Annual report

2024.

For the Company and the Group
Luka Ploče d.d.

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LUKA PLOČE d.d.
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CONTENTS

	Pages
1. Independent auditor's report to the shareholders of Luka Ploče d.d.	1-9
2. Management report for 2024	10 - 29
3. Corporate Governance Statement	30 - 36
4. Statement on the responsibility of the Management Board	37
5. Consolidated and separate statements	38
- Consolidated and separate statements of comprehensive income	39
- Consolidated and separate statements of financial position	40 - 41
- Consolidated and separate statements of changes in equity	42 - 43
- Consolidated and separate statements of cash flows	44
- Notes to the consolidated and separate financial statements	45 - 100

1 Independent auditor's report

Independent Auditor's Report

To the Shareholders of Luka Ploče d.d.

Report on the audit of the consolidated and separate financial statements

Our opinion

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of Luka Ploče d.d. (the "Company") and its subsidiaries (together - the "Group") as at 31 December 2024, and the Company's and the Group's consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Our opinion is consistent with our additional report to the Audit Committee dated 22 April 2025.

What we have audited

The Group's consolidated and the Company's separate financial statements comprise:

- the consolidated and separate statements of comprehensive income for the year ended 31 December 2024;
- the consolidated and separate statements of financial position as at 31 December 2024;
- the consolidated and separate statements of changes in equity for the year ended 31 December 2024;
- the consolidated and separate statements of cash flows for the year ended 31 December 2024; and
- the notes to the consolidated and separate financial statements, comprising material accounting policy information and other explanatory information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated and separate financial statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company and the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

To the best of our knowledge and belief, we declare that we have not provided non-audit services that are prohibited under Article 5(1) of Regulation (EU) No 537/2014, and furthermore, we have not provided any non-audit services to the Company and the Group in the period from 1 January 2024 to 31 December 2024.

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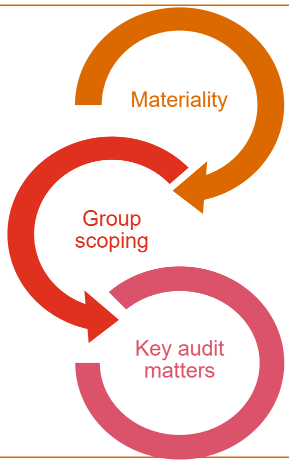
Our audit approach

Overview

	• Overall Group materiality: EUR 754 thousand, which represents 9% of profit before tax. • Overall Company materiality: EUR 657.8 thousand, which represents 9% of profit before tax.
	• We conducted audit work at the Company and 4 reporting units. • Our audit scope addressed 97% of the Group's revenues and 87% of the Group's absolute value of underlying profit before tax.
	• The Group and the Company – Recoverable amounts of property, plant and equipment • The Group and the Company – Recognition of revenue from the sale of goods • The Group – Business combination

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the consolidated and separate financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the consolidated and separate financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated and separate financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall materiality for the consolidated and separate financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, if any, both individually and in aggregate on the consolidated and separate financial statements as a whole.

Overall Group and Company materiality	The Group: EUR 754 thousand The Company: EUR 657.8 thousand
How we determined it	The Group and the Company: 9% of profit before tax
Rationale for the materiality benchmark applied	We chose profit before tax as the benchmark because, in our view, it is the key benchmark for monitoring the Group's and the Company's performance and it is the benchmark against which the performance of the Group and the Company is most commonly measured by shareholders. We chose the percentage which, in our judgement, is consistent with quantitative materiality thresholds used for profit-oriented companies in this sector.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
The Group and the Company – Recoverable amounts of property, plant and equipment *See Note 3.5 and 3.9 (Material accounting policy information), Note 6b (Critical accounting estimates) and Note 16 (Property, plant and equipment).* As at 31 December 2024, the Group and the Company recorded property, plant and equipment with a carrying amount of EUR 57,540 thousand and EUR 53,719 thousand, respectively, which is measured at historical cost less accumulated depreciation and impairment. As described in Note 6b) to the financial statements, the Group and the Company have identified impairment indicators of property, plant and equipment in the current year, including macroeconomic challenges manifesting through trends of rising prices of commodities for which the Company provides port services, increase in expenses, inflation pressures and the trend of rising interest rates. As a result, management has calculated the recoverable amount of property, plant and equipment, which is generally considered to be its value in use, using discounted cash flows for the item that generates cash or the cash-generating unit (CGU). We have focused on this area because estimating the recoverable amount of property, plant and equipment relies on important judgments and assumptions that are subject to significant variability due to changing market conditions.	We considered the appropriateness of the Group's and the Company's accounting policies for identifying impairment, and measuring and recognising impairment losses on property, plant and equipment in relation to the requirements of IFRS. We obtained the value-in-use calculation used by management in determining the recoverable amount of property, plant and equipment as at 31 December 2024. We tested the mathematical accuracy of the value-in-use calculation and compared the input data to the financial information and business plans for the next years. We assessed the appropriateness of determination of CGU based on our understanding of the Group's and the Company's operations and business units. We critically assessed the assumptions and estimates used by the Group and the Company to determine the recoverable amount: • For the discount rate used in the value-in-use calculation, we have engaged our valuation experts to assist us in assessing it's reasonableness by comparison to the entities with similar risk profiles and market information. • For the remaining key assumptions used in the value-in-use calculation (such as cargo throughput, port tariffs, operating costs, capital expenditures and working capital), we have assessed the reasonableness of these assumptions by comparing them with internal Group's and Company's reports such as approved plans, concession contracts and sales reports. We have assessed the adequacy and completeness of the relevant disclosures in the financial statements in accordance with the requirements of the IFRS.

Key audit matter	How our audit addressed the key audit matter
The Group and the Company – Recognition of revenue from the sale of goods *See Note 3.25 (Material accounting policy information), Note 7 (Segmental reporting) and Note 8 (Revenues).* During 2024, the Group and the Company, in addition to revenues from basic port activities (transhipment, cargo management, port manipulation and warehousing), generated revenues from the sale of goods in the amount of EUR 66,305 thousand. Revenues from the sale of goods in 2024 account for 67% of the total sales revenues of the Group and 68% of the total sales revenues of the Company. We focused on this area because revenue from the sale of goods is recognized in a small number of transactions of significant individual value, which is why an error in recognizing an individual transaction can have a significant impact on the consolidated and separate financial statements. Furthermore, the accounting treatment of revenue from the sale of goods requires significant management judgment to assess whether the Group and the Company are acting as an principal or an agent and, consequently, whether revenue from the sale of goods can be recognized gross or net. Due to the above, this area has been the subject of our increased focus and we have considered it a key audit matter.	We considered the appropriateness of the Group's and the Company's accounting policies for recognising revenue from the sale of goods in relation to the requirements of IFRS. Based on the inspection of the customer contracts for the sale of goods, we analysed the manner in which the Group and the Company identify performance obligations contained in the customer contracts and determine the transaction price. Based on the inspection of the customer contracts and the accompanying documentation, we analysed whether revenues from the sale of goods recognised in 2024 by the Group and the Company were presented in the proper amount and in the proper period. Using sampling, we confirmed the collection of the customer receivables by tracing payments to the bank statements. Based on the inspection of the customer contracts, the related purchase contracts for the goods and the accompanying documentation, we critically assessed the conclusions of the management regarding the potential agent role of the Group and the Company in these transactions. We critically assessed whether the Group and the Company control the goods before transferring the control to the customers, including the risks and responsibilities of both contract parties, responsibility for providing the goods, inventory risk and discretion in establishing the contract prices. Using sampling, we confirmed trade receivables from the sale of goods presented in the consolidated and separate financial statements as at 31 December 2024 by external customer confirmations. We analysed journal entries to revenue accounts to identify unusual or irregular items and tested them on a sample basis. We checked whether disclosures in the Group's and the Company's financial statements adequately meet the requirements of the IFRS.

Key audit matter	How our audit addressed the key audit matter

The Group – Business combinations
 	
See Note 3.1 (Material accounting policy information) and Note 33 (Business Combinations)
 	
Based on the signed sales agreement, on 22 May 2024, Luka Ploče d.d. acquired a new subsidiary New Concrete Technologies d.o.o.
 	
The acquisition of the aforementioned company represents a business combination that is accounted for using the acquisition method in accordance with the provisions of IFRS 3 Business Combinations.
 	
Management considered the IFRS criteria related to the exchange of assets, the contractual relationships existing before the acquisition date, and the conditions for determining the acquisition date itself.
 	
Furthermore, management allocated the purchase price to the acquired net fair value of assets with assistance from external experts.
 	
We focused on this matter because of the significance of the business combination described above and its impact on the consolidated financial statements as set out in Note 33.
	Our audit procedures included the following:
	
	• We read the most significant legal documentation related to the business combination in order to determine its nature and the appropriate accounting method in the consolidated financial statements.
	
	• We checked the adequacy of the applied accounting treatment of the business combination in accordance with the provisions of IFRS 3.
	
	• With respect to the purchase price allocation to the acquired fair value, we performed the following detailed procedures:
	  ◦ we tested the mathematical accuracy of the allocation and the goodwill calculation;
	  ◦ we reconciled the acquired assets and liabilities with the financial data of the acquired company on the date of acquisition;
	  ◦ we reviewed the valuation of the acquired company made by an independent appraiser and, with the assistance of internal experts, assessed the appropriateness of the applied methodology, the used assumptions and the determined fair value;
	  ◦ we assessed the competences, abilities, objectivity and qualifications of the independent appraisers engaged by management.
	
	• We reviewed the relevant disclosures in the consolidated financial statements and assessed their completeness and accuracy.

How we tailored our Group audit scope

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

Reporting on other information

Management is responsible for the other information. The other information comprises the Management Report and Corporate Governance Statement included in the Annual Report, but does not include the consolidated and separate financial statements and our auditor's report thereon.

Our opinion on the consolidated and separate financial statements does not cover the other information.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

With respect to the Management Report and Corporate Governance Statement, we also performed procedures required by the Accounting Act in Croatia. Those procedures include considering whether the Management Report is prepared in accordance with the requirements of Articles 22 and 24 of the Accounting Act and whether the Corporate Governance Statement includes the information specified in Article 25 of the Accounting Act.

Based on the work undertaken in the course of our audit, in our opinion:

- the information given in the Management Report and the Corporate Governance Statement for the financial year for which the consolidated and separate financial statements are prepared is consistent, in all material respects, with the consolidated and separate financial statements;
- the Management Report has been prepared in accordance with the requirements of Articles 22 and 24 of the Accounting Act;
- the Corporate Governance Statement includes the information specified in Article 25 of the Accounting Act.

In addition, in light of the knowledge and understanding of the Company and the Group and their environment obtained in the course of the audit, we are required to report if we have identified material misstatements in the Management Report and Corporate Governance Statement and other information that we obtained prior to the date of this auditor's report. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the consolidated and separate financial statements

Management is responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and for such internal control as management determines is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, management is responsible for assessing the Group's and Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group and the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's and the Company's financial reporting process.

Auditor's responsibilities for the audit of the consolidated and separate financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our independent auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our independent auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purpose of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our independent auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

Appointment

We were first appointed as auditors of the Group and the Company on 30 September 2021. Our appointment has been renewed annually by shareholder resolution with the most recent reappointment on 19 June 2024, representing a total period of uninterrupted engagement appointment of 4 years.

Report on compliance of the format of the consolidated and separate financial statements with the requirements of the European Single Electronic Format ("ESEF") Regulation

We have been engaged based on our agreement by the management of the Company to conduct a reasonable assurance engagement for the verification of compliance with the applicable requirements of the presentation of the consolidated and separate financial statements included in the attached electronic file "74780000P0WHNTXNI633-2024-12-31-0-en.xbri", (hereinafter: the financial statements) of the Group and the Company for the year ended 31 December 2024 (the "Presentation of the Financial Statements").

Description of subject matter and applicable criteria

The Presentation of the Financial Statements has been prepared by the management of the Company to comply with the requirements of Article 462 paragraph 5 of the Capital Market Act (Official Gazette, No. 65/18, 17/20 and 83/21) (the "Capital Market Act") and with the Commission Delegated Regulation (EU) 2019/815 of 17 December 2018 supplementing Directive 2004/109/EC of the European Parliament and of the Council with regard to regulatory technical standards on the specification of a single electronic reporting format (the "ESEF Regulation"). Those regulations require that:

- the financial statements included in the consolidated and separate Annual Report, have been prepared in the XHTML format;
- the data included in the consolidated and separate financial statements required by the ESEF Regulation and Capital Market Act have been marked up and all the markups meet the following requirements:
  - the XBRL markup language has been used,
  - the core taxonomy elements listed in the ESEF Regulation with the closest accounting meaning have been used, unless an extension taxonomy element was created in accordance with Annex IV of the ESEF Regulation,
  - the markups comply with the common rules on markups under the ESEF Regulation.

The requirements described above determine the basis for application of the Presentation of the Financial Statements and, in our view, constitute appropriate criteria to form a reasonable assurance conclusion.

Responsibility of the management and those charged with governance

The Company's management is responsible for the Presentation of the Financial Statements in accordance with the ESEF Regulation and the Capital Market Act. In addition, the Company's management is responsible for maintaining an internal control system that reasonably ensures the preparation of the Presentation of the Financial Statements which is free from material non-compliance with the requirements of the ESEF Regulation and the Capital Market Act, whether due to fraud or error.

Those charged with governance are responsible for overseeing the process of preparing the Presentation of the Financial Statements in the ESEF format as part of the financial reporting process.

Our responsibility

Our responsibility is to express a reasonable assurance conclusion, based on the audit evidence obtained, whether the Presentation of the Financial Statements complies, in all material respects, with the requirements of the ESEF Regulation and the Capital Market Act. We conducted a reasonable assurance engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised) - Assurance Engagements Other than Audits or Reviews of Historical Financial Information. This standard requires that we comply with ethical requirements, plan and perform procedures to obtain reasonable assurance whether the Presentation of the Financial Statements is prepared, in all material respects, in accordance with the applicable requirements.

Reasonable assurance is a high level of assurance, but it does not guarantee that the service performed in accordance with ISAE 3000 (R) will always detect a material misstatement (significant non-compliance with the requirements).

Procedures performed

The nature, timing and extent of the procedures selected are matters for the professional judgment of the auditor.

As part of the selected procedures, we performed in particular the following procedures:

- read the requirements of the ESEF Regulation and the Capital Market Act;
- obtaining an understanding of the internal control system and processes relevant to the application of the Electronic Reporting Format of the Financial Statements, including the preparation of the XHTML format and marking up the consolidated and separate financial statements;
- verification whether the XHTML format was applied properly;
- evaluating the completeness of marking up the consolidated and separate financial statements using the XBRL markup language according to the requirements of the implementation of electronic format as described in the ESEF Regulation;
- evaluating the appropriateness of the use of XBRL markups selected from the ESEF taxonomy and the creation of extension markups where no suitable element in the ESEF taxonomy has been identified; and
- evaluating the appropriateness of anchoring of the extension elements to the ESEF taxonomy.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Conclusion

In our opinion, based on the procedures performed and evidence obtained, the Presentation of the Financial Statements for the year ended 31 December 2024 included in the above stated attached electronic file complies, in all material respects, with the ESEF Regulation and the Capital Market Act.

Our conclusion is not an opinion on the true and fair presentation of the financial statements presented in electronic format. In addition, we do not express any form of assurance on the other information disclosed in the documents in the ESEF format.

The certified auditor engaged as partner on the audit resulting in this independent auditor's report is Tanja Babac.

PricewaterhouseCoopers d.o.o.
Heinzelova 70, Zagreb
22 April 2025

John M. Gasparac President of the Management Board	Tanja Babac Certified auditor

Original report is signed in Croatian language

This version of our report is a translation from the original, which was prepared in Croatian language. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of our report takes precedence over this translation.

2

Management report of the Company and Group Luka Ploče d.d. for 2024

Ploče, April 2025

MISSION

Providing high-quality port services based on sustainable development principles to the satisfaction of all our clients and the community in which we operate.

VISION

Completion of the transformation into a smart and sustainable port that represents the first choice for our employees and partners.

COMPANY PROFILE

Luka Ploče d.d. is the primary concessionaire in the port area for loading, unloading, transhipment and storage of goods. It was founded as a public company in 1945 and since 2003 has been operating as a joint-stock company.

Luka Ploče d.d. (hereinafter the "Company") is registered as a joint-stock company for maritime transport services, port services and goods storage.

Positioned in the central part of the Adriatic, between Split and Dubrovnik, Luka Ploče is one of the primary strategic Croatian ports. Luka Ploče is located at the intersection of all important traffic routes, and was certified in 1997 in Helsinki when by declaring the starting/ending point of Corridor Vc. First-rate traffic connections and a favorable geostrategic position at the crossroads of key industrial routes makes the port a clear connector across the Adriatic, the Mediterranean and Central Europe. As a result of its geostrategic position and capital investments, the Port of Ploče is included in the world map of ports that can accept CAPE SIZE ships (up to 180,000 DWT). Luka Ploče is currently in the process of inclusion as a Core port on the Trans-European road network (TEN-T).

Activities in the port area

The land and sea part of the Ploče and Metković port basin covers an area of 255.97 hectares. The area is managed by the Port of Ploče Authority, which is responsible for the construction and maintenance of primary port infrastructure, including dredging of the seabed and common facilities used for port activities.

