



UNAUDITED CONSOLIDATED BUSINESS REPORT FOR 01.01.-31.12.2023.

The Port of Rijeka j. s. c.

Riva 1, HR-51 000 RIJEKA

OIB: 92590920313

Rijeka, February 2024.



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THE BUSINESS REPORT FOR THE PORT OF RIJEKA JSC GROUP FOR 01.01.- 31.12.2023.

GENERAL INFORMATION

The Port of Rijeka Group consists of:

THE PORT OF RIJEKA j. s. c. Rijeka, the parent company, the largest concessionaire for the transshipment of dry cargo in the area of the port of Rijeka, which provides the services related to maritime traffic, stevedoring, warehousing of goods and forwarding agents activities.

LUKA - PRIJEVOZ ltd. Škrljevo, 100% owned by the parent company, the main business activity of which is providing transport services.

STANOVI ltd. Rijeka, 100% owned by the parent company, the main business activity of which is the management of dwellings owned by the parent company and the activities related to the management of buildings.

LUKA RIJEKA CONTAINER DEPOT ltd. Kukuljanovo, 100% owned by Luka Rijeka j. s. c., whose principal activity is stuffing/unstuffing, loading/unloading and repair of containers.

The Port of Rijeka j. s. c. owns a 49% share in the company Adriatic Gate j. s. c. profit/loss of this company is attributed to the Port of Rijeka j. s. c. by applying the ownership share method.

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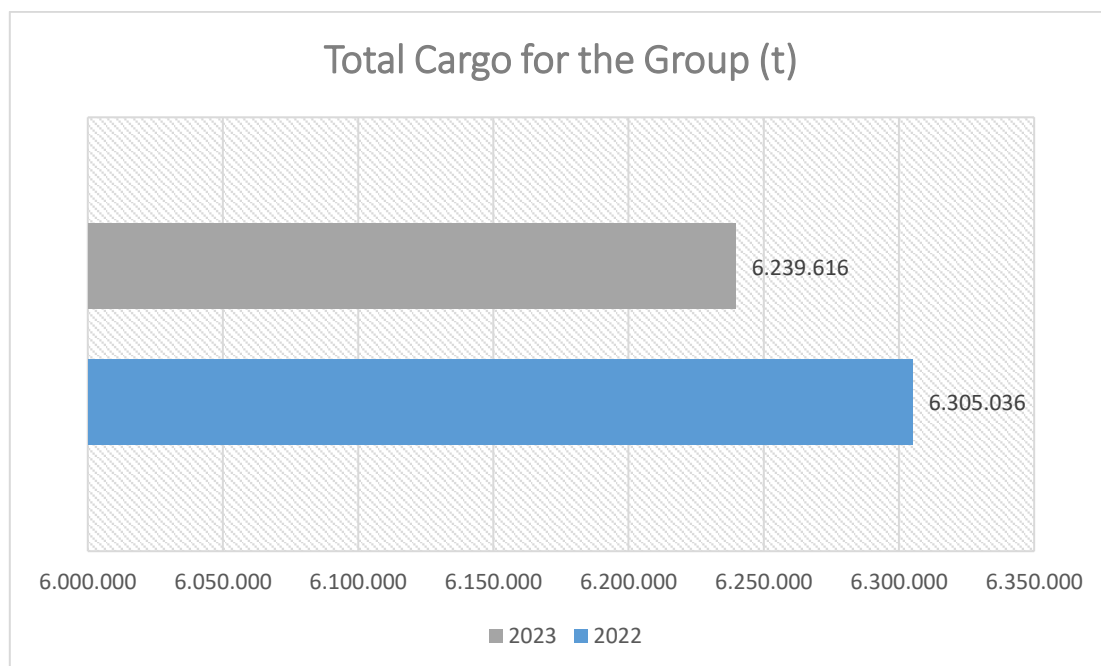
OPERATIONAL INDICATORS

Total turnover of Port of Rijeka j.s.c. and company Jadranska vrata j.s.c.

