

SUMMARY OF THE BUSINESS PLAN FOR 2025 AND ESTIMATE OF THE BUSINESS PERFORMANCE IN 2024

Luka Koper Group
and Luka Koper, d. d.

1 Estimate of business performance in 2024

Due to the unstable situation in the Red Sea and the rerouting of ships around Africa, significant delays were experienced at all European terminals at the beginning of 2024, affecting both direct connections with the Far East and connections to ports in the Mediterranean. Slower-than-expected economic growth, along with uncertain conditions in the Middle East and the Red Sea, which caused delays in ship arrivals from the Far East, resulted in slightly lower overall maritime throughput in the first quarter of 2024. Most shipowners subsequently strengthened their services with additional vessels, ensuring weekly stabilization of ship arrivals and cargo handling, which resulted in improved business results already in the second quarter of 2024.

In 2024, the Luka Koper Group will achieve good business results. The Luka Koper Group estimates that in 2024 net sales will amount to EUR 318.5 million, representing a 2% increase or EUR 5.8 million more than in 2023, but 2% or EUR 6.0 million less than planned for 2024. Sales growth in 2024 compared to 2023 is attributed to higher revenue from increased maritime throughput and a larger volume of container stuffing and unstuffing services, as well as other additional cargo services. However, revenues from storage fees decreased due to shorter container and cargo storage times.

The operating profit (EBIT) for 2024 is expected to reach EUR 54.7 million, which is 10% or EUR 6.2 million less in comparison with 2023 and 9% or EUR 4.3 million ahead on planned. The decrease in operating profit (EBIT) compared to 2023 is influenced by higher labour costs. These increased costs are due to the recruitment of more employees and the adjustment of salaries with inflation. Higher cost of employees will partly result in a reduction of costs of services provided by agencies, as employment of agency workers continues.

Net profit is expected to reach EUR 0.2 million, which is 11% or EUR 6.2 million less than in 2023 but 5% or EUR 2.2 million more than planned for 2024.

Compared to 2023, a higher container throughput (in TEUs) is expected in 2024, amounting to 1.106 thousand TEUs, which is a 4% increase compared to 2023. Contrarily, car throughput (in units) is expected to decrease to 860 thousand vehicles, which is 6% less than in 2023. Car throughput is also expected to be 4% lower than planned for 2024, while container throughput (in TEUs) is expected to exceed the plan by 1%.

Total maritime throughput (in tonnes) is expected to reach 22.5 million tonnes by the end of 2024, which is 1% more than achieved in 2023 and in line with the planned figure for 2024.

In the commodity group general cargo, higher throughput is expected in 2024 compared to 2023, primarily due to an increase in throughput of steel products. Liquid cargo throughput in 2024 is expected to increase with handling of petroleum derivatives and organic chemical products. However, dry bulk and bulk cargoes throughput are projected to decrease, primarily due to lower throughput of coal.

2 Forecast of business performance for 2025

The International Monetary Fund (IMF¹) forecasts global economic growth of 3.2% for 2025. Projections for the Eurozone are less favourable, with growth expected to reach 1.2% in 2025, supported by slightly higher exports and domestic demand. Real salary growth in the Eurozone is expected to boost consumption, while the gradual reduction of interest rates will eventually boost investments.

The latest estimate from S&P² Global Market predicts that, after a 4% decline in 2023, global container trade will grow by 3% in 2024 and 2025 and by 4% in 2026. In Slovenia, UMAR³ forecasts GDP growth of 2.4% and an increase in investments of 3.5% in 2025.

Global inflation is expected to decrease to 3.5% in 2025, which is lower than the average inflation rate of the first two decades of this century. Despite these positive trends, inflationary risks are rising due to escalating regional conflicts, particularly in the Middle East, representing a significant threat to global trade flows.

The condition of Slovenia's rail network and ongoing maintenance work will continue to affect the operations of Luka Koper Group until the construction of the second track is completed. These limitations hinder further growth and result in the loss of some business opportunities the company previously secured.

The 2025 business plan assumes that the conflict in the Middle East will not be prolonged and will not have a significant impact on operations. At the same time, the Group will focus on sales activities towards existing and new clients and diversifying its market presence across different geographic segments.