In accordance with the concession agreement, Luka Ploče d.d. is responsible for the maintenance of operational infrastructure (coastal areas, access roads and railway connections to the primary infrastructure, working areas, water supply, electrical and IT networks on concessioned areas), port superstructures (warehouses, silos, workshops, energy facilities) and port equipment (devices, machinery, installations, plants, cranes, etc.)

Terminals

Luka Ploče boast specialised terminals that enable professional services in maritime traffic, port services, cargo storage and logistic services. It is categorized as a port of universal purpose and serves for the transshipment of almost all cargo types that emerge in international maritime traffic.

Seven of the eight operating quays in Ploče have a depth of up to 14 m (the bulk cargo terminal has a draft of up to 18 m and enables the docking of CAPE SIZE ships), while the railway tracks that stretch along the operational berths directly connect the port with its gravitational locations. All piers have available storage facilities.

New bulk cargo terminal (TRT)	– Specialised for handling coal and iron ore – Terminal area: 240,000 m2 – Pier length: 365m – Annual capacity: 3.6 million tons – Offloading of vessels is equipped with specialised bridge and mobile port crane – High environmental standards – Ability to accommodate cape size vessels up to 300 m length, 46m width and 18m draft – Daily norm for offloading vessels: in excess of 20,000 tons
Old bulk cargo terminal (Pier 5)	– Handling and storage of various types of bulk cargo – Pier length: 510m, 3 anchoring points – Open storage capacity: in excess of 200,000 tons – Ability for direct handling from vessel to vessel or trucks and wagons – Ability to handle panamax vessels up to 250m length, 36m width and 14m draft – Daily norm for onloading/offloading vessels: in excess of 15,000 tons
Container terminal	– Specialised for handling and storage of containers – Terminal area: 40,000 m2 – Pier length: 280m, draft: 14 m – Annual capacity: 60,000 TEU – Ability to extend capacity – Infrastructure for refrigerated containers – Ro-Ro ramps: 24 m width
Grain cargo terminal	– Specialised for handling raw sugar and grains – Pier length: 200 m, draft 9.70 m – Enclosed floor storage capacity equipped with a conveyor belt transport system – One-time storage capacity: 35,000 tons – Ability of loading into vessels, wagons and trucks with direct weighing
General cargo terminal	– Intended for handling various types of pieced, palletised or "big bag" cargo – Handling of heavy, oversized and specialised cargo up to 100 tons (wind power plants) – Ability to accommodate almost all types of general cargo (iron, aliminium, soda...) – Pier length: 1,260 m – 13 enclosed warehouses covering circa 50,000 m2
Wood terminal	– Intended for handling all types of wood – Open storage: in excess of 20,000 m2, close storage 2,000 m2, enclosed storage by means of covered sheds: 8,000 m2 – Container handling services – Finishing workshop/sawmill with a capacity of 100 m3 per day – Additional services include drying, sorting, cutting and packaging before shipment.
Alumina/cement and petroleum coke	– Comprises two separate facilities – The alumina silo is a steel tank with an accompanying transport system that enables the handling of alumina/cement in/out vessel. One-time storage capacity: 20,000 tons. – The petroleum coke storage facility has an enclosed floor storage capacity of 2,700 m2. One-time storage capacity: 10,000 tons. It is equipped with a conveyor belt transport system and tipping carts for continuous loading of railway wagons.
Terminal for specialised cargo – Dračevac	- Ability to store explosive chemicals

IDENTITY CARD OF THE GROUP

Luka Ploče Group comprises: Luka Ploče d.d. (parent company); Pomorski servis Luka Ploče d.o.o., Luka šped d.o.o., Pločanska plovidba d.o.o. i New concrete technologies d.o.o.

Transactions with affiliated companies within the Group are conducted under normal commercial conditions, applying market prices.

LUKA PLOČE

Luka Ploče d.d. (the parent company) is the primary concessionaire in the port area for loading, unloading, handling and storage of goods.

The structure of cargo type that is handled by the Port is dependent on the demand of its customers. Bulk cargo dominates in structure and the primary throughput comprises coal, coke, slag and clinker

The Port of Ploče is a member of the Association of Croatian Ports.

Luka Šped d.o.o.

The core business of the company, which was established in 1998 for the provision of international freight forwarding services, which encompass a wide range of logistic services in the delivery and dispatching of goods via the port. In addition, it also provides maritime agency services which includes acceptance and dispatching of goods that transit through the port, as well as agency services for vessels that dock in the port of Ploče.

Pomorski servis Luka Ploče d.o.o.

The company was established in 1998 for the provision of services including

mooring and unmooring vessels, transport of pilots, crew and passangers, supply of water services to the v essels, as well as waste disposal services. In addition, the company provides pest control and disinfection services.

Pločanska plovidba d.o.o.

The company was established in 2000 and holds the sub-conccession for the passanger quay in the port. It operates in two sectors: the Nautical Sector and the Hospitality Sector. The Nautical Sector includes a charter base, a tourist agency and a quay services department. It provides accommodation services on its fleet, agency services, mooring and unmooring of boats, vehicle directing services on the passenger quay, vessel servicing and it manages a sailing school. The company also organises emergency assistance at sea.

The Hospitality Sector offers food and beverage services in a restaurant facility and also provides supplies for cargo vessels in the Port. The Charter Base includes a fleet of five vessels, consisting of four sailboats ranging from 10 to 16 metres in length and one 14 metre catamaran.

The Sailing School is a special project initiated by the Port in 2019 with the aim of promoting sailing in the town of Ploče across all age groups and improving the quality of sports and recreational offerings, thereby enhancing the quality of life in the town.

New concrete technologies d.o.o.

New Concrete Technologies Ltd. (hereinafter referred to as "NCT") is a trading company operating since 2018. NCT owns facilities for mixing, testing, and bagging cement (under a long-term sub-concession) and a vessel registered with the Croatian Ship Registry for dredging activities in the Republic of Croatia.

On 22 May 2024 Luka Ploče d.d. acquired 100% of the shares in NCT for 3 million euro. The aquisition of NCT demonstrates the port's strategic focus on further growth and diversification of activities into new markets.

Company	Core business activity	% ownership	
Pomorski servis Luka Ploče d.o.o.	Maritime transport services	100%	Consolidated
Luka šped d.o.o	Freight forwarding services	100%	Consolidated
Pločanska plovidba d.o.o.	Shipping and ancillary services	100%	Consolidated
New concrete technologies d.o.o	Dredging services and cement trade	100%	Consolidated
Vizir d.o.o.	Fire department	49%	Share of income is attributed using the equity method
Lučka sigurnost d.o.o.	Security services	49%	Share of income is attributed using the equity method

Key indicators for the Company Luka Ploče d.d.

97,218 million euro **operating income**	**5,828** million euro **net profit**	**7,309** million euro **profit before taxation**
3,051 million euro **CAPEX**	**26.56%** EBITDA margin excluding trading	**10,113** million euro **EBITDA**
20,879 million euro **cash**	**11** supervisory board meetings held	**372** employees
36% women in management positions	**50%** women on the board	**1,524** euro **average gross salary** (excluding management)
3,958 million tons of total throughput relating to all cargo types	**330** inbound vessels	**Digitalisation** Positive progress made in all areas of the business

FINANCIAL PERFORMANCE INDICATORS

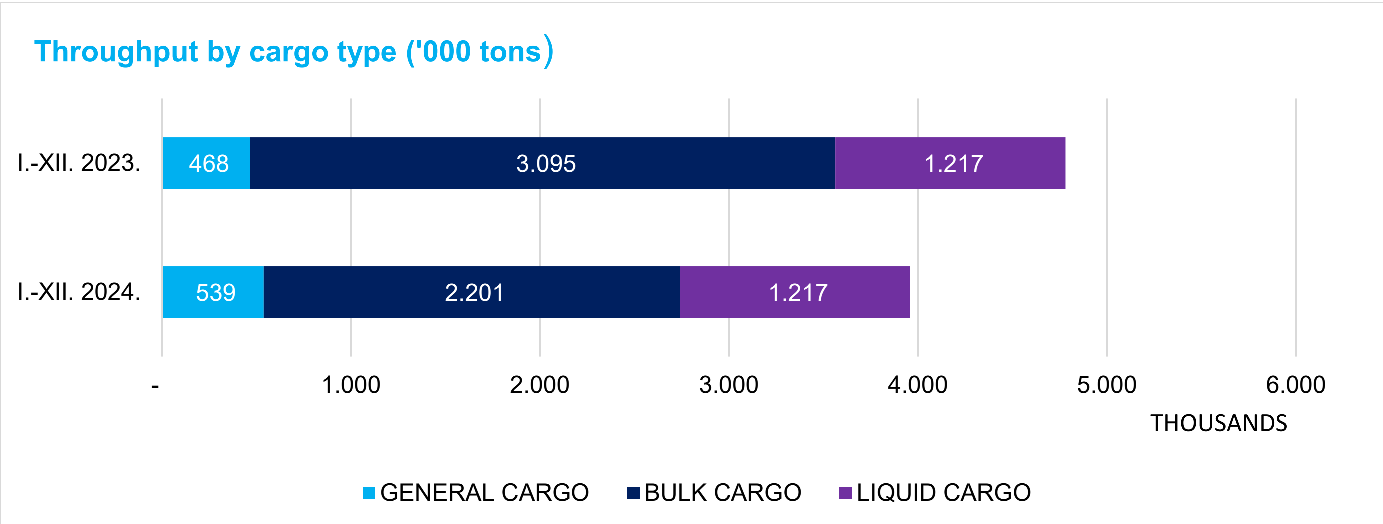
	Realised 1-12/2024	Realised 1-12/2023
EBITDA (earnings before interest, taxation and depreciation) ('000 euro)	**10,113**	15,940
EBITDA margin	**10.40%**	21.24%
EBIT ('000 euro)	**7,003**	13,248
EBIT margin	**7.20%**	17.65%
Income before taxation ('000 euro)	**7,309**	12,575
Income taxation	**(1,481)**	(2,288)
Net income after taxation ('000 euro)	**5,828**	10,287

The throughput amounted to 3,957,688 tons of goods, indicating a decrease of 17.20% compared to the same period in the prior year (2023: 4,779,698 tons). This is primarily due to a 28.86% decrease in bulk cargo throughput when compared to 31 December 2023, mainly driven by a 41.79% decline in coal handling compared to the same period in the prior year. The primary drivers of the decline in coal handling can be attributed to the following:

1. The decision of our business partner ArcelorMittal, Zenica to shut down its coking plant that operated as part of the greater steel factory operations in Zenica, concluded at the beginning of the 2024 financial year. As a result, ArcelorMittal, Zenica replaced coal as a cargo type in its operations with coke, which it in part imports through the port of Ploče. The throughput of coke handled at the port of Ploče is less than the troughput of coal which was handled at the port in previous years.
2. On 4 October 2024, a natural disaster in Bosnia and Herzegovina caused extensive damage to the transportation infrastructure connecting the Port of Ploče with its regional users. Consequently, rail traffic in the Jablanica and Konjic areas was disrupted. Since this is the only rail link with the Port of Ploče, from which most cargo is dispatched to Bosnia and Herzegovina and Serbia, the delivery and dispatch of cargo by rail to and from the Port of Ploče was completely suspended. The impact of this event resulted in a significant decline of throughput in the port during the fourth quarter of 2024.
    - Total throughput during the 4th quarter of 2024 amounted to 659 thousand tons, evidencing a decrease of 35% in comparison to the 4th quarter of 2023, and a decrease of 53% in comparison to the 4th quarter of 2022.

   On 31 January 2025, the repairs of the damaged railway were completed and rail traffic resumed after nearly 4 months of disruption. While railway traffic was suspended, cargo destined for the Bosnian market was transported by road, using trucks. With the railway restored, all conditions for the normal dispatch of goods to customers in Bosnia and Herzegovina and Serbia, as well as the delivery of goods to the Port of Ploče, have been met.

General cargo increased by 15.10%, primarily attributed to the increase in throughput of steel billets and steel coils, while liquid cargo remained at the same level compared to the same period last year. The cargo structure is detailed below:

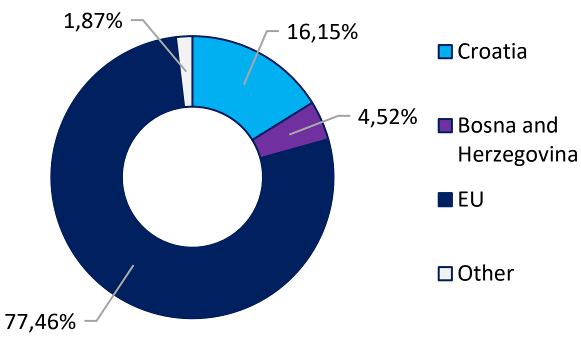


FINANCIAL PERFORMANCE INDICATORS (continued)

- Sales revenue (revenue from services according to note 8) amounts to 30,686 thousand euro, evidencing a decrease of 13.71% when compared to the same period last year (2023: 35,562 thousand euro). The overall decline in revenue can be attributed to variances relating to the following services:

Income type	Realised 2024. ('000 EUR)	%	Realised 2023. ('000 EUR)	%
Port handling services	22,895	74.61%	24,076	67.70%
Rental and storage services	5,475	17.84%	10,713	30.12%
Other services	2,316	7.55%	773	2.17%
	30,686		**35,562**	**100%**

- **From a geographic** segment perspective, 93.61% contribution to income from sales in 2024 originated from Croatia and the EU (2023: 91,8%) while Bosnia and Herzegovina contributed 4.52% (2023.: 5.8%).



- **Revenue from trading of goods** amounted to 66,305 thousand euro, which is 70.60% higher compared to the same period last year (2023: 38,866 thousand euro). The increase is as a result of a higher volume of traded goods: during 2024, the throughput from trading activities amounted to 321 thousand tons, while for the same period in the prior year it amounted to 164 thousand tons.
- **Operating expenses** excluding depreciation amounted to 87,105 thousand euro (2023: 59,106 thousand euro) of which 64,402 thousand euro relates to the cost of goods sold (2023: 37,255 thousand euro). Operating expenses excluding the cost of goods sold are 3.90% higher compared to the same period in the prior year, primarily due to the increase in municipal fees, transportation costs, and security expenses.
- **EBITDA margin** excluding the impact of trading for the period I-XII amounted to **26.56%** while the EBITDA margin for the same period in 2023 amounted to 39.60%. In 2022 the EBITDA margine amounted to 40.96%.

The table below presents the key financial indicators for the Company's operations as compared to the prior year.

INDICATORS	REALISED 2024.	REALISED 2023.
Liquidity ratios		
Working capital ('000 euro)	37,413	36,205
Current liquidity ratio	8.25	7.14
Working capital turn over	2.60	2.07
Working capital days	140.47	176.09
Days in period	365	365
Debt ratios		
Current liabilities/equity	0.06	0.08
Non-current liabilities/equity	0.20	0.25
Borrowings/equity	0.17	0.21
Liabilities/equity	0.26	0.33
Liabilities/assets	0.21	0.25
	REALISED 1-12/2024.	REALISED 1-12/2023.
Performance ratios		
EBITDA margin	10.40%	21.24%
EBIT margin	7.20%	17.65%
Net margin before taxation	7.52%	16.76%
Productivity indicators		
Number of employees	372	403
Income per employee ('000 euro)	261	186

TRADE RECEIVABLES, FINANCIAL INDEBTEDNESS AND THE COMPANY'S LIQUIDITY OUTLOOK

Trade receivables as at 31 December 2024 amounted to 18,125 thousand euro, evidencing a decrease of 18.51% in comparision to the prior year. 80.39% of the total trade receivables are not yet due, of which 46.18% relates to trading goods not yet dispatched.

Bank liabilities are long-term in nature and amounted to 13,365 thousand euro at 31 December 2024. These comprise:

- HBOR loan which was contracted in 2018 at a fixed interest rate, amounting to 9.699 million euro.
- The loan from HPB is contracted with a variable interest rate linked to EURIBOR and amounted to a total of 3.666 million euro. The Company has no other liabilities to banks.

Cash and cash equivalents increased by 22.00% from 17,114 thousand euro at 31 December 2023 to 20,879 thousand euro at 31 December 2024.

The Company continues to maintain a satisfactory level of **liquid assets** sufficient to meet all liabilities as they fall due.

CAPITAL EXPENDITURE

During 2024, the Company acquired mobile transportation equipment to the value of 2 million euro. The Company also invested 0.343 million euro in port suprestructure (electrification of quay 3 and the renovation of warehouses 3A and 3B). The Company invested 0.448 million euro in solar power plants during 2024, in line with its strategy.

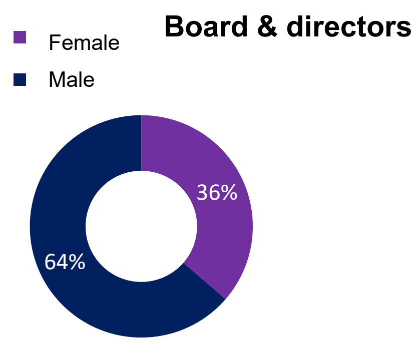
HUMAN RESOURCES

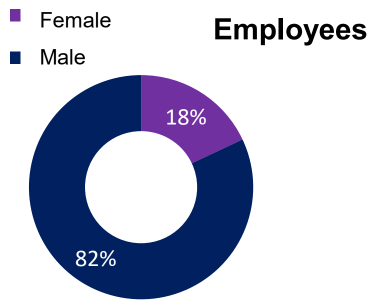
There is a noticeable decrease in the number of employees from 403 to 372 when comparing the current and prior fiancicial year.

