Republic of Slovenia, which together with Slovenski državni holding (SDH), holds a 66.8% participating interest.

Parties related to owners include those companies in which the Republic of Slovenia and SDH together hold a direct participating interest of at least 20%. A list of the aforementioned companies is published on SDH's website (<https://www.sdh.si/en-gb/asset-management/list-of-assets>).

The total value of transactions is presented in the table below.

in EUR thousand	Telekom Slovenije Group		Telekom Slovenije	
	30 September 2024	31 December 2023	30 September 2024	31 December 2023
Outstanding operating receivables	4,214	4,659	3,847	3,898
Outstanding trade payables	1,431	4,214	1,379	4,055
VAT liabilities	3,288	5,655	3,155	5,490
Income tax liabilities	1,108	-889	1,018	-442
in EUR thousand	I – IX 2024	I – IX 2023	I – IX 2024	I – IX 2023
Operating revenues	17,562	19,693	16,799	14,533
Purchase costs of material and services	13,615	19,150	13,067	18,348
in EUR thousand	I – IX 2024	I – IX 2023	I – IX 2024	I – IX 2023
VAT payment	42,668	44,458	41,330	43,984
CIT payment	1,580	1,314	1,503	557
Payment of dividends	27,066	0	27,066	0

Transactions with Group companies

Telekom Slovenije recorded the following transactions with Group companies:

in EUR thousand	30 September 2024	31 December 2023
Receivables due from companies in the Group		
Subsidiaries – gross amount	3,873	3,330
Subsidiaries – impairment	-15	-15
Subsidiaries – net amount	3,858	3,316
Borrowings to companies in the Group		
Subsidiaries – gross amount	15,788	37,516
Subsidiaries – impairment	0	0
Subsidiaries – net amount	15,788	37,516
Liabilities to Group companies		
Subsidiaries	33,246	33,092
in EUR thousand	I – IX 2024	I – IX 2023
Net Group revenue	11,968	11,676
Subsidiaries	11,968	11,676
Purchase of material and services in the Group	17,181	16,863
Subsidiaries	17,181	16,863

Loans to subsidiaries

in EUR thousand	30 September 2024	31 December 2023
GVO, d.o.o.	3,613	4,517
TSmedia, d.o.o.	171	492
IPKO Telecommunications LLC	0	20,000
SOLINE, d.o.o.	1,322	1,789
SIOL d.o.o.	158	313
SIOL d.o.o., Sarajevo	3,642	3,920
Infratel, d.o.o.	3,924	3,654
SIOL Prishtina LLC	2,958	2,831
Total to subsidiaries	15,788	37,516

All transactions between related parties are executed at market terms.

Events after the reporting date

Events after the reporting date are described in the business section of this report, in Section 6 Significant events after the reporting date.

7.3 Financial instruments and risk management

The financial risks to which the Telekom Slovenije Group and Telekom Slovenije are most exposed in their operations are credit risk, solvency risk and interest rate risk. Exposure to individual types of financial risks is assessed regularly. The appropriate measures to manage those risks are implemented based on an assessment of potential negative effects on financial stability.

Credit risk

Credit risk is the risk of financial loss if a subscriber or contracting party fails to settle their obligations in full or fails to settle them at all.

The maximum exposure to credit risk equals the book value of financial assets.

in EUR thousand	Telekom Slovenije Group		Telekom Slovenije	
	30 September 2024	31 December 2023	30 September 2024	31 December 2023
Loans granted	3	9	15,791	37,526
Deposits	1,002	1,039	0	36
Operating and other receivables	187,800	189,808	177,699	180,775
- of which trade receivables	182,846	179,731	173,636	171,583
Cash and cash equivalents	45,531	55,479	38,323	44,376
TOTAL	234,336	246,335	231,813	262,713