Container throughput, a key strategic commodity group, is expected to reach 1.162 thousand TEUs in 2025, a 5% increase compared to the 2024 estimate. Vehicle throughput is projected at 885 thousand vehicles, a 3% increase compared to the 2024 estimate. With planned growth in other commodity groups categories, total maritime throughput (in tonnes) in 2025 is expected to rise by 3% to 23.1 million tonnes compared to 2024.

In 2025, Luka Koper d.d. is expected to achieve net sales of EUR 334.8 million, while the Luka Koper Group is projected to achieve EUR 337.8 million, reflecting a 6% growth compared to 2024. This increase in net sales will be driven by the anticipated growth in throughput and higher sales prices.

Despite higher planned operating costs, Luka Koper d.d. and the Luka Koper Group are expected to achieve a 1% increase in operating profit (EBIT) in 2025. Labour costs will rise due to additional recruitment in 2024 and 2025, including the recruitment of agency workers, which will reduce agency service costs, as well as new hires to handle increased throughput.

In 2025, Luka Koper d.d. anticipates a lower financial result due to an 83% decrease or EUR 2.7 million in income from interests, as surplus cash is going to be redirected towards the financing of investments in the increase of capacities, in accordance with the Strategic Business Plan. As a result, the net profit of Luka Koper d.d. and the Luka Koper Group is expected to be 3% and 2% lower, respectively, than the 2024 estimate.

The 2025 investment plan for Luka Koper d.d. and the Luka Koper Group aligns with the objectives of the Strategic Business Plan. Key investment projects in 2025 will focus on expanding the container terminal's capacity, constructing additional storage areas for cars and general cargo, construction of a new cruise terminal, installing solar power plants on the roofs of existing warehouses and purchase of new equipment.

For sustainability and social responsibility initiatives, Luka Koper Group will allocate EUR 40.5 million in 2025, representing 35% of all planned investments.

¹ IMF – International Monetary Fund (World Economic Outlook, October 2024)

² S&P Global Market Intelligence GTAS Forecasting

³ UMAR – Institute of Macroeconomic Analysis and Development of Republic of Slovenia (Autumn Forecast of Economic Trends 2024, September 2024)

3 Key performance indicators of Luka Koper, d. d., and the Luka Koper Group

| Items | Luka Koper, d. d. | | | Luka Koper Group | | |
|--|-------------------|-------------|-----------------|------------------|-------------|-----------------|
| | ESTIMATE 2024 | PLAN 2025 | index 2025/2024 | ESTIMATE 2024 | PLAN 2025 | index 2025/2024 |
| Net sales (in EUR) | 316,149,401 | 334,825,398 | 106 | 318,540,657 | 337,792,416 | 106 |
| Earnings before interest and taxes (EBIT) (in EUR) | 53,764,911 | 54,291,171 | 101 | 54,665,853 | 55,408,969 | 101 |
| Earnings before interest, taxes, depreciation and amortisation (EBITDA) (in EUR) | 86,433,571 | 85,401,041 | 99 | 87,650,914 | 87,531,030 | 100 |
| Net profit or loss (in EUR) | 49,194,227 | 47,827,229 | 97 | 50,214,229 | 49,214,005 | 98 |
| Added value (in EUR) | 203,421,105 | 219,983,604 | 108 | 213,504,332 | 231,377,373 | 108 |
| Added value per employee (in EUR) | 95,818 | 93,134 | 97 | 93,437 | 91,454 | 98 |
| Added value per employee - adapted (in EUR) | 96,043 | 92,461 | 96 | 93,545 | 90,754 | 97 |
| Investment expenditure (in EUR) | 59,189,739 | 111,944,991 | 189 | 60,429,957 | 116,820,096 | 193 |
| Maritime throughput (in tons) | 22,503,505 | 23,115,580 | 103 | 22,503,505 | 23,115,580 | 103 |
| Number of employees | 2,123 | 2,362 | 111 | 2,285 | 2,530 | 111 |

| Indicators | ESTIMATE 2024 | PLAN 2025 | index 2025/2024 | ESTIMATE 2024 | PLAN 2025 | index 2025/2024 |
|------------------------------------|---------------|-----------|-----------------|---------------|-----------|-----------------|
| Return on sales (ROS) | 17.0% | 16.2% | 95 | 17.2% | 16.4% | 96 |
| Return on equity (ROE) | 9.5% | 8.7% | 92 | 9.0% | 8.4% | 93 |
| Return on assets (ROA) | 6.4% | 5.9% | 92 | 6.3% | 5.9% | 94 |
| EBITDA margin | 27.3% | 25.5% | 93 | 27.5% | 25.9% | 94 |
| EBITDA margin from market activity | 28.3% | 26.3% | 93 | 28.5% | 26.7% | 94 |
| Financial liabilities/equity | 20.5% | 21.3% | 104 | 16.6% | 16.7% | 101 |
| Net financial debt /EBITDA | 1.0 | 1.1 | 111 | 0.6 | 0.8 | 123 |
| Return on net assets (RONA) | 7.7% | 7.4% | 96 | 7.5% | 7.3% | 97 |