Employee costs increased by 2.78% compared to 2023. The average gross salary (excluding senior management salaries) amounts to 1,524 euro in 2024. In 2023, it amounted to 1,382 euro, indicating a 10.24% increase in average salaries in the observed period.

Special attention is given to the education and training of employees. The Company is aware that the overall experience and knowledge held by employees is invaluable, and sharing knowledge is extremely advantageous and necessary in maintaining and enhancing the quality of work performance.

The Company pays significant focus and attention to safety at work, working conditions and the equipment used by employees at their work place. The Company strives to meet all its obligations in terms of training, certification and education of employees. Other than for enabling regulated training and education of employees, the Company provides a platform for employees to raise the level of their own competencies and personal development.





Employee structure by gender as at 31 December 2024

Luka Ploče d.d.	Female	Male
Management Board	50%	50%
Directors	33%	67%
Employees	18%	82%
Total	**19%**	**81%**

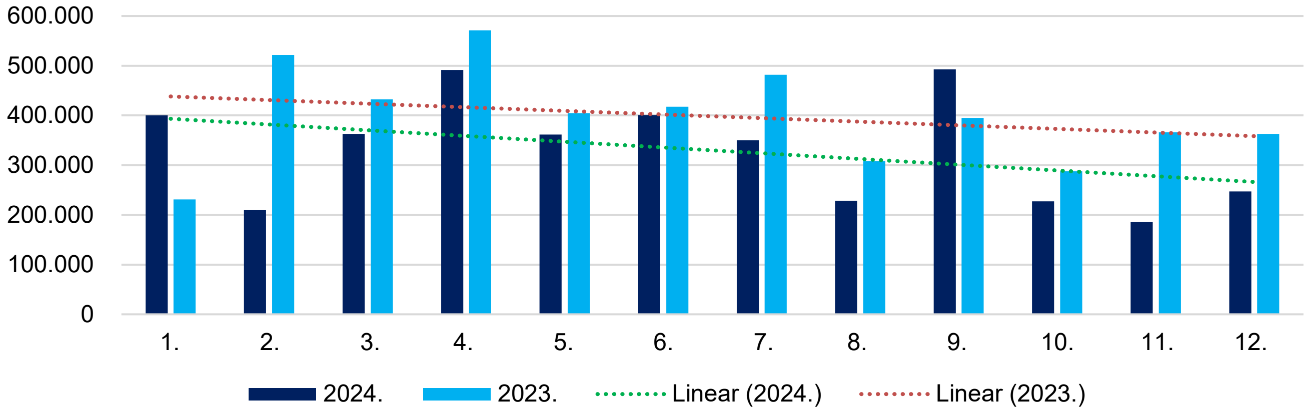
COMMERCIAL BUSINESS INDICATORS

Structure by cargo type for 2024 year end (in tons)

A total of 330 ships docked at the Port of Ploče during the 2024 financial year (2023: 340). Unloading services accounted for 83.89% of total throughput of the Company (2023: 81.13%)

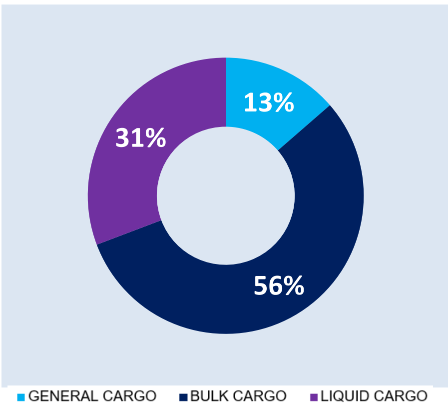
(in tons)	2024.	2023.	Index
General cargo	538,830	468,148	15.10%
Bulk cargo	2,201,390	3,094,612	(28.86%)
Liquid cargo	1,217,468	1,216,938	0.04%
Total cargo	**3,957,688**	**4,779,698**	**(17.20%)**

Throughput per month (in tons)



BULK CARGO

- Bulk cargo comprises 56% of the total throughput in 2024.
- Bulk cargo throughput decreased by 28.86% when compared to the prior year.
- Coal dominates the bulk cargo structure, comprising 75.91% of the total bulk cargo throughput (2023: 92.77%). It evidenced a 41.79% decrease when compared to the prior year.
- An increase in throughput relating to petrolium coke, slag, and clinker is evidenced during 2024. These account for a total of 17.61% of the total bulk cargo throughput (2023: 1.94%).



GENERAL CARGO

- General cargo accounted for 13% of total throughput in 2024, evidencing an increase of 15.10% when compared to the prior year.
- Container traffic constituted nearly 62.14% of the general cargo throughput (2023: 78.46%). In 2024, 30,965 TEUs were handled, compared to 31,904 TEUs in 2023, demonstrating a decrease of 2.94% year-on-year. Container throughput handled in 2024 amounted to 334,820 tons (2023: 367,300 tons).
- An increase in the throughput of rebar, sheets, and soda was noted in 2024. The total throughput of these cargo types amounted to 162 thousand tons (2023: 50 thousand tons).

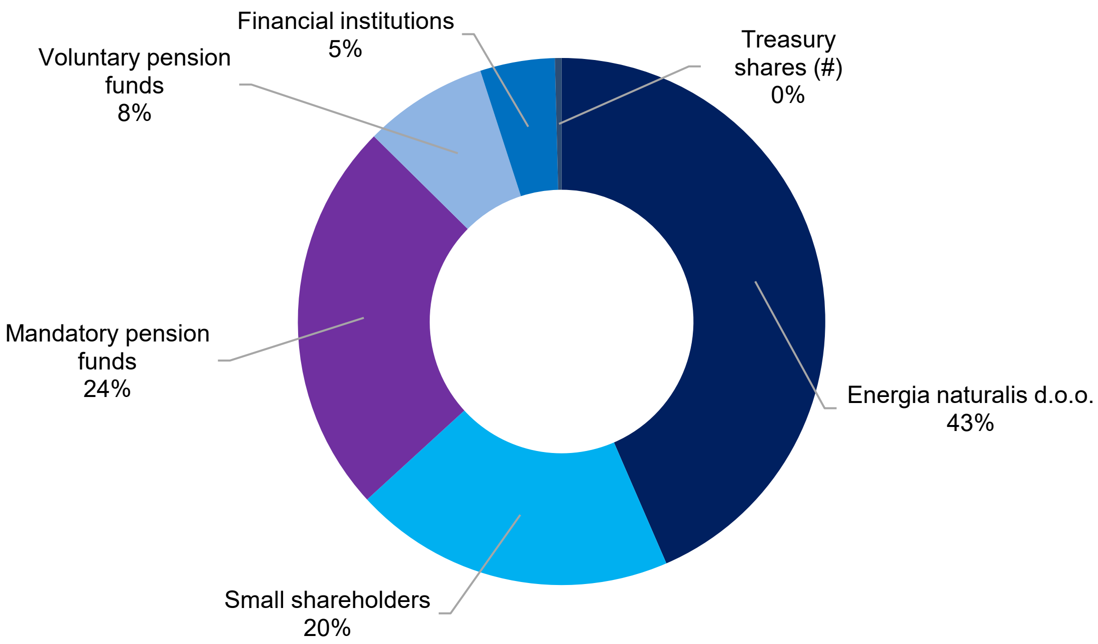
LIQUID CARGO

- Liquid cargo comprises diesel and petrol.
- Liquid cargo throughput remained at the same level compared to the prior year.

OWNERSHIP STRUCTURE

The table below presents an overview of the key shareholders of the Company as at 31 December 2024:

	2024		2023	
Shareholders	# Shares	Ownership %	# Shares	Ownership %
Energia naturalis d.o.o.	183.964	43,49	161.865	38,27
Small shareholders	83.349	19,70	90.061	21,29
Mandatory pension funds	102.361	24,20	102.361	24,20
Voluntary pension funds	32.216	7,62	32.216	7,62
Financial institutions	19.358	4,58	34.745	8,21
Treasury shares (#)	1.719	0,41	1.719	0,41
Total	**422.967**	**100,00**	**422.967**	**100,00**



(#) The Company acquired 1,719 treasury shares during 2011, 2012 and 2013 in accordance with Article 233 Paragraph 2 of the Companies Act, which represents 0.4064% of the Company's share capital. The shares were acquired based on the authorisation of the General Assembly under the conditions set by it, and for the purpose of rewarding employees. The Company has not bought its own shares since February 2013. The Company has an established share repurchase scheme. The Company does not have an employee share scheme.

Key indicators for the Group Luka Ploče

Luka Ploče Group comprises: Luka Ploče d.d. ("Company"), Pomorski servis Luka Ploče d.o.o., Luka šped d.o.o, Pločanska plovidba d.o.o. and New concrete technologies d.o.o..

99,893
million euro **operating income**

6,815
million euro **net profit**

8,381
million euro **income before taxation**

3,433
million euro **CAPEX**

28.79%
EBITDA margin excluding trading

11,573
million euro **EBITDA**

1,384
euro **average gross salary** (excluding management)

40%
women in management positions

436
employees

22,880
million euro **cash**

FINANCIAL PERFORMANCE INDICATORS

The following are the key financial performance indicators of the Group compared to the previous year.

	REALISED 1-12/2024.	REALISED 1-12/2023.
EBITDA (earnings before interest, taxation and depreciation) ('000 euro)	**11,573**	16,613
EBITDA margin	**11.59%**	21.41%
EBIT ('000 euro)	**8,065**	13,750
EBIT margin	**8.07%**	17.72%
Income before taxation ('000 euro)	**8,381**	13,074
Income taxation	**(1,566)**	(2,338)
Net income after taxation ('000 euro)	**6,815**	10,736

INDICATORS	REALISED 2024.	REALISED 2023.
Liquidity ratios		
Working capital ('000 euro)	39,526	37,729
Current liquidity ratio	8.21	7.27
Working capital turn over	2.53	2.06
Working capital days	144.42	177.51
Days in period	365	365
Debt ratios		
Current liabilities/equity	0.07	0.08
Non-current liabilities/equity	0.20	0.24
Borrowings/equity	0.16	0.21
Liabilities/equity	0.26	0.32
Liabilities/assets	0.21	0.24
Performance ratios		
EBITDA margin	11.59%	21.41%
EBIT margin	8.07%	17.72%
Net margin before taxation	8.39%	16.85%
Productivity indicators		
Number of employees	436	474
Income per employee ('000 euro)	229	164

- **Income from sales** including freight-forwarding services, maritime services and shipping services amounted to 33,338 thousand euro, which evidences an increase of 12.42% in comparision to the prior year (2023: 38,067 thousand euro). Income from the sale of goods amounted to 66,305 thousand euro, which demonstrates a 70.59% increase when compared to the prior year (2023: 38,867 thousand euro). The increase is as a result of a higher volume of traded goods: during 2024, the throughput from trading activities amounted to 321 thousand tons, while for the same period in the prior year it amounted to 164 thousand tons.

- **Operating expenses** excluding depreciation amount to 88,320 thousand euro (2023: 60,967 thousand euro) of which 68,403 thousand euro relates to the cost of goods sold (2023: 37,278 thousand euro). Operating expenses excluding the cost of goods sold remained the same when compared to the prior period.

- **EBITDA margin** excluding the impact of trading for the period I-XII 2024 amounted to 28.79% while the EBITDA margin for the same period in 2023 amounted to 38.81%.

- **Trade receivables** as at 31 December 2024 amounted to 18,353 thousand euro, evidencing a decrease of 18.22% in comparision to the prior year. 78.79% of the total trade receivables are not yet due, of which 46.53% relates to trading goods not yet dispatched

FINANCIAL PERFORMANCE INDICATORS (continued)

- **Liabilities to financial institutions** amount to 13,499 thousand euro as at 31 December 2024. Liabilities in the parent Company totalled 13,365 thousand euro. Pločanska plovidba d.d.. has a loan with PBZ amounting to 134 thousand euro with a variable interest rate.
- **Cash and cash equivalents** increased by 23.73% from 18,492 thousand euro as at 31 December 2023 to 22,880 thousand euro as at 31 December 2024. The Group continues to maintain a satisfactory level of liquid assets sufficient to meet all liabilities as they fall due.

HUMAN RESOURCES

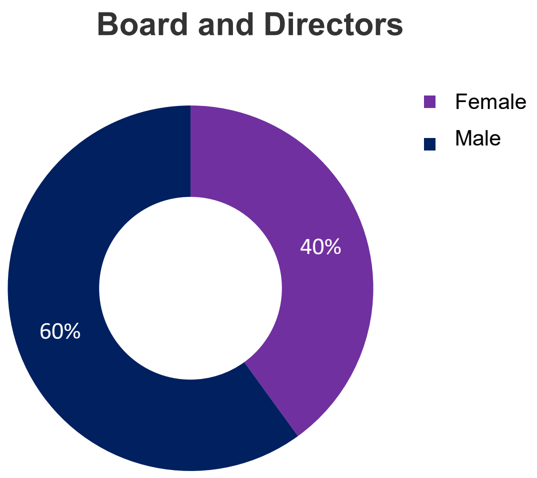
There is a noticeable decrease in the number of employees from 474 to 436 when compared to the prior year. Employee costs increased by 1.66% year-on-year. The average gross salary (excluding top management salaries) amounted to 1,384 euro in 2024. In 2023, it was 1,334 euro, indicating an increase in average salaries of 3.79% in the observed period.

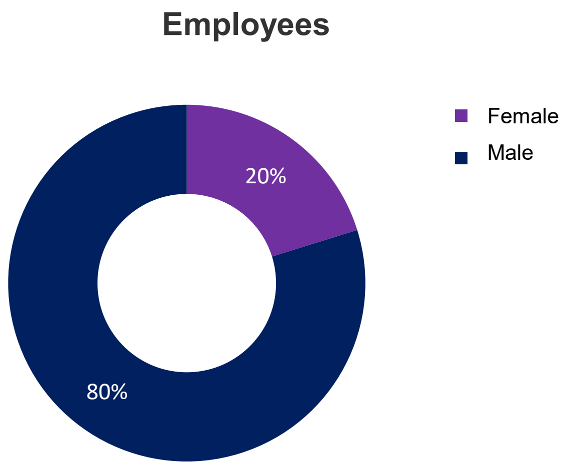
Employee structure by gender as at 31 December 2024

	Female	Male
Luka Ploče d.d.		
Management Board	50%	50%
Directors	33%	67%
Employees	18%	82%
Total	**19%**	**81%**
Luka Šped d.o.o.		
Directors	100%	0%
Employees	50%	50%
Total	**54%**	**46%**
Pločanska plovidba d.o.o.		
Directors	0%	100%
Employees	53%	47%
Total	**50%**	**50%**
Pomorski servis Luka Ploče d.o.o.		
Directors	0%	100%
Employees	16%	84%
Total	**16%**	**84%**
New concrete technologies d.o.o.		
Directors	100%	0%
Employees	0%	0%
Total	**100%**	**0%**
TOTAL - GROUP		
Board and directors	40%	60%
Employees	20%	80%
Total	**21%**	**79%**

HUMAN RESOURCES (continued)

Employee structure by gender as at 31 December 2024





RUSSIAN-UKRAINIAN CRISIS AND IMPACT OF SANCTIONS IMPOSED AGAINST RUSSIA ON THE BUSINESS

Taking into consideration the previous three years, the Russian-Ukrainian crisis has contributed positively to the Group's operations as a result of the disruption noted across global logistics flow chains driving additional throughput to the Company over this period. Total throughput continues to demonstrate a slight increase to throughput prior to the crisis (annual throughput in 2021): evidencing a 2% increase in throughput in 2024; a 23% increase in throughput in 2023; and a 43% increase in throughput in 2022, when compared to same in 2021.

The Group did not execute any financial transactions with any Russian financial institution and does not have financial exposure to same. There were no transactions with Russia during 2024.

The Group has assessed the associated risks arising from the aforementioned as follows:

- Increase in the cost of transport, raw materials and supplies, energy and fuel (when compared to previous years before the conflict), which is further transferred to other costs.
- Given the significant increase in costs and compacted by logistical challenges faced, the Group has noted an increase in requests for advance payments by suppliers while the delivery time for receipt of goods from suppliers has been prolonged.

Although the above-mentioned risks still exist, a reduced inflationary pressure on the Group's operations has been observed when compared to 2022 and 2023 (e.g. in terms of commodity prices and energy prices). However, the pressure of heightened macroeconomic factors is still visible when considering the Group's operations, and that of its business partners especially given the catastrophic natural disaster in Bosnia and Herzegovina which occurred at the beginning of the 4th quarter resulting in the suspension of railway traffic for cargo intended for the markets of Bosnia and Hercegovina and Serbia.

The Group continues to maintain a satisfactory level of liquidity, sufficient to meet all due obligations.

DIGITALISATION

Over the passed five years, the Company has actively focused and actioned the development of its internal application system. This system comprises a set of applications (modules) for the performance of specific business processes within the Group. The Information and Communication Technology Department continuously and actively advances the existing base in order to enhance the efficiency of business processes and information flow, with the objective of further development of its solution, while focusing on system solution security and improving user experience, all in line with changes to internal processes and flows.