The credit risk to which the Group and Telekom Slovenije are exposed derives primarily from default by subscribers (retail) and by operators (wholesale). The highest exposure to credit risk is seen in trade receivables. The latter amounted to EUR 182,846 thousand at the Group level as at 30 September 2024, an increase of EUR 3,115 thousand relative to the end of 2023. Telekom Slovenije's receivables make up the majority of the Group's trade and other receivables. Most receivables are unsecured. The Group's receivables are accounted for by a large number of individuals and legal entities. For operators outside Slovenia, turnover generally flows in both directions, which reduces the net credit exposure. We assess that there is no significant concentration of credit risk vis-à-vis a particular customer or economic sector, apart from some domestic operators. Telekom Slovenije has a higher credit risk with some domestic operators, which don't settle liabilities for wholesale services. Telekom Slovenije has initiated appropriate proceedings on court against these operators.

Procedures aimed at the management of receivables are implemented at Group companies and include the monitoring of business partners' credit ratings, the collateralisation of receivables, the monitoring of high-traffic subscribers and debt collection activities. Debt collection activities are carried out according to a valid reminder timetable and via specialised external service providers.

Maturity analysis of the Telekom Slovenije Group's trade and other receivables as at 30 September 2024

in EUR thousand	30 September 2024				31 December 2023			
	Gross amount	Expected % of credit losses	Impairment	Net value	Gross amount	Expected % of credit losses	Impairment	Net value
Total trade receivables	207,038		-24,192	182,846	200,927		-21,196	179,731
Trade receivables non-past-due	163,818	0.4%	-719	163,099	165,270	0.5%	-784	164,486
Past due								
- up to and including 30 days	11,501	5%	-549	10,952	8,799	5%	-412	8,387
- from and including 31 days up to and including 60 days	5,350	11%	-582	4,768	3,754	11%	-415	3,339
- from and including 61 days up to and including 90 days	1,470	16%	-235	1,235	781	18%	-137	644
- from and including 91 days up to and including 180 days	3,160	46%	-1,467	1,693	2,493	46%	-1,135	1,358
- from and including 181 days up to and including 365 days	3,115	86%	-2,689	426	2,735	87%	-2,371	364
- from and including 366 days up to 2 years	7,600	91%	-6,917	683	6,642	83%	-5,486	1,156
- over 2 years	8,087	100%	-8,097	-10	7,650	100%	-7,653	-3
- trade receivables in insolvency proceedings	2,937	100%	-2,937	0	2,803	100%	-2,803	0
Total trade receivables past-due	43,220		-23,473	19,747	35,657		-20,412	15,245
Other operating receivables	4,954		0	4,954	10,077		0	10,077
Total receivables	211,992		-24,192	187,800	211,004	0	-21,196	189,808

Maturity analysis of Telekom Slovenije's trade and other receivables as at 30 September 2024

in EUR thousand	30 September 2024				31 December 2023			
	Gross amount	Expected % of credit losses	Impairment	Net value	Gross amount	Expected % of credit losses	Impairment	Net value
Total trade receivables	192,226		-18,590	173,636	187,747		-16,164	171,583
Trade receivables non-past-due	156,076	0.5%	-781	155,295	158,789	0.5%	-787	158,002
Past due								
- up to and including 30 days	10,828	5%	-541	10,287	8,126	5%	-405	7,721
- from and including 31 days up to and including 60 days	5,113	11%	-562	4,551	3,509	11%	-386	3,123
- from and including 61 days up to and including 90 days	1,275	15%	-191	1,084	598	15%	-90	508
- from and including 91 days up to and including 180 days	2,792	45%	-1,255	1,537	1,628	45%	-733	895
- from and including 181 days up to and including 365 days	2,590	90%	-2,331	259	2,239	90%	-2,025	214
- from and including 366 days up to 2 years	3,044	80%	-2,421	623	3,108	64%	-1,988	1,120
- over 2 years	8,077	100%	-8,077	0	7,457	100%	-7,457	0
- trade receivables in insolvency proceedings	2,431	100%	-2,431	0	2,293	100%	-2,293	0
Total trade receivables past-due	36,150		-17,809	18,341	28,958		-15,377	13,581
Other operating receivables	4,063		0	4,063	9,192		0	9,192
Total receivables	196,289		-18,590	177,699	196,939		-16,164	180,775

At Telekom Slovenije Group level, we monitor credit risk in other areas of operations. Credit risk is low in terms of maintaining funds on business account and in the form of deposits due to a stable banking system and the high liquidity of banks. As a result, expected credit losses have not been recorded for cash and cash equivalents and deposits.