CARGO TRAFFIC	Realization 31.12.2023.	Realization 31.12.2022.	Index
			2023/2022
Port of Rijeka j. s. c.	2.423.422	2.579.602	94
General cargo (tons)	759.286	719.094	106
Dry bulk cargo (tons)	1.392.682	1.569.779	89
Containers (tons)	271.454	290.729	93
Adriatic Gate j. s. c.			
Containers (tons)	3.816.194	3.725.434	102
Containers (TEU)	385.794	373.343	103
TOTAL (tons)	6.239.616	6.305.036	99

In 2023, the Port of Rijeka Group recorded a 1% decrease in total traffic compared to 2022, with a total of **6.239.616** tons of cargo handled. Despite the aforementioned general decline, the general cargo segment shows positive dynamics with an increase of 6%, reaching a volume of 759.286 tons. However, the bulk cargo segment did not follow this trend and recorded a decrease of 11%, with a quantity of 1.392.682 tons.

In the area of container traffic, Port of Rijeka j. s. c. experienced a decrease of 7% in container tonnage, reducing from 290.729 tons in 2022 to 271.454 tons in 2023.



FINANCIAL OPERATIONS

Summary of consolidated profit and loss account of Port of Rijeka Group for period 01.01.- 31.12.2023.g.

During the period from 01.01 to 31.12.2023, the Port of Rijeka Group realized a total revenue of **€39.730.848**, representing an increase of 9% compared to the previous year. At the same time, there was also an increase in total expenses by 13% compared to the previous year, caused by the rise in prices of goods and services, primarily energy, and an increase in labor costs and material rights of workers.

The profit of the Port of Rijeka Group for 2023 amounts to **€7.275.836**, showing a decrease of 6% compared to the same period in the previous year when the Group's profit was **€7.724.891**.

Profit and loss account	Luka Rijeka 31.12.2023.	Stanovi 31.12.2023.	Luka - prijevoz 31.12.2023.	Consolidated 31.12.2023.	Consolidated 31.12.2022	INDEX 2023/2022
1	2	3	4	5	6	7
BUSINESS REVENUE	32.583.139	537.741	1.879.600	32.855.133	30.649.042	107
Revenue from port services	29.324.345	530.017	1.850.613	29.576.648	28.138.752	105
Other revenue	3.258.794	7.724	28.987	3.278.485	2.510.291	131
BUSINESS COST	30.376.544	542.093	1.488.560	30.261.850	26.488.111	114
Material cost	10.853.307	437.474	830.771	9.976.205	7.966.024	125
Salaries	11.868.686	79.291	513.492	12.461.469	11.056.865	113
Depreciation	3.068.503	1.001	90.827	3.160.331	2.822.681	112
Other cost	4.586.048	24.327	53.470	4.663.845	3.987.199	117
Reservations	0	0	0	0	650.187	0
Revaluation cost	0	0	0	0	5.155	0
FINANCIAL REVENUE	11.635	4.776	35	16.446	66.489	25
FINANCIAL COST	2.185.712	2.630	4.820	2.193.162	2.331.499	94
SHARE IN THE PROFITS OF AGCT	0	0	0	6.859.269	5.828.970	118
TOTAL REVENUE	32.594.774	542.517	1.879.635	39.730.848	36.544.501	109
TOTAL COST	32.562.256	544.723	1.493.380	32.455.012	28.819.610	113
PROFIT/LOSS	32.518	-2.206	386.255	7.275.836	7.724.891	94
EBIT	2.206.595	-4.352	391.040	2.593.283	4.160.931	62
EBITDA	5.275.098	-3.351	481.867	5.753.614	6.988.767	82

BUSINESS FINANCIAL INDICATORS

Key performance indicators

Profitability indicators	31.12.2023.	31.12.2022.	Index 2023/2022
EBITDA (EUR)	5.754	6.988	82
EBITDA margin	17,51%	22,80%	77
EBIT (EUR)	2.593	4.160	62
EBIT margin	7,89%	13,57%	58
NETmargin	22,14%	25,20%	88

The EBITDA margin for 2023 is **17,51%**, while in the previous year it was **22,80%**, indicating a decline in the Group's operations for the entire year of 2023. The profitability of operations (EBIT) also decreases by 38% in 2023 compared to the previous year, 2022.

