

Slovenian State Holding (SDH), which last year recapitalized [energy producer HSE](#) with 492 million euros, adopted a decision obliging HSE to return the first part of these funds in the amount of 200 million euros.

Funds obtained from the state in the amount of 492 million euros at the end of last year enabled the HSE Group to be able to ensure reliable and competitive electricity supply at all times, even during the energy crisis.

HSE CEO Tomaz Stokelj said that the company is now primarily focused on remediation of liquidity problems and risk management related to the production and trade of electricity.

HSE operates without any issues, coal exploitation in the first two months of the year is above planned and electricity production at its power plants is stable and reliable.

HSE Group's business projections show that the company could start recovering funds in June, and the goal remains that HSE must do everything necessary so that, by the end of 2024, SDH can decide on the recovery of all subsequent capital payments from 2022.

The dynamics of the return, however, will depend on the realization of the planned production of hydropower plants of the HSE Group and [coal-fired TPP Sostanj](#), as well as future trends in electricity prices.

In December, the state carried out recapitalization in two parts. First, it paid 300 million euros, and after **the Government** gave its consent to changes to the annual management plan of the SDH, another 192 million euros was paid.

The decision was based on the difficult financial situation of the company due to a combination of negative factors related to the energy crisis, historically low hydrology in 2022, the shutdown of TPP Sostanj due to the lack of coal supply from the Velenje mine, as well as the reduced willingness of commercial banks to additional financing of short-term liquidity needs.

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