During 2024, the digital ERP solution was launched in the subsidiaries. In addition, the 2024 financial year saw the migration of data to the Cloud as well as the migration of the IT infrastructure to the premises and under the protection of the port authority. The Group continues to invest in the development and modernisation of the IT system, focusing on customised solutions and modern technology in line with the Company's and the Group's strategy.

SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

(a) There were no events after the balance sheet date that would have a significant impact on the Company's or Group’s financial statements for the year ended 31 December 2024.

(b) Events after balance sheet date to date of issue of the financial statements that do not have a significant impact on the Company's or Group’s financial statements for the year ended 31 December 2024 but are important to consider have been summarised below:

- On 31 January 2025, repairs to the damaged railway were completed and rail traffic resumed after almost four months of disruption. The restoration of the railway has met all conditions for the normal dispatch of goods to customers in Bosnia and Herzegovina and Serbia, as well as the delivery of goods to the port of Ploče.

- The war in the Ukraine and the current global geopolitical situation have caused instability in the commodity trading segment, making it impossible to conduct this activity without significant risks. Consequently, due to changed market circumstances, the Company has decided to cease its commodity trading activities until further notice. Revenue from the sale of goods in 2024 amounted to 66,304 thousand euro, while the cost of goods sold amounted to 64,403 thousand euro, which generated a profit of 1,901 thousand euro. Turnover from the sale of goods amounted to 321 thousand tons. The Company informed investors and the public about this decision at the end of the first quarter of 2025.

FUTURE BUSINESS DEVELOPMENT

The primary vision for future operations is the transformation of the port into a smart sustainable port:

- smart in terms of continuing the digital transformation journey with the implementation of a 5G network; and
- sustainable in terms of following the guidelines defined in the sustainability strategy.

New investments in infrastructure and machinery will follow the development strategy with an emphasis on sustainability and diversification, highlighting investments in energy independence and the expansion of the container terminal.

RISK MANAGEMENT

The Group is exposed to financial risks (currency, interest and credit), as well as market risks that affect the core business of the Group. The Group manages financial risks using regular financial instruments available on the financial market of the Republic of Croatia. Appropriate policies and procedures for managing individual risks are implemented and the method of managing and mastering risks is specifically prescribed and documented in rules and procedures. These risks are a normal part of business and it is necessary to respond to them in a timely and appropriate manner in order to make quality decisions on time for the safeguarding and development of the business.

Defined risks are presented below:

MARKET RISK

The maritime trade market is cyclical and depends on changes in the world economy and the mode of transport (land and sea). As part of the worldwide maritime trade network, market risk significantly affects the Company and the Group**.**

Destination market

Bosnia and Hercegovina is a key market in relation to the Company's operations, and political instability and negative macroeconomic factors of said can significantly and negatively influence (or vice versa) the Company's operations. A decline in production in Bosnia and Hercegovina would mean a decline in the throughput of bulk and general cargo and related revenue for the Company. The Company's management board focuses on minimizing risk through business development with business partners from other destinations (Central Europe and Italy).

Market competition

Competition risk is pronounced in the Adriatic region (Koper, Rijeka, Bar, Italian port cluster). The tariffs for the Company's services are in line with those of other ports in the Adriatic. However, it is important to emphasise that the correlation of tariffs for the Company's services is not sufficient to keep this route competitive. Competitiveness of pricing also depends on additional direct costs such as the price of lighting, port taxes and rail transport. Increases in these prices may adversely affect the traffic route through Luka Ploče. The Company's Management Board focuses on minimizing this risk through active monitoring and proactive adjustment of tariff prices, continuous investment in technology and digitalization in order to enhance and further develop capacity and productivity.

CREDIT RISK

Assets of the Group and the Company that may give rise to credit risk consist mainly of cash and cash equivalents, irrevocable facilities, trade receivables, employee receivables and other receivables. The Company's management board focuses on minimizing risk through proactive monitoring of receivables collection. As additional insurance, the Group and the Company are insured by the underlying goods and by means of actively managing limits and dispatch for past due receivables along with security provided by other insurance instruments (for example, bank guarantees). The receivables from employees are secured by salary suspension.

CURRENCY RISK

The Company is exposed to foreign exchange risk in USD. Port services are primarily contracted and invoiced in euro. In addition the bank borrowings are in euro.

The risk lies in the variability of the euro to the USD i.e. exchange rate differentials which affect realised and unrealised exchange rate differences. The Company is exposed to the USD currency in a much smaller capacity, and the exchange rate is converted using the mid rate of the CNB.

INTEREST RATE RISK

The risk exists whereby the value of the financial instrument can change due to changes in market interest rates. With increases in the value of Euribor, the interest expense of the Company and the Group increases. The long-term bank borrowing from HBOR is contracted at a fixed interest rate. The other long-term bank borrowing is contracted at a variable rate. The Company actively monitors its debt exposures - when funds from loans are not needed, these are repaid in a timely manner to reduce exposure to interest charges and related cash outflows.

LIQUIDITY RISK AND CASH FLOW RISK

Prudent liquidity risk management involves maintaining sufficient amounts of cash and cash equivalents, ensuring the availability of external funds by means of having in place and managing committed facilities with finance providers and maintaining the ability to meet all obligations as they fall due. The objective of the Group and the Company is to maintain flexibility of financing by having available committed credit facilities. The Company regularly and proactively monitors the level of available sources of funding and the collections structure of receivables to manage expected cash flows.

The Company controls risk through active monitoring of the maturity structure of assets and liabilities, and the relationship between current assets and short-term liabilities is particularly closely monitored.

Management scrutinizes detailed plans relating to expected cash inflows and outflows to ensure the Company and Group have adequate amounts of liquid assets to meet liabilities in line with expected maturities.

TECHNOLOGICAL RISK

Technological risk is related to the obsolescence of existing port technology and mechanisation. Without timely investment in the existing work dynamics, the risk of increased operating costs and decreased efficiency and productivity relating to port services is heightened. This would negatively impact the overall profitability of business operations and the success of the business as a whole. The Company is focused on minimizing the risk through active research and execution for appropriate capital investments in existing infrastructure, superstructure, new equipment and digitalization. This strategy is evidenced through the implementation of the investment plan in the current year. The Company continuously monitors and adjusts work processes and implements changes through documented procedures, formalized workflows, digital footprint.

HUMAN RESOURCE RISK

Port services are directly related to the need for human resources which is evidenced by the number of employees in the Company. To a large extent, the need for intensive physical work in operational terms and strong support and specialized knowledge in mechanization and service support are required. The Human Resources Department is responsible for the professional education and meeting legal regulations related to medical examinations aimed at educating employees to work in the field. Occupational safety monitors in detail the attestation of machines and the general safety of employees in the workplace. Employees are permitted to join the trade union and an employee of the Company has been assigned to the role for Employee Relations to manage this relationship.

ECOLOGICAL RISK

Detecting and preventing environmental risk is one of the essential factors for the long-term sustainability of the Group's business. The Group's strategy takes into account investments in equipment and ‘’going green’’ in the form of improving energy efficiency through existing and new infrastructure with a focus on renewable energy. The “net zero” mission is a key goal for the business and the Management Board is focused on implementing the necessary sustainable measures in order for the Company and Group to reduce its exposure to associated risks more efficiently and effectively.

REPORTING RISK

The risk exists that the accounting records are not maintained accurately and on a timely basis. Management is focused on reducing the inherent risk by means of digitising the reporting function and operations of the Company and creating a focused controlling function which and regular education of staff executing these roles.

NON-FINANCIAL REPORT

In 2024, Luka Ploče d.d. and its affiliated companies (hereinafter: the Group) voluntarily published the Sustainability Report for the second time. This continued the transparent monitoring of the impact of operations on the environment, society, employees, and the community in which the Group operates.

- The report for 2023 was prepared in accordance with European Sustainability Reporting Standards (ESRS) and includes data that accurately reflect impacts, risks, and opportunities (IRO) identified as material, either from a sustainability impact perspective, a financial perspective, or both. The report also includes the EU Taxonomy Report, which provides insight into the compliance of business activities with the European Union's sustainability criteria.

- In the process of preparing the report, key impacts of the Group's operations on sustainability factors, as well as existing management practices and business models, were analyzed. Based on this, strategic development directions were defined, leading to the transformation of Luka Ploče into a smart and sustainable port. The activities and measures necessary to achieve this goal, along with key performance indicators, are contained in the Sustainable Development Strategy, which is currently in its final stage of adoption.

Although the Group is not yet formally obligated to report in accordance with the Corporate Sustainability Reporting Directive (CSRD) and the new Accounting Act, it has decided to timely involve all relevant stakeholders in this process. The obligation to publish reports under the CSRD will commence in 2026 for the 2025 business year, when the publication of an integrated report, including consolidated financial statements, is planned.

The Sustainability Report for 2024 also includes an analysis of the taxonomy compliance of operations, with detailed data on revenues, expenses, and investments related to taxonomy-eligible and non-eligible activities.

At the beginning of 2025, preparations for the third sustainability report for 2024 began, which will, like the previous one, be fully aligned with ESRS guidelines.

In the context of the strategic goal of achieving climate neutrality by 2050, the Group conducted a carbon footprint analysis and developed a proposal for measures to reduce greenhouse gas emissions as part of the first report. This study will be updated in accordance with the new Sustainable Development Strategy to enable monitoring of the implementation of measures and achieving the targeted emission reductions: 15-25% by 2030 and 65-95% by 2050. The second Sustainability Report includes relative data that will serve as the basis for a new revision of the study in 2025.

3

Corporate Governance Statement

CORPORATE GOVERNANCE STATEMENT

BASIC INFORMATION

Luka Ploče d.d. (hereinafter: the Company) as well as the Luka Ploče Group is continuously developing and operating in accordance with the defined standards of corporate governance.

This applies particularly to the manner in which the Company's bodies execute their duties, work with shareholders and employees, ensure transparency of business operations, and towards third parties. Since 16 June 2008, the Company adopted its own Code of Corporate Governance with the aim of further strengthening and establishing high standards of corporate governance. The management board fully complied with the provisions of its own Code and the Code of the Zagreb Stock Exchange d.d. from the day the shares were listed on the Official Market. The Company applies the corporate governance measures prescribed by law, and this is explained in detail in the annual questionnaire, which is published, in accordance with the regulations, on the website of the Zagreb Stock Exchange d.d. and the Company.

This Code has the force of a recommendation that provides guidance to the Company's bodies and Company employees to respect the principles prescribed and elaborated by this Code when making all types of decisions. The objective of the Code is to establish high standards of corporate governance and transparency in the operations of the Company and affiliated companies in the majority ownership of the Company.

The code defines the procedures of corporate governance in order to protect shareholders, employees, elected and appointed owners of responsible functions in the Company as well as all other interest holders through good and responsible management and supervision of the Company's business and management functions. The fundamental principles of this Code are: business transparency, clearly developed procedures for the work of the Supervisory Board, Management Board and other bodies and structures that make important decisions, prevention of conflicts of interest, efficient internal control and an efficient responsibility system.

Any interpretation of the provisions of this Code should first of all be guided by respect for the aforementioned principles and achieving the stated goals.

The Company's shares are listed on the official market of the Zagreb Stock Exchange, and the Company is primarily compliant with the Corporate Governance Code of the Zagreb Stock Exchange. The Company respects and follows the prescribed guidelines for corporate governance (as is presented in detail in the published annual questionnaire of the Zagreb Stock Exchange).

The largest shareholders according to data from the Central Clearing Depository Company are listed in the "Ownership structure" table in the Management Report and in note 28 to the Annual Financial Statements and are kept in the Company's Share Book. The Company is also obliged to publish on its website and through the stock exchange any acquisition or release of shares and other securities of the Company by each individual member of the Management Board and the Supervisory Board, as well as employees of the Company who have access to price-sensitive / privileged information of the Company as well as related parties.

Competencies, convening procedure and quorum, and decision-making methods of the General Assembly are regulated by the Company's Statute. When convening the General Assembly, the Management Board of the Company is obliged to determine the date according to which the balance in the register of shares will be determined, which will be relevant for exercising the right to vote at the General Assembly of the Company. That date should be before the General Assembly and may not be more than 6 days before the General Assembly.

The right to vote should include all shareholders of the Company in such a way that the number of votes that belong to them in the General Assembly is equal to the number of shares they hold, regardless of the type of shares. In case the Company issues non-voting shares, i.e. with limited voting rights, it is obliged to publish publicly and in a timely manner all relevant information on the content of all rights arising from such shares in order to enable investors to make an appropriate decision on the purchase of these securities.

CORPORATE GOVERNANCE STATEMENT (continued)

BASIC INFORMATION (continued)

The Company is obliged to act in the same way and under the same conditions towards all shareholders, regardless of the number of shares they have, their country of origin and other characteristics. This particularly applies to the duty of equal treatment of individual and institutional investors.

The election or appointment of members of the Supervisory Board is regulated by the Company's Statute. There are no restrictions based on gender, age, education, profession, etc. The Companies Act determines any amendments to the Company's Statute.

The basic medium for public publication of data is the National Gazette of the Republic of Croatia and the Company's website **www.luka-ploce.hr**.

CORPORATE GOVERNANCE STRUCTURE

Pursuant to the Law on Companies and the Company's Statute, the Company's bodies are the General Assembly, the Supervisory Board and the Management Board, and their duties and responsibilities are regulated by the aforementioned acts.

GENERAL ASSEMBLY

The General Assembly makes decisions that have a significant impact on the state of assets, financial position, business results, ownership structure and management of the Company, and are made exclusively at the General Assembly of the Company by the prescribed majority of votes. The management of the Company is obliged, as soon as possible, to publicly announce the decisions of the General Assembly as well as information on possible lawsuits to refute them. In 2024, the regular annual General Assembly was held on 19 June 2024.

SUPERVISORY BOARD

The tasks and responsibilities of the Company's Supervisory Board are regulated by the Company's Statute. The members of the Supervisory Board should perform their duty with the attention of an orderly and conscientious businessman and keep the Company's business secret. The supervisory board is obliged to prepare an evaluation of its work for the past period on an annual basis. Such an assessment includes, in particular, an assessment of the work of the Committees established by the Supervisory Board, and an assessment of what has been achieved in relation to the Company's set goals. The Supervisory Board of the Company consists of five members.

The Chairman of the Supervisory Board is responsible for determining the calendar of regular annual meetings and convening extraordinary meetings when the need arises. The frequency of meetings of the Supervisory Board should be determined in accordance with the needs of the Company.

The members of the Supervisory Board on the date of this annual report and during the reporting period are as follows:

- Boštjan Napast – chairman
- Jeni Krstičević – deputy chairman
- Ivan Ostojić – member
- Zvonimir Novak – member
- Ana Marinović – member

During the reporting period, the Supervisory Board of the Company consisted of **five members**.

During the reporting period, the Supervisory Board held a total of **11 sessions** at which **all members of the Supervisory Board were present**.

CORPORATE GOVERNANCE STRUCTURE (continued)

Audit Committee

Pursuant to the Company's Statute, the Company's Supervisory Board established an Audit Committee. The audit committee is a body that provides support to the Management Board and the Supervisory Board in the efficient performance of the obligations of corporate management, financial reporting and control of the Company.

The audit committee, appointed in accordance with the law, worked in the past year with a composition of 3 members, all of whom are also members of the Supervisory Board:

On the day of the annual report and during the reporting period, the Audit Committee comprised:

- Jeni Krstičević – chairman
- Ivan Ostojić – member
- Zvonimir Novak – member

During 2024, **seven sessions** of the Audit Committee were held, at which **all members of the Audit Committee were present**.

With the assistance of the Audit Committee, the Supervisory Board monitored the adequacy of the internal control system, which is realised through three mutually independent control functions (internal audit, risk control, compliance monitoring), with the aim of establishing such a system of internal controls that will enable timely detection and monitoring of all risks to which the Company is exposed in its operations.

Remuneration Committee

In accordance with the Company's Statute, the Company's Supervisory Board established a Remuneration Committee, which provides support to the Management Board and the Supervisory Board in creating a remuneration policy and proposing remuneration for members of the Management Board and senior management.

The remuneration committee, appointed in accordance with the law, worked in the past year with a composition of 3 members, all of whom are also members of the Supervisory Board.

On the day of the annual report and during the reporting period, the remuneration committee comprised:

- Ivan Ostojić – chairman
- Jeni Krstičević – member
- Zvonimir Novak – member

During 2024, **two sessions** of the Remuneration Committee was held, at which **all members of the committee were present**.

Appointment Committee

Pursuant to the Company's Statute, the Company's Supervisory Board established the Appointment Committee, which provides support to the Management Board and the Supervisory Board in creating the appointment policy and preparing the succession plan for the members of the Supervisory Board and the Management Board.

The Appointment Committee, appointed in accordance with the law, worked in the past year with a composition of 3 members, all of whom are also members of the Supervisory Board.

On the day of the annual report and during the reporting period, the Appointment Committee comprised:

- Boštjan Napast – chairman
- Ivan Ostojić – member
- Jeni Krstičević – member

During 2024, no sessions of the Appointments Committee were held.

CORPORATE GOVERNANCE STRUCTURE (continued)

Management Board

The management board manages the Company's affairs in accordance with the Company's Statute and legal regulations. The Company is represented by the Board, the president or a member of the board individually and independently. The management board monitored that business and other records and business documentation were in accordance with the law, compiled accounting documents, realistically assessed assets and liabilities, compiled financial and other reports in accordance with applicable accounting regulations and standards.