Telekom Slovenije is exposed to credit risk arising from receivables from loans granted to subsidiaries. The Company regularly monitors and supervises the operations of its subsidiaries and the ability of those subsidiaries to repay loans. Expected credit losses have therefore not been recorded for those loans.

Maturity of loans granted

in EUR thousand	Telekom Slovenije Group		Telekom Slovenije	
	30 September 2024	31 December 2023	30 September 2024	31 December 2023
Past due	0	0	0	0
Non-past-due:	3	9	15,791	37,526
- in less than 3 months	1	3	3,122	1,487
- between 3 and 12 months	2	4	874	16,479
- between 1 and 2 years	0	2	3,621	11,321
- between 2 and 5 years	0	0	4,478	4,350
- over 5 years	0	0	3,697	3,890
Total	3	9	15,791	37,526

Solvency risk

The Telekom Slovenije Group regularly settles its obligations. The Group's solvency is the result of the active planning of cash flows, ensuring the appropriate maturities and the diversification of financial debt, the financing of Group companies, and the optimisation of working capital and cash. Liquidity risk at the Group level is managed by the controlling company, which plans and monitors subsidiaries' financing needs, and provides them the sources they require.

The majority of the Group's financial liabilities relate to three long-term syndicated loans in the total amount of EUR 227.5 million with associated interest, a long-term loan in the amount of EUR 98.1 million from the European Investment Bank with associated interest, and lease liabilities in the amount of EUR 83.8 million at the Group level and EUR 91.4 million at the Company level.

Telekom Slovenije did not have any loan instalments fall due for payment in the period January to September 2024.

The Group and Telekom Slovenije have raised short-term funding from banks to ensure sufficient liquidity. The liquidity reserve in the form of revolving loans and an overdraft facility on the business account in the total amount of EUR 85 million was not drawn down as at 30 September 2024.

Maturity of the Telekom Slovenije Group's financial liabilities as at 30 September 2024 and 31 December 2023 based on contractual non-discounted payments

in EUR thousand	Up to 3 months	Between 3 and 12 months	Non-past-due			Total	Book value of liabilities
			Between 1 and 2 years	Between 2 and 5 years	Over 5 years		
30 September 2024							
Loans and borrowings	24,490	21,660	44,301	170,761	107,386	368,598	325,563
Other financial liabilities	0	2	0	0	2,188	2,190	2,190
Trade and other payables	91,608	41,560	11,705	4,321	23,202	172,396	172,396
Financial liabilities from leases	4,375	8,029	13,934	26,837	51,996	105,171	83,818
Total	120,473	71,251	69,940	201,919	184,772	648,355	583,967
31 December 2023							
Loans and borrowings	887	43,849	45,556	181,391	122,681	394,364	337,700
Other financial liabilities	0	2	0	0	0	2	2
Trade and other payables	93,881	29,866	11,839	5,476	6,021	147,083	147,083
Financial liabilities from leases	5,246	6,279	11,831	23,703	46,193	93,252	75,084
Total	100,014	79,996	69,226	210,570	174,895	634,701	559,869