Liquidity indicators	31.12.2023.	31.12.2022.	Index 2023/2022
Working Capital (in €000)	-1.161	-3.011	39
Current Liquidity	0,92	0,89	103
Indebtedness indicators			
Short – term Liabilities/ Capital	0,21	0,45	46
Long – term Liabilities/ Capital	0,48	0,58	83
Loan Liabilities/ Capital	0,23	0,29	81
Total Liabilities/ Assets	0,34	0,45	77

INVESTMENTS

As part of the multi-year investment project that the company is currently implementing, **the CEF Rijeka project**, the works continued in the fourth quarter of 2023 according to the schedule. In the mentioned period, investments in port infrastructure were made in the amount of **€12,8 million**.

In addition to investing in CEF projects, in the first quarter of 2023, the company conducted a public procurement procedure for a hydraulic portal crane for **Terminal Bršica** worth **€2,5 million**, and signed a contract, and delivery of the crane is expected in the first quarter of 2024. Also, a ventilation system was installed in the stables of the livestock terminal Bršica.

Work has begun on the rehabilitation and modernization of the coastal crane with a capacity of 32 t at the Rijeka Terminal, and the planned value of the work is €365.000. Completion of the works is planned for the first quarter of 2024.

Renovation of warehouse no. 9 at the Rijeka Terminal for the needs of the Maintenance Service workshops, and the value of the works performed by the end of 2023 is €871.000, and completion is expected by the end of 2023. As part of the modernization of the Maintenance Service workshop, the purchase of 3 bridge cranes worth €56.000 is also planned.

At the Rijeka Terminal, space has been arranged for the needs of the new filling station for electric forklifts in warehouse No. 19.

At the beginning of June, 5 motorized forklifts with a load capacity of 6 tons were purchased and put into use, with a total purchase value of €535.000, which will improve and facilitate cargo handling. In the first quarter, 2 motorized forklifts with a load capacity of 25 t and 33 t were purchased with a total purchase value of €742.000. During the third quarter, 1 motorized forklift with a capacity of 5 t, 1 electric forklift, and 2 manual electric forklifts with a capacity of 2 t were purchased for a total value of €182.000.

A 10 m boat worth €148.583 was purchased for the purposes of regular operations of the Mooring and Unmooring Service.

The impact of the Russian invasion of Ukraine on the Company's operations

The war in Ukraine and the sanctions imposed on Russia have an impact on the world economy, and therefore on the European and Croatian economy, and indirectly on the Company's operations. The largest EU economies have minimal GDP growth rates, so lower Croatian GDP growth rates are expected. Due to Russia's invasion of Ukraine and the interruption of the operation of their ports, there were significant disruptions of traffic routes through the ports of the Black Sea, and the search for alternative traffic routes. The secondary effect of the conflict is visible in market disruptions in the supply of energy products, disruptions in the food market, and the growth of the inflation rate, which has an impact on the Company's operations, partly in the increase in operating costs. The company intends to continuously monitor costs, and with quick business decisions to influence the achievement of cost efficiency, which will result in more profitable operations.

The impact of the Red Sea crisis on the Company's operations

The port of Rijeka, like all other ports in the world, is exposed to the action of a number of factors that can lead to a change in the direction of movement of vessels, i.e. to a change in goods flows, which indicates the sensitivity of port systems and the great demands for the reorganization of entire logistics chains in order to enable smooth flow of goods.

Due to the crisis in the Red Sea, shipping companies are rerouting their vessels via the Cape of Good Hope, which increases the ship's travel time and also increases freight rates. The aforementioned will have the greatest impact on container traffic, which is organized as liner maritime traffic. Container traffic accounts for 11% of the traffic of the Port of Rijeka j.s.c. so we do not expect the impact of the crisis in the Red Sea on business to be significant, and transshipment of different types of cargo enables the advantage of adaptation in unpredictable situations that may arise in the supply chain.

It is difficult to predict to what extent the crisis will affect business, it will certainly depend on the duration of the navigation restrictions and the willingness of all shippers to maintain the existing lines at the ports of call.