The members of the Management Board during the reporting period were as follows:

- Hrvoje Livaja – president of the board
- Daniela Marelić – member of the board for finance

REPORT ON THE ASSESSMENT OF THE SUPERVISORY BOARD

The evaluation report of the Supervisory Board and its subcommittees was discussed and determined at the Supervisory Board session, no external evaluators were engaged in the evaluation process.

Based on the Statute of the Company, the Supervisory Board operates in its full composition of five members (two female members and three male members), elected or appointed in accordance with the Law, internal acts and the Diversity Policy, which was determined to be the optimal number for the effective performance of its duties.

Members of the Supervisory Board are appointed on the basis of their competence, knowledge and skills, taking into account diversity criteria such as gender, age, length of service, nationality and individual differences in professional and personal experiences, which are defined by the Diversity Policy adopted at Supervisory Board session held on 29 December 2021.

The members of the Supervisory Board have the necessary skills and experience, proven expertise and knowledge in the field or industry in which the Company operates or on which it intends to focus in the coming period, as well as high moral and personal qualities and integrity, with the specific request that at least one member of the Supervisory Board must be an expert in the field of accounting and/or audit of financial reports.

The appropriate level of representation of women is supported (in the current composition it is 40%), which meets the goals and guidelines established in the Diversity Policy.

Throughout 2024, the Supervisory Board held its meetings regularly, in accordance with the work plan of the Supervisory Board of Luka Ploče d.d. for 2024, established at the meeting held on December 29, 2023. All members participated in the work of the Supervisory Board, demonstrating good mutual cooperation and possessing the necessary expertise aligned with the Company's business requirements, performing their duties and responsibilities in an appropriate and efficient manner.

Accordingly, the Supervisory Board assesses that all members of the Supervisory Board and its subcommittees successfully performed the tasks within the scope of the Supervisory Board and its subcommittees as prescribed by law during 2024, and each member significantly contributed to their work throughout the year. Furthermore, it is assessed that the joint work and cooperation of all members of the Supervisory Board and its subcommittees in 2024 were satisfactory and successful.

Adequate support for the preparation of Supervisory Board and subcommittee meetings was ensured through the Company's secretary.

During 2024, the Management Board continuously submitted reports prescribed by law to the Supervisory Board and informed it of all significant business events, business progress, revenues and expenses, all deviations from original plans, and the general state of the Company.

Consequently, the Supervisory Board positively evaluates its relationship with the Management Board in 2024.

KEY ELEMENTS OF THE SYSTEM OF INTERNAL CONTROLS AND RISK MANAGEMENT RELATING TO FINANCIAL REPORTING OF THE COMPANY AND THE GROUP

The Company is obliged to prepare its financial reports in accordance with the International Financial Reporting Standards and to publish them within the prescribed deadlines defined by the legislation of the Republic of Croatia. The financial reports compiled by the Company's Management Board, which have been audited by an independent external auditor, will be published on the Company's website.

The President of the Management Board is responsible for creating an internal control system that organizes and monitors the flow of accurate, concrete and complete data about the Company's organization, such as data on compliance with financial, business and legal obligations that may represent a significant risk for the Company. The internal auditor should review and verify the effectiveness of such a system at least once a year.

The Company is obliged to have independent external auditors as an important instrument of corporate governance, so their basic function is to ensure that the financial statements adequately reflect the real state of affairs of the Company as a whole.

An independent external auditor shall be considered to be an auditor who is not related to the Company by ownership or interest and does not provide any other services to the Company, either by himself or through related persons.

Independent auditors are obliged to report directly to the Management Board on the following issues:

- discussion of the main accounting policy,
- alternative accounting procedures,
- disagreement with the Management Board, risk assessment, and
- possible analyses of fraud and/or abuse.

In its annual report as well as on its Internet pages, the Company is obliged to state on the prescribed form (annual questionnaire) whether it has complied with the recommendations specified in this Code. This Code and its recommendations are based on the "act or explain" principle, i.e. if the Company deviates from or does not apply one of the recommendations of this Code, it must provide an explanation in the annual questionnaire as to why the non-application or deviation occurred. The annual questionnaire is an integral part of this Code.

Ploče, 22 April 2025

4

Statement on the responsibility of the Management Board

STATEMENT ON THE RESPONSIBILITY OF THE MANAGEMENT BOARD

Based on the current Croatian Accounting Act, the Management Board is obliged to ensure that the non-consolidated and consolidated financial statements for each financial year are prepared in accordance with the International Financial Reporting Standards adopted by the European Union ("EU IFRS"), so that they give a true and objective picture of the financial position and business results of the Company Luka Ploče d.d. and subsidiaries ("Group") for that period.

Management reasonably expects that the Company and the Group have adequate funds to continue operations in the foreseeable future. For the stated reason, the Management Board continues to accept the principle of unlimited business time when preparing non-consolidated and consolidated financial statements.

The responsibilities of the Management Board when preparing non-consolidated and consolidated financial statements include ensuring:

- selection and consistent application of appropriate accounting policies;
- reasonable and cautious judgments and assessments;
- application of valid accounting standards; and
- preparation of non-consolidated and consolidated financial statements according to the principle of business continuity, unless it is inappropriate to assume whether the Company or the Group will continue its business activities

The Management Board is responsible for keeping correct accounting records that will at any time reflect the financial position of the Company and the Group with acceptable accuracy, as well as its compliance with the applicable Croatian Accounting Act. The Management Board is also responsible for safeguarding the assets of the Company and the Group and, therefore, for taking reasonable measures to prevent and detect embezzlement and other irregularities.

Moreover, in accordance with the Accounting Act, the Management Board is obliged to prepare an Annual Report comprising the nonconsolidated and consolidated financial statements, the nonconsolidated and consolidated Management Report and the Corporate Governance Statement. The nonconsolidated and consolidated Management Report was prepared in line with the requirements of Article 21 and 24 of the Croatian Accounting Act, and the Corporate Governance Statement in line with the requirements of Article 22 of the Croatian Accounting Act.

In accordance with Commission Delegated Regulation (EU) 2018/815 of 17 December 2018 amending Directive 2004/109 / EC of the European Parliament and of the Council as regards regulatory technical standards for the specification of the single electronic reporting format "ESEF Regulation"), The Company's Management Board is obliged to compile and publish unconsolidated and consolidated Annual Report in XHTML format and descriptively mark annual financial statements prepared in accordance with International Financial Reporting Standards adopted by the European Union in XHTML format using XBRL tags and mark notes to annual financial statements as block of text in order to meet the requirements of Article 462 of the Capital Market Act.

The Annual Report was approved by the Management Board on 22 April 2025 for submission to the Supervisory Board and are signed below by:

Hrvoje Livaja
President of the Board

Daniela Marelić
Member of the Board

Luka Ploče d.d.
Trg kralja Tomislava 21
20340 Ploče
Ploče, 22 April 2025

5

Separate and consolidated financial statements

LUKA PLOČE d.d., Ploče

CONSOLIDATED AND SEPARATE STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2024

		Luka Ploče Group		Luka Ploče d.d.	
(in thousands of EUR)	**Note**	**2024**	**2023**	**2024**	**2023**
Revenue	7,8	99,643	76,934	96,991	74,428
Other income	8	250	646	227	618
Materials and energy costs	9	(67,735)	(41,996)	(67,409)	(41,515)
Service costs	9	(6,465)	(5,865)	(6,560)	(6,083)
Staff costs	10	(11,699)	(11,474)	(10,249)	(9,972)
Depreciation and amortisation	15,16,18	(3,508)	(2,863)	(3,110)	(2,692)
Other operating expenses	11	(1,103)	(908)	(994)	(811)
Impairment loss on receivables – net		(74)	(30)	(281)	(31)
Impairment of property, plant, and equipment – net		(10)	(12)	(344)	(12)
Other (losses) – net	12	(1,234)	(682)	(1,268)	(682)
Operating profit		**8,065**	**13,750**	**7,003**	**13,248**
Finance expenses – net	13	286	(693)	306	(673)
Share of income of associates	20	30	17	-	-
Profit before tax		**8,381**	**13,074**	**7,309**	**12,575**
Income tax	14	(1,566)	(2,338)	(1,481)	(2,288)
Net profit		**6,815**	**10,736**	**5,828**	**10,287**
Other comprehensive income		-	-	-	-
Total comprehensive income		**6,815**	**10,736**	**5,828**	**10,287**
Earnings per share (in EUR) basic and diluted	**29**	**16.18**	**25.49**	**13.83**	**24.42**

LUKA PLOČE d.d., Ploče

CONSOLIDATED AND SEPARATE STATEMENTS OF FINANCIAL POSITION

FOR THE YEAR ENDED 31 DECEMBER 2024

(in thousands of EUR)	Note	Luka Ploče Group 31 December 2024	Luka Ploče Group 31 December 2023	Luka Ploče d.d. 31 December 2024	Luka Ploče d.d. 31 December 2023
ASSETS					
Non-current assets					
Intangible assets	15	1,328	19	16	19
Property, plant and equipment	16	57,540	55,408	53,719	53,846
Advances for tangible assets	17	-	488	-	488
Investment property	18	166	210	166	210
Investments in subsidiaries	19	-	-	3,661	995
Investments in associates	20	158	128	11	11
Long-term loans given	21	8	19	8	19
Deferred tax assets	14	173	185	173	185
Long-term deposits	24	146	146	-	-
Total non-current assets		**59,519**	**56,603**	**57,754**	**55,773**
Current assets					
Inventories	22	1,068	955	1,005	937
Trade and other receivables	23	19,471	23,734	19,144	23,279
Short-term deposits	24	886	476	486	476
Short-term loans given to subsidiaries	21	-	-	351	207
Financial assets at fair value through profit or loss	25	42	38	42	38
Letters of credit	26	-	49	-	49
Income tax receivables		659	-	665	-
Cash and cash equivalents	27	22,880	18,492	20,879	17,114
Total current assets		**45,006**	**43,744**	**42,572**	**42,100**
Total assets		**104,525**	**100,347**	**100,326**	**97,873**

CONSOLIDATED AND SEPARATE STATEMENTS OF FINANCIAL POSITION

FOR THE YEAR ENDED 31 DECEMBER 2024

		Luka Ploče Group		Luka Ploče d.d.	
(in thousands of EUR)	**Note**	**31 December 2024**	**31 December 2023**	**31 December 2024**	**31 December 2023**
CAPITAL AND RESERVES					
Share capital	28	22,417	22,417	22,417	22,417
Share premium	28	11,694	11,694	11,694	11,694
Legal reserves	28	1,123	1,123	1,123	1,123
Other reserves	28	6,430	6,430	6,430	6,430
Retained earnings		41,024	34,209	37,852	32,024
Total shareholders' equity		**82,688**	**75,873**	**79,516**	**73,688**
LIABILITIES					
Non-current liabilities					
Borrowings	30	15,465	17,974	15,391	17,841
Provisions	31	301	485	260	449
Deferred tax liability	14	591	-	-	-
Total non-current liabilities		**16,357**	**18,459**	**15,651**	**18,290**
Borrowings	30	2,225	2,321	2,165	2,245
Trade and other payables	32	2,347	2,404	2,120	2,345
Income tax liability		-	579	-	604
Provisions	31	908	711	874	701
Total current liabilities		**5,480**	**6,015**	**5,159**	**5,895**
Total liabilities		**21,837**	**24,474**	**20,810**	**24,185**
Total shareholders' equity and liabilities		**104,525**	**100,347**	**100,326**	**97,873**

LUKA PLOČE d.d., Ploče

CONSOLIDATED AND SEPARATE STATEMENTS OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2024

Luka Ploče Group

(in thousands of EUR)	Share capital	Share premium	Legal reserves	Other reserves	Treasury shares	Retained earnings	Total
Balance at 1 January 2023	**22,455**	**11,694**	**1,123**	**6,533**	**(141)**	**23,473**	**65,137**
Conversion of share capital in accordance with the provisions of the Company's Act	(38)	-	-	38	-	-	-
Net gain for the year	-	-	-		-	10,736	10,736
Other comprehensive income	**(38)**	-	-	**38**	-	**10,736**	**10,736**
Balance at 31 December 2023	**22,417**	**11,694**	**1,123**	**6,571**	**(141)**	**34,209**	**75,873**
Balance at 1 January 2024	**22,417**	**11,694**	**1,123**	**6,571**	**(141)**	**34,209**	**75,873**
Net gain for the year	-	-	-		-	6,815	6,815
Other comprehensive income	-	-	-	-	-	**6,815**	**6,815**
Balance at 31 December 2024	**22,417**	**11,694**	**1,123**	**6,571**	**(141)**	**41,024**	**82,688**

CONSOLIDATED AND SEPARATE STATEMENTS OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2024

Luka Ploče d.d.

(in thousands of EUR)	Share capital	Share premium	Legal reserves	Other reserves	Treasury shares	Retained earnings	Total
Balance at 1 January 2023	**22,455**	**11,694**	**1,123**	**6,533**	**(141)**	**21,737**	**63,401**
Conversion of share capital in accordance with the provisions of the Company's Act	(38)	-	-	38	-	-	-
Net gain for the year	-	-	-	-	-	10,287	10,287
Other comprehensive income	**(38)**	**-**	**-**	**38**	**-**	**10,287**	**10,287**
Balance at 31 December 2023	**22,417**	**11,694**	**1,123**	**6,571**	**(141)**	**32,024**	**73,688**
Balance at 1 January 2024	**22,417**	**11,694**	**1,123**	**6,571**	**(141)**	**32,024**	**73,688**
Net gain for the year	-	-	-	-	-	5,828	5,828
Other comprehensive income	**-**	**-**	**-**	**-**	**-**	**5,828**	**5,828**
Balance at 31 December 2024	**22,417**	**11,694**	**1,123**	**6,571**	**(141)**	**37,852**	**79,516**

CONSOLIDATED AND SEPARATE STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2024

		Luka Ploče Group		Luka Ploče d.d.	
(in thousands of EUR)	**Note**	**2024**	**2023**	**2024**	**2023**
Profit before tax		**8,381**	**13,074**	**7,309**	**12,575**
Depreciation and amortisation	15,16,18	3,508	2,863	3,110	2,692
Impairment losses on receivables	23	74	30	281	31
Gains/(losses) on changes in fair value	12	152	(5)	152	(5)
Gains/(losses) on sale of property, plant and equipment and intangible assets	12	286	(18)	320	(18)
Impairment losses on investment in financial assets and shares	19	-	-	334	-
Share of income from associates	20	(29)	(17)	-	-
Finance income / (expense) – net	13	(286)	693	(306)	673
Net change in provisions	31	13	71	(16)	89
Impairment of property, plant and equipment and inventories		10	-	10	-
Interest income	8	(119)	(26)	(119)	(26)
Total items that do not affect cash		**3,609**	**3,591**	**3,766**	**3,436**
Changes in working capital:					
Decrease of trade and other receivables		4,597	1,346	4,285	1,359
(Increase) of inventories		(62)	(24)	(68)	(26)
Increase / (decrease) of trade and other payables		(34)	14,070	(173)	14,252
		4,501	**15,392**	**4,044**	**15,585**
Interest paid		(753)	(725)	(740)	(711)
Interest collected		127	28	133	28
Income tax paid		(2,806)	(7,174)	(2,738)	(7,065)
Net cash flow from operating activities		**13,059**	**24,186**	**11,774**	**23,848**
Cash flows from investing activities					
Purchase of property, plant and equipment and intangible assets		(3,433)	(4,825)	(3,051)	(4,390)
Proceeds from disposal of property, plant and equipment		497	85	332	85
Acquisition of subsidiary	33	(2,970)	-	(3,000)	-
Net investments in deposits and guarantees		(410)	(6)	(10)	(106)
Net cash flow from investing activities		**(6,316)**	**(4,746)**	**(5,729)**	**(4,411)**
Cash flows from financing activities					
Proceeds from borrowings	30	5,000	15,000	5,000	15,000
Repayment of borrowings	30	(7,070)	(21,625)	(6,995)	(21,550)
Repayment of leases	30	(285)	(264)	(285)	(264)
Net cash flow from financing activities		**(2,355)**	**(6,889)**	**(2,280)**	**(6,814)**
Net increase in cash and cash equivalents		**4,388**	**12,551**	**3,765**	**12,623**
Cash and cash equivalents at beginning of year		18,492	5,941	17,114	4,491
Foreign exchange (losses) / gains on cash and cash equivalents		-	-	-	-
Cash and cash equivalents at end of year	27	**22,880**	**18,492**	**20,879**	**17,114**

NOTE 1 – GENERAL INFORMATION

LUKA PLOČE d.d. (the "Company") is a joint stock company registered under the laws and regulations of the Republic of Croatia. The Company is domiciled in Ploče, Croatia. The Company is headquartered in Trg Kralja Tomislava 21, Ploče.

The principal activities of the Company are port services (handling of goods), warehousing and wholesale and retail services in domestic and foreign trade. Other activities of the Group include construction, maintenance, freight forwarding, trading and other services.

As at 31 December 2024, LUKA PLOČE Group (the "Group") comprises the parent company LUKA PLOČE d.d., its four subsidiaries (2023: three subsidiaries) based in Ploče, Croatia (Note 19) and equity-accounted associates (Note 20).