| Items | ESTIMATE 31.12.2024 | PLAN 31.12.2025 | index 2025/2024 | ESTIMATE 31.12.2024 | PLAN 31.12.2025 | index 2025/2024 |
|--------------------------------|---------------------|-----------------|-----------------|---------------------|-----------------|-----------------|
| Assets (in EUR) | 799,227,462 | 825,908,571 | 103 | 824,592,598 | 846,540,744 | 103 |
| Equity (in EUR) | 535,342,539 | 559,369,768 | 104 | 572,446,804 | 597,859,534 | 104 |
| Financial liabilities (in EUR) | 109,561,033 | 119,367,798 | 109 | 94,753,424 | 99,733,730 | 105 |

Alternative performance measures

The Luka Koper Group also used alternative measures (APMs⁴ Guidelines), defined by ESMA⁵.

| Alternativno merilo | Izračun | Pojasnilo izbora |
|--|---|---|
| Earnings before interest and taxes (EBIT) | Earnings before interest and taxes (EBIT) = difference between operating income and costs. | It shows the performance (profitability) of the company's operations from the core business. |
| Earnings before interest and taxes, depreciation and amortisation (EBITDA) | Earnings before interest and taxes, depreciation and amortisation (EBITDA) = Earnings before interest and taxes (EBIT) + amortisation. | A measure of the company's financial performance and an approximation of the cash flow from operations. Shows the ability to cover write-downs and other non-operating expenses. |
| Added value | Added value = net revenue from sale + capitalised own products and own services + other revenue – costs of goods, material, services – other operating expenses excluding revaluation operating expenses. | Shows the operational efficiency of the company. |
| Added value per employee | Added value per employee = net revenue from sale + capitalised own products and own services + other revenue – costs of goods, material, services – other operating expenses / average number of employees. | Shows the new value created by a company per employee in one year. It is a measure of economic activity and success. |
| Added value per employee - adapted | Added value per employee - adapted = net revenue from sale + capitalised own products and own services + other revenue – costs of goods, material, services – other operating expenses + costs of agency services / average number of employees (employees + agency workers). | Shows the new value created by a company per employee in one year. A measure where we combine our own and external workforce among employees. It is a measure of economic activity and success. |
| Return on sales (ROS) | Return on sales (ROS) = Earnings before interest and taxes (EBIT) / net revenue from sale. | Shows the operational efficiency of the company. |
| Return on equity (ROE) | Return on equity (ROE) = net income/ shareholder equity | Shows the management success in increasing the value of the company for the owners or shareholders. |
| Return on assets (ROA) | Return on assets (ROA) = net income / average total assets | Shows how a company manages its assets. |
| EBITDA margin | EBITDA margin = Earnings before interest, taxes, depreciation and amortisation (EBITDA) / net revenue from sale. | Shows the business performance and profitability of market activity in percent. It is used to compare the company performance with other companies. |
| EBITDA margin from market activity | EBITDA margin from market activity = Earnings before interest and taxes, depreciation and amortisation (EBITDA) / net revenue from sale from market activity. | Shows the business performance and profitability of market activity un percent. |
| Net financial debt/EBITDA | Net financial debt/EBITDA = (Financial liabilities – cash and cash equivalents) / EBITDA. | Shows indebtedness and profitability of a company in order to assess the company's ability to settle its financial debts in the future if |

⁴ APMs – Alternative Performance Measures

⁵ ESMA - European Securities and Markets Authority – European Securities and Markets Authority

Return on net assets
(RONA)

Return on net assets (RONA) = operating profit (EBIT) / (average assets in the period - average short-term operating liabilities in the period - average short-term accrued expenses in the period).

the company maintains the same volume of business and profit.

Shows how efficiently a company uses its net assets to generate profit. It is useful for assessing a company's performance, as it shows the company's profitability relative to its net assets invested.