Maturity of Telekom Slovenije's financial liabilities as at 30 September 2024 and 31 December 2023 based on contractual non-discounted payments

in EUR thousand	Up to 3 months	Between 3 and 12 months	Non-past-due			Total	Book value of liabilities
			Between 1 and 2 years	Between 2 and 5 years	Over 5 years		
30 September 2024							
Loans and borrowings	24,490	21,660	44,301	170,761	107,386	368,598	325,563
Other financial liabilities	0	0	0	0	2,188	2,188	2,188
Trade and other payables	90,306	18,982	11,581	4,321	124	125,314	125,314
Financial liabilities from leases	5,008	9,438	11,468	27,867	57,180	110,961	91,372
Total	119,804	50,080	67,350	202,949	166,878	607,061	544,437
31 December 2023							
Loans and borrowings	887	43,849	45,556	181,391	122,681	394,364	337,700
Trade and other payables	91,945	16,278	11,716	5,476	125	125,540	125,540
Financial liabilities from leases	5,864	7,658	9,986	25,275	48,422	97,205	81,779
Total	98,696	67,785	67,258	212,142	171,228	617,109	545,019

Interest rate risk

Interest-rate risk is the risk of the negative impact of a change in market interest rates on the Group's operations. The exposure of the Group and Company to interest rate risk as at 30 September 2024 derives from a potential change in the EURIBOR reference interest rate. We hedge exposure to interest rate risk through:

- the raising of loans with a fixed interest rate; and
- the conclusion of interest rate swaps (IRS).

The Company concluded an interest-rate swap (IRS) in February 2024 for the purpose of mitigating interest-rate risk. As at 30 September 2024, 54% of loans bore a fixed or hedged interest rate. Other liabilities derive from long-term loans bearing variable interest rates.

Exposure to interest rate risk

in EUR thousand	Telekom Slovenije Group		Telekom Slovenije	
	30 September 2024	31 December 2023	30 September 2024	31 December 2023
Financial instruments with variable interest rate				
Financial liabilities	149,725	237,143	149,725	237,143
Net financial liabilities	149,725	237,143	149,725	237,143

The table does not include non-interest-bearing financial instruments and instruments bearing a fixed or hedged interest rate, as they are not exposed to interest rate risk.

Sensitivity analysis

The sensitivity analysis illustrates the impact of a change in the EURIBOR reference interest rate on the profit before tax of the Group and Company on the reporting date.

Interest-rate risk table

January to September 2024	Interest rate increase/decrease	Effect on profit before tax in EUR thousand	
		Telekom Slovenije Group	Telekom Slovenije
EUR	+100 bp	-1,497*	-1,497*
EUR	-100 bp	1,497*	1,497*

2023	Interest rate increase/decrease	Effect on profit before tax in EUR thousand	
		Telekom Slovenije Group	Telekom Slovenije
EUR	+100 bp	-2,371*	-2,371*
EUR	-100 bp	2,371*	2,371*

* The calculation applies to the next 12 months.

EURIBOR interest rate value

EURIBOR	Value as at 30 September 2024	Value as at 31 December 2023	Change (in percentage points)
3-month	3.279	3.909	-0.63
6-month	3.105	3.861	-0.756

Capital management

The objectives of the Group's and Company's capital management are to ensure capital adequacy, and thus long-term liquidity and financial stability, which ensures the best possible credit rating for the financing of the Group's and Company's operations and further development, and consequently the maximisation of shareholder value.

The Group and Company monitor changes in equity using the debt-to-equity and equity-to-total assets ratios. The Group's net financial debt includes loans received and other financial liabilities, less current financial assets and cash and cash equivalents. When adopting decisions relating to capital management, the Group also follows the financial covenants under loan agreements.

Debt-to-equity and equity-to-total assets ratios of the Telekom Slovenije Group and Telekom Slovenije as at 30 September 2024 and 31 December 2023

in EUR thousand	Telekom Slovenije Group		Telekom Slovenije	
	30 September 2024	31 December 2023	30 September 2024	31 December 2023
Borrowings and other financial liabilities	411,142	412,262	418,695	418,955
Less current investments, cash and cash equivalents	-46,536	-56,525	-42,319	-62,378
Net liabilities	364,606	355,737	376,376	356,577
Equity	663,393	658,638	613,961	630,189
Total assets	1,357,766	1,317,866	1,243,936	1,250,315
Debt/equity ratio	55.0%	54.0%	61.3%	56.6%
Equity to total assets	48.9%	50.0%	49.4%	50.4%