As at 31 December 2024, the Company's shares were listed on the official listing of the Zagreb Stock Exchange.

Management and the Supervisory Board of the Company

During the reporting period the Management Board comprised:

Name	Surname	Function
Hrvoje	Livaja	President of the Management Board
Daniela	Marelić	Member of the Management Board

During the reporting period the Supervisory Board comprised:

Name	Surname	Function
Boštjan	Napast	Chairman of the Supervisory Board
Jeni	Krstičević	Deputy President of the Supervisory Board
Ivan	Ostojić	Member of the Supervisory Board
Ana	Marinović	Member of the Supervisory Board
Zvonimir	Novak	Member of the Supervisory Board

NOTE 2 – BASIS OF PREPARATION

2.1 Statement of compliance

The consolidated and separate financial statements of the Company have been prepared in accordance with International Financial Reporting Standards as adopted in the European Union ("EU IFRS").

The separate financial statements are presented for the Company while the consolidated financial statements relate to the Company and its subsidiaries and associates (referred to as "the Group"). The separate and consolidated financial statements are further referred to as the "financial statements". The financial statements were approved by the Management Board on 22 April 2025.

2.2 Basis of presentation

The financial statements have been prepared on the basis of historical cost, except where otherwise stated.

The financial statements of each individual Group member are reported in the currency of the primary economic environment in which the Group member operates (the "functional currency"). The consolidated financial statements are presented in euros, which is the functional currency of the Company and the reporting currency of the Group.

2.3. Adoption of New or Revised Standards and Interpretations

The following new standards and amendments to existing standards are effective from January 1, 2024, have been adopted by the EU, but have not had a significant impact on the Company:

- Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback (issued on 22 September 2022 and effective for annual periods beginning on or after 1 January 2024);

- Classification of liabilities as current or non-current – Amendments to IAS 1 (originally issued on 23 January 2020 and subsequently amended on 15 July 2020 and 31 October 2022, ultimately effective for annual periods beginning on or after 1 January 2024);

- Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures: Supplier Finance Arrangements (Issued on 25 May 2023 and effective for annual periods beginning on or after 1 January 2024).

The Group and the Company do not expect the adoption of these standards and interpretations to have a significant impact on their separate and consolidated financial statements.

2.4. New accounting standards and interpretations

Certain new standards and interpretations have been issued that are mandatory for the annual periods beginning on or after 1 January 2025 or later, which have been adopted by the EU and which the Group/Company has not early adopted:

- Amendments to IAS 21 Lack of Exchangeability (Issued on 15 August 2023 and effective for annual periods beginning on or after 1 January 2025).

The Group and the Company do not expect the adoption of these standards and interpretations to have a significant impact on their separate and consolidated financial statements.

NOTE 2 – BASIS OF PREPARATION (continued)

2.5. New accounting standards and interpretations (continued)

Several new accounting standards and interpretations have been published, which are mandatory for annual periods beginning on or after January 1, 2025, and have not been adopted in the EU, the Group and the Company.

- Amendments to the Classification and Measurement of Financial Instruments - Amendments to IFRS 9 and IFRS 7 (issued on 30 May 2024 and effective for annual periods beginning on or after 1 January 2026);

- Annual Improvements to IFRS Accounting Standards (Issued in July 2024 and effective from 1 January 2026);

- Contracts Referencing Nature-dependent Electricity Amendments to IFRS 9 and IFRS 7 (Issued on 18 December 2024 and effective from 1 January 2026);

- IFRS 18 Presentation and Disclosure in Financial Statements (Issued on 9 April 2024 and effective for annual periods beginning on or after 1 January 2027);

- IFRS 19 Subsidiaries without Public Accountability: Disclosures (Issued on 9 May 2024 and effective for annual periods beginning on or after 1 January 2027).

- IFRS 14, Regulatory Deferral Accounts (issued on 30 January 2014 and effective for annual periods beginning on or after 1 January 2016).

- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture – Amendments to IFRS 10 and IAS 28 (issued on 11 September 2014 and effective for annual periods beginning on or after a date to be determined by the IASB).

The Group and the Company do not expect the adoption of these standards and interpretations to have a significant impact on their separate and consolidated financial statements.

NOTE 3 – MATERIAL ACCOUNTING POLICY INFORMATION

The principal accounting policies adopted in the preparation of the separated and consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

3.1 Basis of consolidation

The consolidated financial statements include the financial statements of the Company and companies over which the Company has control (subsidiaries) as of and for the year ended 31 December 2024. The Company and its subsidiaries together are referred to as the Group.

(i) Subsidiaries

Subsidiaries are all companies over which the Parent Company exercises control over financial and business policies, thereby directing the relevant activities of the entities. The Parent Company has four subsidiaries, all of which are 100% owned and are consolidated from the date when control was effectively transferred to the Parent Company. Balances and transactions between Group companies are eliminated in the consolidation of financial statements. In the separate financial statements, the Company recognises investments in subsidiaries at cost.

(ii) Associates

Associates are entities over which the Company has significant influence but not control. The Company has an investment in two associates with a 49% ownership holding. Investments in associates are accounted for using the equity method for consolidation. The Company recognises investments in associates in the separate financial statements at cost. The Group's share of income or losses from associates post-acquisition is recognised in the statement of comprehensive income. The investment in associates balance is adjusted for cumulative changes occurring after acquisition.

(iii) Business combinations

The Group applies the acquisition accounting method for reporting business combinations. The consideration transferred during the acquisition of a subsidiary is the fair value of the transferred assets, liabilities incurred to former owners of the acquired entity, and the Group's investments. The consideration transferred also includes the fair value of assets or liabilities arising from contingent consideration arrangements. The identifiable assets, liabilities, and contingent liabilities acquired in a business combination are initially measured at fair value on the acquisition date. The Group recognizes any non-controlling interest in the acquired entity either at fair value or at the proportionate share of the acquired entity's identifiable net assets. Acquisition-related costs are recognized as expenses in the period they are incurred.

Goodwill is initially measured as the excess of the consideration transferred and the amount of any non-controlling interest in the acquired entity over the fair value of the identifiable net assets acquired. If the consideration is lower than the fair value of the acquired net assets, the difference is recognized in the statement of comprehensive income. After initial recognition, goodwill is measured at cost less accumulated impairment losses

3.2 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker responsible for allocating resources and assessing performance of the operating segments, is the Management Board of the Company.

3.3 Transactions and balances in foreign currencies

In the Republic of Croatia, as of 1 January 2023, the functional currency is the euro. All currencies other than the euro are considered foreign currency. The Company and the Group operate not only in euros but also in USD.

- Foreign currency transactions are translated into the functional currency by using the exchange rate on the transaction date.
- Gains or losses arising from settling these transactions and revaluing monetary assets and liabilities expressed in foreign currencies are recognized in the statement of comprehensive income.

NOTE 3 – MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.3 Transactions and balances in foreign currencies

- Specifically, gains and losses related to borrowings, cash, cash equivalents, and short-term deposits are presented within "financial income or expenses".
- All other positive and negative exchange rate differences are presented in the statement of comprehensive income under "other (losses)/gains - net".

Non-monetary assets and items measured at historical cost are not translated.

3.4 Intangible assets

Software, licenses and project documentation are amortised over their estimated useful lives. Estimated useful lives are assessed annually and impairment reviews are undertaken where indicators of impairment are present.

Subsequent expenditure is capitalised only if it is probable that these will result in the increase of future economic benefits. All other expenditure is recognised in the statement of comprehensive income as an incurred expense.

Amortisation is recognised in the statement of comprehensive income on a straight-line basis over the estimated useful lives of intangible assets. Intangible assets are amortised from the date on which they are available for use. The estimated useful lives of intangible assets are 2.5 to 5 years.

Through the acquisition of New Concrete Technology d.o.o. (hereinafter "NCT"), the Group gained control over the customer relationships of the acquired company. Customer relationships acquired in the business combination were recognized at fair value on the acquisition date. They have a useful life of 13 years and are amortized annually.

3.5 Property, plant and equipment (''PPE'')

i) Owned Assets

The Company owns various assets, with the most significant share attributed to equipment/facilities (87% of the acquisition value of assets) and land/buildings. Additionally, it invests in leasehold improvements (leased properties under concession) and assets under construction (advances for tangible assets).

- Buildings, facilities, and equipment are reported in the statement of financial position at historical cost, adjusted for accumulated depreciation and impairment reserves if necessary. The historical cost includes expenses directly related to acquiring the assets.
- Advances for tangible assets (assets under construction) are reported in the statement of financial position at the purchase price based on contractually agreed terms. When the asset for which an advance payment was made is delivered, and an invoice from the supplier is received, the paid advances are recognised as an investment within PPE at the purchase price.
- Land and assets under construction are reported in the statement of financial position at cost and are not amortized.
- Amortisation is calculated using the straight-line method to allocate the cost to the residual value of the asset over its estimated useful life.

(in years)	2024/2023
Land and assets under construction (advances for tangible assets)	are not amortized
Buildings (real estate)	8-67
Equipment/facilities	2-67
Leasehold improvements	15-67

Subsequent expenditures are capitalised, only if it is probable that these will result in the increase of future economic benefits and if the cost of the asset can be reliably measured. The carrying amount of any replaced

NOTE 3 – MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.5 Property, plant and equipment (continued)

part is de-recognised. All other expenditure is recognised in the statement of comprehensive income as an incurred expense or maintenance cost in the financial period in which they occur.

The residual value of an asset is the estimated amount that the Group or the Company would currently obtain from the disposal of the asset less the estimated costs of disposal, if the asset were already of the age and in the condition expected at the end of its useful life. The residual value of an asset is nil if the Group or the Company expect to use the asset until the end of its useful life. The assets' residual values and useful lives are assessed, and adjusted if appropriate, at each balance sheet date. An asset's carrying amount is impaired to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These are included in 'other gains/(losses) – net' in the statement of comprehensive income.

(ii) Assets which are subject to the concession arrangement

The Company has a signed long-term concession agreement for the provision of port services, which represent most of the revenues generated by the Company. Current concession arrangement involves transfer of the operating rights over the Luka Ploče for a limited period of time, under the control of local port authorities, using the specified asset (port infrastructure) or assets constructed by the Company during the term of the concession arrangements, or received by the Company for a fee or free of charge.

This arrangement defines the "public service obligations" of the Company in exchange for a fee. The fee is based on the operating conditions, continuity of services, regulation of prices and obligations related to the maintenance/replacement of the port infrastructure. The agreement sets forth the terms and conditions governing the transfer of port infrastructure to the local port authority or concessionaire successor upon expiry.

Maintenance expenses

Maintenance expenses relating to assets that are part of the concession arrangement are recognised as an expense when incurred, within the statement of comprehensive income and are reported within the cost of materials and services used.

Capital expenditure in the area under concession

Capital investments in the port infrastructure, made in accordance with the terms of the concession agreement, are recognised as assets within the appropriate class of property, plant and equipment and are recorded at cost less accumulated depreciation and any accumulated impairment losses. Acquisition cost includes expenditure that is directly attributable to the acquisition of assets.

In the case where the asset is transferred to the local port authority (the grantor) upon the expiration of the concession arrangement, the depreciation of that asset is calculated using the straight-line method to allocate the acquisition cost, reduced by the residual value of the asset, over the shorter of the estimated useful life and the remaining duration of the concession arrangement.

For assets that are not transferred to the grantor of the concession, depreciation is calculated in accordance with the depreciation policy of the PPE class to which the asset is classified, as explained in Note 3.5 (i)

3.6 Investment property

Investment property, principally comprising residential apartments, is held for long-term rental yields or appreciation and is not occupied by the Group or the Company. Investment property is treated as a long-term investment unless it is intended to be sold in the next year and a buyer has been identified in which case it is classified within current assets.

Investment property is carried at historical cost less accumulated depreciation and impairment losses, if any. The depreciation of investment property is calculated using the straight-line method to allocate cost over their estimated useful life of 66 years. There are no subsequent expenditures that are capitalized.

NOTE 3 – MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.7 Accounting treatment of leases – where the Group or the Company is the lessee

(i) IFRS 16 leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in IFRS 16, based on which it assesses whether:

- the contract involves the use of identified assets - which may be determined explicitly or implicitly, and which should be physically separated or represent a predominant part of the capacity of the physically separated assets. If the supplier has a significant right of exchange, then the asset is not identified;
- the Group has the right to essentially all economic rights from the use of the property during the period of use; and
- the Group has the right to manage the use of the respective property. The Group has this right when it exercises management rights that are most relevant to changes in decisions as to how and for what purpose the assets are used. In the rare cases where a decision on how and for what purpose the assets in question are used is predetermined, the Group has the right to manage the use of the assets if:
- the Group has the right to manage the assets; or
- the Group has designed the asset in a manner that determines in advance how and for what purpose it will be used.

By analysing the Concession Agreement, the Group concluded that the concession area and related infrastructure assets represent a single integrated asset and that the Group realizes essentially all economic benefits from the use of these assets during the concession period.

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments (including fixed expenditures for infrastructure);
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

NOTE 3 – MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.7 Accounting treatment of leases – the Group or the Company is the lessee (continued)

(ii) Other leases

Liabilities related to expenditures for own assets (equipment) and maintenance, as well as payments of variable concession fee, do not constitute components related to lease in accordance with IFRS 16 and will therefore continue to be recognised in accordance with other relevant standards, primarily in accordance with IAS 16 *Property, Plant and Equipment.*

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension, or termination option or if there is a revised in-substance fixed lease payment.

The group discloses right-of-use assets as part of tangible assets, and lease obligations as part of borrowings in the statement of financial position.

(iii) *Short-term leases and leases relating to low-value assets*

The Group has elected not to recognise right-of-use assets and lease liabilities for leases relating to low-value assets and those that are short-term. The Group recognises the lease payments associated with these leases as an expense on a linear basis over the lease term. These types of leases are limited and are not material.

3.8 Accounting treatment of leases – where the Group or the Company is the lessor

At inception or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, then the Group applies IFRS 15 to allocate the consideration in the contract.

The Group recognises lease payments received under operating leases as income on a straight-line basis over the lease term as part of 'other revenue'.

3.9 Impairment of non-financial assets

The carrying amount of non-financial assets of the Company and the Group, other than inventories and deferred tax assets, are assessed at each reporting date to determine whether any indication of impairment exists. If any such trigger exists, the recoverable amount of the asset is assessed. For intangible assets that have indefinite lives or that are not yet available for use, the recoverable amount is estimated at each reporting date.

An impairment loss is recognised if the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Cash-generating unit is defined as the smallest group of assets that can be identified and generate cash flows that are independent from other assets and groups of assets.

NOTE 3 – MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.9 Impairment of non-financial assets (continued)

Impairment losses are recognized in the statement of comprehensive income. Impairment losses relating to cash generating units reduce the carrying amount of the assets in the unit (group of units) on a pro rata basis.

The recoverable amount of an asset or cash-generating unit is the higher of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that suggest that the loss no longer exists or has decreased. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only if the carrying amount of an asset does not exceed the carrying amount that would have been determined, net of depreciation, and impairment losses on assets not recognised.

3.10 Inventories

Inventories relating to raw materials, trading goods and spare parts are recorded at the lower of cost and net realisable value. Net realisable value is defined as the estimated selling price in the ordinary course of business less the forecasted costs of completion and estimated expenses to facilitate the sale. Inventories relating to trading goods are recorded at net realisable value. Inventories are measured using the weighted average method.

3.11 Trade receivables and loans given

Trade receivables and loan given are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, if significant, if not at nominal value less provision for impairment. The amount of the provision is recognised in the statement of comprehensive income within the category of "Impairment of receivables - net". Subsequent recoveries are recorded in the statement of comprehensive income within the category of 'impairment of receivables - net'.

3.12 Financial assets

(i) Recognition and Initial Measurement

Trade receivables are initially recognised when they are originated. All other financial assets are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

- Receivables from customers without a significant financing component are initially measured at the transaction price.
- The Company owns shares in a listed company in which its holding does not exceed 20%. The related financial assets are measured at Fair value through profit or loss (FVTPL). These are not material for the Company. Refer to Note 5 ''Fair Value Estimation'' for detail.

(ii) Classification and subsequent measurement

At initial recognition, financial assets are classified as measured at:

- amortized cost;

- or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- the business model objective is to hold the assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

NOTE 3 - MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.12 Financial assets (continued)

Trade receivables relate to the business model held for collection and are measured at amortised cost. Financial assets held for trading purposes or managed and valued on the basis of their fair value are measured at FVTPL.

Assessment of whether the contracted cash flows constitute only principal repayments and interest

For the purposes of this assessment, 'principal' is defined as the fair value of a financial asset at initial recognition. "Interest" is defined as a fee for the time value of money, credit risk associated with the period of time in which the remaining part of the principal is repaid, and other underlying risks and costs of lending (e.g. liquidity risk and administrative costs), as well as for profit margin. When assessing the basic criterion, namely whether the contractual cash flows constitute solely principal and interest payments, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual condition that could change the time of exercise or the amount of contractual cash flows in such a way that the underlying criterion would not be met.

The structure of financial assets of the Group is simple as it primarily relates to trade receivables with no significant financing component and short-term bank deposits, letters of credit and cash and cash equivalents. This facilitates and minimizes the complexity of the assessment of whether or not the financial assets meet the basic criterion of representing ‘solely payments of principal and interest’. In addition, the Group does not have any separate business models for financial asset management, and because of its simplicity, it manages its through regular business operations.

Subsequent measurement and gains and losses

The table below provides an overview of key features of the accounting policy that the Group applies with respect to subsequent measurement of financial assets and recognition of gains and losses per each type of financial asset:

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
Financial assets at amortized cost	These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment losses are recognized in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

(iii) Derecognition

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or when it transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all the risks and rewards of ownership and it does not retain control of the financial asset.

When the Group enters into transactions whereby it transfers financial assets recognised in its statement of financial position but retains either all or substantially all the risks and rewards of the transferred assets, the transferred assets are not derecognized.

3.13 Financial liabilities

(i) Recognition and initial measurement

Financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

Financial liabilities are initially measured at fair value including transaction costs that are directly attributable to its acquisition or issue.

NOTE 3 - MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.13 Financial liabilities (continued)

(ii) Classification and subsequent measurement

The Group measures financial liabilities at amortised cost using the effective interest rate method. Interest expense and exchange rate losses are recognised within the statement of comprehensive income. Any gains or losses at derecognition are also recognised within the statement of comprehensive income.

(iii) Derecognition

The Group derecognises financial liabilities when its contractual obligations are discharged or cancelled or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in the statement of comprehensive income.

3.14 Offsetting financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

3.15 Impairment of non-derivative financial assets

Recognition of loss allowances

The Group recognises provisions for expected credit losses (''ECLs'') on:

- financial assets measured at amortized cost;
- contract assets.

The Group recognises provisions for losses equal to ECLs throughout the entire duration of the asset's economic life. Provisions for ECLs relating to trade receivables without a significant financial component are always measured taking into account total ECLs throughout the entire duration of the economic life of those assets.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

The Group assumes that the credit risk on financial assets (primarily receivables) has increased significantly if early warning indicators are activated in line with the Group's policy or the contractual terms of the instrument.

The Group considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realizing security (if any is held); or
- the financial asset is more than 365 days past due.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

NOTE 3 - MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.15 Impairment of non-derivative financial assets (continued)

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive).

ECLs are discounted at the effective interest rate of the financial asset.

Credit impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortized cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or considerable delays in payment of due receivables;
- it is probable that the borrower will enter bankruptcy or other financial reorganization; or
- the disappearance of an active market for security because of financial difficulties.

Presentation of allowance for ECL in the statement of financial position

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

Write-off of financial assets

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. The Group generally expects no significant recovery from the amount written off.

3.16 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, deposits held with banks and other short-term highly liquid instruments with original maturities of three months or less.

3.17 Borrowings

Loans are initially recognised at fair value, reduced by transaction costs. In subsequent periods, loans are recognised at amortized cost; any differences between receipts (net of transaction costs) and the redemption value are recognised in the statement of comprehensive income during the term of the loan duration, using the effective interest rate method. Other loan related expenses are recognised as expenses.

Fees paid when arranging loans are recognised as transaction costs if it is likely that a portion or the entire loan will be drawn down.

Loans are classified as short-term liabilities, unless the Group or Company has an unconditional right to defer settlement for at least 12 months after the balance sheet date.

3.18 Share capital

The share capital consists of ordinary shares.

Share capital consists of ordinary shares. The consideration paid for repurchased own shares, including all directly attributable transaction costs (net of income tax), reduces the share capital that can be attributed to the Company's shareholders until the shares are either canceled or reissued

NOTE 3 - MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.19 Taxation

(i) Income Taxes

The Company and Group members are taxpayers according to the laws and regulations of the Republic of Croatia. According to Croatian law, the basis for calculating corporate income tax consists of the difference between income and expenses determined in accordance with the Law. Corporate income tax is calculated at a rate of 18% for the Company and the subsidiary Pločanska Plovidba d.o.o., and at a rate of 10% for the other subsidiaries.

(ii) Deferred tax assets and liabilities

The amount of deferred tax is calculated using the balance sheet method, on temporary differences between the tax base of assets and liabilities and their carrying amount in the financial statements. Deferred tax assets and liabilities are measured by tax rates expected to apply during the period when the assets will be reimbursed or liability settled, based on tax rates and tax laws, which are in force or partially applicable at the balance sheet date. A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which temporary difference can be utilized. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

(iii) Value Added Tax (VAT)

The Company and the Group are liable to submit VAT on a monthly basis. The IRS requires VAT to be settled on a net basis. VAT arising from sales and purchase transactions is recognised and reported in the statement of financial position on a net basis. In the event of impairment of trade receivables, the impairment loss is recorded at the gross amount of the receivable, including VAT.

3.20 Employee benefits

(a) Pension obligations and post-employment benefits

In the normal course of business through salary deductions, the Group or the Company make payments to mandatory pension funds on behalf of their employees as required by law. All contributions made to the mandatory pension funds are recorded as payroll expenses when incurred. The Group and the Company do not have any other pension schemes and consequently, have no other obligations in respect of employee pensions. In addition, the Group and the Company are not obliged to provide any other post-employment benefits.

(b) Long-term employee benefits

The Group and the Company recognise a liability for long-term employee benefits (jubilee awards) evenly over the period the benefit is earned based on actual years of service. The long-term employee benefit liability includes assumptions of the probable number of employees to whom the benefit will be payable, estimated benefit cost and the discount rate.

(c) Short-term employee benefits

The Group and the Company recognise a provision for bonuses where contractually obliged or where there is a past practice that has created a constructive obligation. In addition, the Group and the Company recognise a liability for unused vacation days at the balance sheet date.

(d) Severance pay

Severance pay obligations are recognised when the Group or Company terminates an employee's employment before the expected retirement date or when an employee decides to accept termination in exchange for compensation. The Group or Company recognises severance pay obligations when it has demonstrably assumed the obligation to terminate the employment of current employees, based on a detailed formal plan, without the possibility of withdrawal, or provides severance pay as a result of an offer to encourage termination of employment.

NOTE 3 - MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.20 Employee benefits (continued)

Long-term employee benefits (severance pay upon retirement) are determined based on assumptions about the number of employees to whom such benefits will be paid, the estimated cost of those benefits, and the discount rate.

3.21 Provisions

Litigation provisions are recognised when: the Group or the Company has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated.

Provisions are measured at the value of costs that are expected to be required to meet the obligation.

3.22 Trade and other liabilities

Trade and other liabilities are initially recognised at fair value and subsequently measured at amortised cost using the effective interest rate method.

3.23 Earnings per share

Earnings per share is determined by dividing the profit or loss attributable to equity holders of the Company by the weighted average number of participating shares outstanding during the reporting year, less treasury shares.

3.24 Dividend distribution

To date, the Company has not paid out dividends.

3.25 Revenue recognition

Revenue is measured on the basis of the fee specified in the contract with the customer, which is based on the prescribed tariff for port services. The Group recognises revenue when transfer of control occurs in relation to goods or services to customers. The transfer of control may take place continuously (revenue recognition over time) or on a specific date (recognition in time). Before revenue is recognised, the Group identifies both the contract and the various performance obligations contained in the contract. The number of performance obligations depends on the type of contract and activities. Specific criteria for revenue recognition for the Group’s and the Company’s activities is described below.

(a) Revenue from port services

The Company and Group's primary activity is providing port services: loading, unloading, handling of goods and storage services, transport, refinement and weighing of freight. Most of the Group’s customer arrangements involve several separate services which have a stand-alone and reliably measurable value to the customer (based on the tariff) whereby each separate service has its own separate performance obligation. Prices of provided services are determined based on tariffs.

Revenue from services rendered is recognised in the statement of comprehensive income in proportion to the stage of completion of the transaction at the reporting date. The stage of completion is assessed on the basis of the actual service provided as a proportion of the total services to be provided (for instance, number of tons off or on loaded compared to total shipment size; or number of storage days elapsed compared to the total number of storage days contracted). The transfer of control of services usually takes place over time.

Contractual assets are recognised for contractual obligations which have been completed but are not invoiced at reporting date. Contractual assets are transferred to trade receivables when the rights become unconditional. This usually happens when the Group issues an invoice to the customer.

NOTE 3 - MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.25 Revenue recognition (continued)

(b) Revenue from sale of goods

Revenue from sale of goods is recognised when the obligation in a customer contract (performance obligation) has been satisfied by transferring control over the goods to the customer which is usually when the Group delivers goods to the customer and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery does not occur until the products have been shipped to the specified location, the risks of loss have been transferred to the customer and the customer has accepted the products in accordance with the contract terms. Control over goods is usually transferred at a point in time.

The amount of revenue recognised is based on the price specified in the contract, net of estimated volume discounts and returns at the time of sale. Past experience is used to estimate the discounts and returns.

(c) Interest income

Interest income is recognised on a time-proportional basis using the effective interest rate method. The Group and the Company recognise interest income within the "Financial income / (expense) – net".

(d) Dividend income

Dividend income is recognised when the right to pay dividends has been established. The Company recognises dividend income within "Financial income / (expense) – net".

NOTE 4 – FINANCIAL RISK MANAGEMENT

4.1 Financial risk factors

The accounting policies for financial instruments have been applied to the following items:

(in thousands of EUR)	Luka Ploče Group 31 December 2024	Luka Ploče Group 31 December 2023	Luka Ploče d.d. 31 December 2024	Luka Ploče d.d. 31 December 2023
Financial assets				
Loans given	23	37	374	244
Financial assets at FVTPL	42	38	42	38
Trade receivables	18,353	22,443	18,125	22,242
Deposits	1,032	622	486	476
Letters of credit	-	49	-	49
Cash and cash equivalents	22,880	18,492	20,879	17,114
Total	**42,330**	**41,681**	**39,906**	**40,163**
Financial liabilities				
Borrowings	17,690	20,295	17,556	20,086
Trade payables	1,227	1,312	1,176	1,432
Total	**18,917**	**21,607**	**18,732**	**21,518**

The fair value of financial instruments

The fair value of financial assets and financial liabilities are determined as follows:

- The fair value of financial assets and financial liabilities that are traded on active liquid markets, under standard conditions, is determined with reference to quoted market;
- The fair value of other financial assets and financial liabilities are determined in accordance with generally accepted pricing models, based on discounted cash flow analysis using prices from observable current market transactions and prices offered for similar instruments.

Financial instruments held for collection in the normal operations are recognised at cost less amounts repaid. Fair value is determined as the amount at which the instrument could be exchanged between willing parties on an arm's length basis, except in the case of a forced sale or liquidation. The fair value of a financial instrument is the quoted market price, or the price that is obtained using the discounted cash flow.

On 31 December 2024, the carrying amounts of cash, short-term deposits, receivables, short-term liabilities, accrued expenses, borrowings and other financial instruments approximate their fair values due to the short-term nature of these assets and liabilities and because most of current assets and current liabilities carry a variable interest rate.

Management deems the fair value of the Group’s long-term receivables related to investment properties to not materially differs from their carrying amount due to low market interest rates for same. Management regularly monitors the relevant market interest rates on similar assets in order to assess the validity of this assumption.

At the reporting dates, the carrying amount of bank loans and other loans approximates their fair value because most of these loans have a variable interest rate or a fixed interest rate which approximates current market interest rates.

NOTE 4 – FINANCIAL RISK MANAGEMENT (continued)

4.1 Financial risk factors (continued)

The activities carried out by the Group and the Company expose them to various financial risks: market risk (currency risk, price risk, cash flow risk, interest rate risk), credit risk and liquidity risk. The Company and the Group implement appropriate policies and procedures for managing individual risks, and the manner of managing these risks is specifically prescribed and documented by policies and procedures. The Company accepts that these risks are part of the normal course of business and that it is necessary to react to them in a timely and appropriate way in order to be able to make quality decisions to secure and grow business operations.

(a) Market risk

(i) Currency risk

The Group and the Company are exposed to currency risk arising from revenues generated and purchases from non-EU countries in US dollars (USD). As such, variances in exchange rates between the US dollar and the euro can have an impact on future business results and cash flows.

An overview of the value of the Group's and Company's financial assets and liabilities denominated in foreign currencies as at 31 December 2024 and the maximum impact on profit before tax assuming that all other indicators remain unchanged:

Luka Ploče Group

Currency	**Assets**	**Liabilities**	**Net assets/(liabilities)**	**Change in currency**	**Effect on profit before tax**
	(in thousands of EUR)		*(in thousands of EUR)*	**%**	*(in thousands of EUR)*
USD	1,427	-	1,427	3%	43

Luka Ploče d.d.

Currency	**Assets**	**Liabilities**	**Net assets/(liabilities)**	**Change in currency**	**Effect on profit before tax**
	(in thousands of EUR)		*(in thousands of EUR)*	**%**	**%**
USD	1,276	-	1,276	3%	39

The following table presents an overview of the Group's and the Company's assets and liabilities denominated in foreign currencies as at 31 December 2023 and the maximum effect on profit after tax, with all other variables held constant:

Luka Ploče Group

Currency	**Assets**	**Liabilities**	**Net assets/(liabilities)**	**Change in currency**	**Effect on profit before tax**
	(in thousands of EUR)		*(in thousands of EUR)*	**%**	*(in thousands of EUR)*
USD	1,047	-	1,047	3%	31

NOTE 4 – FINANCIAL RISK MANAGEMENT (continued)

4.1 Financial risk factors (continued)

(a) Market risk (continued)

(i) Currency risk (continued)

Luka Ploče d.d.

Currency	Assets	Liabilities	Net assets/(liabilities)	% change in currency	Effect on profit before tax
	(in thousands of EUR)		*(in thousands of EUR)*	*%*	*(in thousands of EUR)*
USD	873	-	873	3%	26

The reported impact on post-tax profit is primarily due to losses/gains from exchange rate differences on the conversion from USD for customer receivables and cash and cash equivalents. During 2024, the Group and the Company used derivative instruments to actively hedge against currency risk exposure. The Company made a one-time purchase of a foreign exchange forward contract through the OTC market, which hedged against the currency risk of the dollar strengthening against the euro at the spot exchange rate at the time of purchase. The Company realized gains from the foreign exchange forward contract amounting to 148 thousand euros (note 12).

(ii) Interest rate risk

The interest rate risk of the Group and the Company arises from long-term loans. Loans granted at variable rates expose the Group to cash flow interest rate risk. Loans granted at fixed rates expose the Group to fair value interest rate risk.

Exposure to interest rate risk through borrowings at variable interest rates is as follows:

	Luka Ploče Group		Luka Ploče d.d.	
	2024	2023	2024	2023
	(in thousands of EUR)		*(in thousands of EUR)*	
Borrowings at variable interest rates	3,799	4,874	3,666	4,666

The following table shows the sensitivity of profit before tax to changes in interest rates on loans of the Group and the Company with an agreed variable interest rate, assuming that all other variables are constant:

	Increase / decrease in %	Luka Ploče Group		Luka Ploče d.d.	
		2024.	2023.	2024.	2023.
		(in thousands of EUR)		*(in thousands of EUR)*	
Effect of interest rate increase on profit before tax	+1%	(38)	(49)	(37)	(47)
Effect of interest rate decrease on profit before tax	-1%	38	49	37	47

As at 31 December 2024, long-term loans are linked to a fixed interest rate and variable EURIBOR.

The Group and the Company do not use derivative instruments for active protection against exposure to cash flow interest rate risk and fair value interest rate risk.

The Group and the Company continuously monitor changes in interest rates. Different situations are simulated, taking into account refinancing, restoration of the current situation as well as alternative financing. Based on these situations, the Group and the Company calculate the impact of interest rate changes on the profit and loss account.

NOTE 4 – FINANCIAL RISK MANAGEMENT (continued)

4.1 Financial risk factors (continued)

(ii) Interest rate risk (continued)

(b) Credit risk

The Group's and the Company's assets that may potentially lead to credit risk, primarily include cash and cash equivalents, deposits, trade receivables, receivables from employees and other receivables. The collection of the Group's and the Company's trade receivables is additionally secured by goods, while receivables from employees are secured by salary deductions.

The largest part of the Group's and the Company's business is related to co-operation with known customers, while a small part of the business is related to new customers. The Group's top five customers generated approximately 88,3% of the total sales revenue (2023: 84.1%), of which the two largest customers with the largest impact on the Group's and the Company's revenue have 80,6% of the total revenue in 2024 (2023: 69,2%) The Group and the Company manage credit risk through the analysis of key customers, the implementation of appropriate protection measures in contracts and through continuous communication with customers and liens on goods and their shipment.

The Group and the Company mainly keep their cash and deposits with financial institutions in Croatia. According to Standard & Poor's, these banks have the following credit rating:

Group	**2024.**	**2023.**
Cash and deposits with financial institutions	*(in thousands of EUR)*	
A-	1,310	1,116
BBB	11,840	2,634
BBB-	913	784
Other banks without credit rating	9,846	14,575
	23,909	**19,109**

Company	**2024.**	**2023.**
Cash and deposits with financial institutions	*(in thousands of EUR)*	
A-	118	234
BBB	11,006	2,085
BBB-	816	639
Other banks without credit rating	9,425	14,632
	21,365	**17,590**

No terms were changed during the past year for any fully recoverable financial asset.

Other banks without credit ratings are high-quality Croatian banks

(c) Liquidity risk

A prudent liquidity risk management implies maintaining a sufficient amount of cash, ensuring the availability of financial resources by an adequate amount of agreed credit lines and the ability to settle all liabilities. The Group and the Company's objective is to maintain the financing flexibility by ensuring available credit lines. The Finance Department regularly – on a daily basis - monitors the level of available cash fund.

The following tables detail the Group's and the Company's remaining contractual maturities for its financial liabilities. These amounts represent undiscounted cash flows from both principal and interest perspective.

NOTE 4 – FINANCIAL RISK MANAGEMENT (continued)

4,1 Financial risk factors (continued)

(c) Liquidity risk (continued)

Financial liabilities do not include employee liabilities, liabilities for contributions, taxes and advances received.

(in thousands of EUR)	Principal	Contractual cash flows	Up to 1 year	1 - 5 years	Over 5 years
Luka Ploče Group					
31 December 2024					
Leases	4,130	7,134	401	2,296	4,437
Bank borrowings	13,499	15,378	2,527	8,894	3,957
State borrowings	61	61	7	54	-
Trade payables	1,227	1,227	1,227	-	-
Total	**18,917**	**23,800**	**4,162**	**11,244**	**8,394**
31 December 2023					
Finance leases	4,654	7,924	414	2,620	4,890
Bank borrowings	15,569	17,913	2,535	10,294	5,084
State borrowings	72	72	9	63	-
Trade payables	1,312	1,312	1,312	-	-
Total	**21,607**	**27,221**	**4,270**	**12,977**	**9,974**

	Principal	Contractual cash flows	Up to 1 year	1 - 5 years	Over 5 years
Luka Ploče d.d.					
31 December 2024					
Leases	4,130	7,134	401	2,296	4,437
Bank borrowings	13,365	15,242	2,466	8,819	3,957
State borrowings	61	61	7	54	-
Trade payables	1,176	1,176	1,176	-	-
Total	**18,732**	**23,613**	**4,050**	**11,169**	**8,394**
31 December 2023					
Finance leases	4,654	7,924	414	2,620	4,890
Bank borrowings	15,360	17,797	2,555	10,158	5,084
State borrowings	72	72	9	63	-
Trade payables	1,432	1,432	1,432	-	-
Total	**21,518**	**27,225**	**4,410**	**12,841**	**9,974**

Trade and other payables as well as short-term borrowings are due within 12 months after the balance sheet date, while the maturity of long-term borrowings is disclosed in Note 30.

The Company's and the Group's financial assets in the amount of 43.938 thousand euros and 41.567 thousand euros, respectively, mainly relate to deposits, cash and receivables which are short-term in nature. This indicates that the Company and the Group have sufficient liquidity in the short term.

NOTE 4 – FINANCIAL RISK MANAGEMENT (continued)

4.2 Operational risk management

The Group is primarily exposed to the risk of sales concentration. For more details on exposure to this risk and how it is managed refer to Note 7.

4.3 Capital risk management

The Group and the Company monitor capital in accordance with the laws and regulations of the countries in which they operate. Croatian laws and regulations require minimum paid in capital of 25,000 euro for joint stock companies and 2,500 euro for limited liability companies. Owners do not require any specific measures regarding capital management. The Group has no obligation to comply with capital requirements imposed externally. Furthermore, there are no capital targets that are monitored internally.

NOTE 5 – ESTIMATION OF FAIR VALUE

The Company adopts a series of accounting policies and disclosures that require fair value measurement for financial and non-financial assets and liabilities. The Company has an established control framework with respect to fair value measurement which assumes the overall responsibility of the Management Board in relation to the monitoring of all significant fair value measurements, consultation with external experts and the responsibility to report, with respect the above, to those charged with corporate governance.

Fair values are measured using information collected from third parties in which case the Board and the finance department assess whether the evidence collected from third parties supports the conclusion that such valuations meet the requirements of IFRS, including the level in the fair value hierarchy where such valuations should be classified.

All significant issues related to fair value estimates are reported to the Supervisory Board and the Audit Committee. Fair values are categorized into different levels in the fair value hierarchy based on the input variables used in the valuation techniques as follows:

- *Level 1* - quoted prices (unadjusted) in active markets for identical assets or liabilities.
- *Level 2* - inputs other than quoted prices included in level 1, that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- *Level 3* - input variables for assets or liabilities that are not based on observable market data (unobservable inputs)

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. These valuation techniques maximize the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

If one or more significant inputs are not based on observable market data, the fair value estimate is included in level 3.

The following table presents the Group's and the Company's assets at fair value as at 31 December 2024 and 2023:

(in thousands of EUR)	**Level 1**	**Level 2**	**Level 3**	**Total**
31 December 2024				
Listed companies	42	-	-	42
Unlisted companies	-	-	-	-
Total	**42**	**-**	**-**	**42**
31 December 2023				
Listed companies	38	-	-	38
Unlisted companies	-	-	-	-
Total	**38**	**-**	**-**	**38**

NOTE 6 – KEY ACCOUNTING ESTIMATES

Estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Group and the Company make estimates and assumptions related to the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(a) Service Concession Arrangements

The European Union has adopted the interpretation of IFRIC 12 Service Concession Arrangements, which is effective for financial years beginning on or after 1 April 2009. A significant part of the Company's registered activities is carried out in the area under concession of the maritime domain. According to the Law on maritime domain and sea ports, the maritime domain is managed by the Port Authority Ploče, which is the grantor of the concession. The concession agreement for the old port was originally signed on 13 August 2005 for a period of 12 years, and was renewed in 2008, which extended the concession period for an additional 20 years, until 2037. The agreement on the extension of the concession was concluded on 24 May 2010. The concession agreement for the container terminal was signed on 18 January 2010 for a period of 32 years to 2042 with the possibility of extension for another 13 years until 2055. The bulk cargo terminal concession agreement was signed on 18 January 2010 for a period of 45 years until 2055. Concession Agreement refers to the port activities in a specific area (part of the port area of Ploče and port Metković), with the risk and responsibility of the operator (or the Company) and considering; technical regulations applicable to the activity, reconstruction, current and capital maintenance, construction, modernisation, reconstruction and growth in port services stipulated in the Law on maritime domain and seaports; the terms and conditions related to the license for the provision of port services and other requirements prescribed by the Port Authority of Ploče. According to the concession agreement, the operator will have the right to use the property that represents the port infrastructure ("relevant property") owned by Luka Ploče, which is found in the above-mentioned area for the provision of port services. The ownership rights of the relevant assets remain on the concession provider and those assets have not been recorded in the Company’s books.

On 20 March 2023, the Company concluded a new concession agreement for the economic use of storage facilities 4a and 4b in the port of Ploče, with a total area of 4,146 m2. The concession is granted for a period of 15 years from the date of conclusion of the Contract, i.e. until March 20, 2038.

The concession agreement establishes obligations for reconstruction, investment, and maintenance of areas under concession. According to the concession agreement, the Operator has the obligation to cover all costs associated with the activity determined by the concession (energy, water, gas, postal and telephone services, waste disposal and similar related costs), as well as the cost of utilities, water charges, water preservation levies, insurance costs and various other charges arising from the use of the area under concession.

In addition to covering the costs associated with the concessions, the concession operator is obligated to pay to the Provider the annual concession fee consisting of a fixed fee per square meter of area under concession and a variable fee per ton for each type of cargo handles at the Port as well as variable compensation for the services of mooring and unmooring and acceptance and diverting of vessels.

Furthermore, in accordance with the concession agreement, operator shall make capital expenditures related to the maintenance / replacement of property within the port infrastructure in the area under concession (including PPE) in accordance with the predefined schedule (refer to Note 34 - Commitments and contingencies for further detail). The operator is obliged to return to the Provider ''relevant property" (including investment in the relevant assets as stipulated in the concession contract) after the expiry of the concession and dismantle, at no cost, at the request of the Provider, any property in the concession area, if the Provider requires (currently, the Operator does not expect future costs arising from the dismantling).

At the reporting date, the Company is substantially owned by shareholders from the private sector. IFRIC 12 deals with public-to-private service concession agreements and considering the ownership structure, current concession arrangements represent a form of public-to-private service concession arrangements, and should, as such, be subject to the provisions of IFRIC 12 if the arrangement contains the characteristics defined in this interpretation.

NOTE 6 – KEY ACCOUNTING ESTIMATES (continued)

(a) Concession Arrangements (continued)

Characteristics of concession arrangements that are defined and fall under IFRIC 12 are as follows:

- Obligation taken by the operator are in substance a public service
- The party that grants the contract (the Concession grantor) is a public sector entity, including governmental body or private sector entity to which the responsibility for the service has been transferred
- The operator is responsible for at least some of the management of the infrastructure and related services and does not merely act as an agent on behalf of the grantor
- The contract sets the initial prices to be levied by the operator and regulates price revisions over the period of the service arrangement.
- The operator is obliged to hand over the infrastructure to the grantor in a specified condition at the end of the period of the arrangement, for little or no incremental consideration irrespective of which party initially financed it.

One of the main factors that management considers in terms of the applicability of IFRIC 12 is a mechanism which regulates and revises price for the duration/term of the service agreement. The concession provider, under the current agreement has the right to regulate the maximum level of price that the Company may charge for providing services that are subject to the agreement by prescribing maximum fees and approving an application for the modification of fees or price tariffs proposed by the Company. However, due to the specifics of port location and prices of the supporting transport infrastructure, in order to maintain competitiveness and a satisfactory level of transactions, fees that are charged by the Company to its customers are continuously significantly below the maximum prescribed fees of the Port Authority of Ploče. In this regard, taking into account all relevant provisions of IFRIC 12, the Management Board applied the judgment and has assessed that, the mechanism of regulating and revising prices that is currently in practice has no essential characteristics of price regulation. The Company's management regularly monitors deviations between service fees charged to customers and maximum tariffs in order to determine if this assumption is still valid.

If the Management Board, during its monitoring of relevant elements of the current mechanism of price regulation, identifies substantial change in circumstances, which would make the above described mechanism relevant in representing the essential mechanism of price regulation, and if the Management Board assesses that such circumstances have a long-term characteristic, the Management Board will reassess and analyse the accounting treatment that is currently used and the possible applicability of IFRIC 12 in the context of the above substantial changes in the mechanism of price regulation.

In case that the Company changes its accounting policy in accordance with IFRIC 12, the Board expects that the changes would be implemented retrospectively, unless it would not be practical, and expects that the impact on the financial statements would be generally as follows: reclassification from property, plant and equipment to intangible assets in the amount relating to leasehold improvements owned by the Provider, the recognition of intangible and/or financial assets related to the "relevant property", which currently is not included in the Company's balance sheet and the recognition of revenue from construction and construction costs in the statement of comprehensive income related to investments in infrastructure owned by the Concession grantor.

In case of an accounting policy change, the Company will make the valuation and accounting model that will enable it to assess the amount and type of assets related to the application of IFRIC 12 (intangible assets, financial assets or combination of both) that need to be recognised in the statement of financial position and the expected structure and dynamics of the items associated with the application of IFRIC 12 which affect the future statements of comprehensive income of the Company. Currently, the Management Board has not quantified the possible impact of the potential application of IFRIC 12 since the change in the accounting policy, in this regard, is not considered to be likely.

NOTE 6 – KEY ACCOUNTING ESTIMATES (continued)

(b) Recoverability of property, plant and equipment

On 31 December 2024, property, plant and equipment of the Group and the Company amounted to 57,540 thousand euro and 53,719 thousand euro respectively.

The Management Board conducts impairment tests on property, plant, and equipment when there are indications of impairment. The Company's operations are influenced by global market trends, particularly fluctuations in commodity prices that Luka Ploče d.d. handles for its clients. Over the past two years, the significant impact of sanctions on Russia has been evident globally, resulting in a substantial increase in the price of raw material and heightened volatility in capital markets. These factors continue to affect the global supply chain. Macroeconomic challenges are manifested in rising costs, supply-demand cycle disruptions, significant inflation, and a trend of increasing interest rates (compared to prior years before the sanctions were imposed). Although these risks persist, a reduced inflationary pressure has been noted on the Group's and Company's operations in 2024 (e.g., in terms of commodity prices). However, the influence of macroeconomic factors on the Group's, Company's, and our clients' operations remains tangible. Based on this assessment, the Management Board concluded that indicators of asset impairment were identified on 31 December 2024 and relevant impairment tests were performed accordingly.

Management estimates that the total assets located in the concession areas represent one cash-generating unit (CGU). The recoverable amount of this unified CGU is estimated using a present value technique based on a discounted cash flow model that requires a significant judgment in assessing the reasonableness of grouping assets into CGUs, the reasonableness of cash flow projections such as planned cargo throughput and tariffs, operating costs, capital expenditures and working capital as well as the determination of the appropriate discount rate.

The calculation of recoverable amount is based on business plans for the period of the concession agreements, including the use of the option to extend the concession for the container terminal until 2055, and is prepared taking into account future strategy and market trends that are of current and future interest to the Group (Bosnia and Herzegovina, Croatia, Italy).

Plans include assumptions of growth in cargo volume as follows:

- a decline in bulk cargo traffic in the old port at an average annual rate of 0.7% and at the bulk cargo terminal at a rate of 0.1%
- growth of general cargo volume in the old port and at the container terminal at an average annual rate of 7.6% and 2.3%, respectively;
- growth of liquid cargo volume at an average annual rate of 0.1%;

Plans include assumptions of growth in prices as follows:

- growth in the price of services for bulk cargo in the old port at an average annual rate of 0.8%, in the new bulk cargo terminal at an annual rate of 1%;
- growth in the price of services for general cargo in the old port at an average annual rate of 0.8%, at the container terminal at an average annual rate of 1%;

These estimated cash flows are discounted to their present value using a pre-tax discount rate of 10.6% (2023: 11.94%) which reflects the risk specific to the assets.

Management estimates that the carrying amount of property, plant and equipment as at 31 December 2024 is recoverable.

The Group and the Company considered the impact of reasonable changes in key assumptions and determined the following:

- A 1% reduction in the average annual growth rates of volume turnover over the entire duration of the concession agreements would result in the need for impairment of property, plant and equipment in the amount of 538 thousand euro
- An increase in the discount rate by 1% would not result in the need to reduce the value of property, plant and equipment.

NOTE 7 – OPERATING SEGMENTS

Management separately monitors and discloses operating revenues, profit from operations, capital expenditures, total assets and total liabilities as follows:

1. Port services segment consists of cargo handling (loading, unloading, transportation, refinement, weighing of freight) and represents the parent Company.
2. Marine services segment provides freight forwarding and various vessel handling services to users of port services.
3. Trading segment deals with sale of materials and goods from the free zone of the Port Ploče.
4. Other business segments relate to the Group's ancillary business activities (maintenance, restaurants and similar and investments in financial assets (deposits)).

The segment results for the year ended 31 December 2024 are as follows:

(in thousands of EUR)	**Port services**	**Marine services**	**Trading segment**	**Other segments**	**Total Group**
Revenue	30,558	1,379	66,304	1,402	99,643
Operating profit before depreciation and amortisation	8,211	428	1,902	1,032	11,573
Depreciation, amortisation and impairment of fixed assets	(3,110)	(51)	-	(347)	(3,508)
Operating profit / (loss)	**5,101**	**377**	**1,902**	**685**	**8,065**
Capital expenditures	3,051	355	-	27	3,433

The segment results for the year ended 31 December 2023 are as follows:

(in thousands of EUR)	**Port services**	**Marine services**	**Trading segment**	**Other segments**	**Total Group**
Revenue	35,396	1,446	38,862	1,230	76,934
Operating profit before depreciation and amortisation	14,331	497	1,606	179	16,613
Depreciation, amortisation and impairment of fixed assets	(2,692)	(33)	-	(138)	(2,863)
Operating profit	**11,639**	**464**	**1,606**	**41**	**13,750**
Capital expenditures	4,447	290	-	88	4,825

NOTE 7 – OPERATING SEGMENTS (continued)

The activities of the Group and the Company are carried out in three main geographical areas. Sales revenue is categorized across geographical areas based on the customer's headquarters.

	Luka Ploče Group		Luka Ploče d.d.	
	2024	2023	2024	2023
	(in thousands of EUR)		*(in thousands of EUR)*	
Croatia	17,923	19,547	15,662	17,810
Bosnia and Herzegovina	4,524	4,537	4,382	4,339
European Union countries	75,165	50,675	75,132	50,509
Other	2,031	2,175	1,815	1,770
Total	**99,643**	**76,934**	**96,991**	**74,428**

Concentration risk relating to sales revenue

The Group generates 18% (2023: 25.6%) of revenue from sales to domestic customers while 82% (2023: 74.4%) of revenue is derived from sales to foreign customers (in terms of the geographical location of customers) which mainly relates to sales to customers from Bosnia and Herzegovina, which generate 4,5% of revenue (2023: 5.9%). The Group determines the selling price to customers in accordance with the macroeconomic conditions prevailing in each market where customers are located taking into account the maximum approved tariffs for services covered by the concession agreement.

Group revenue is substantially exposed to volatility due to the relatively high concentration of revenue to a limited number of customers. The top five customers of the Group generated approximately 88,3% of revenue (2023: 84.1%), of which two customers contributed 80,7% of revenue sales in 2024 (2023: 69.2%). With the two largest customers, the Group primarily trades in goods. As a result of its exposure to a limited number of customers, the Company manages this risk through active and frequent communication with key customers, acquisition of new customers and through monitoring of relevant competitors and market conditions both at local and international level.

NOTE 8 – REVENUE

	Luka Ploče Group		Luka Ploče d.d.	
	2024	2023	2024	2023
	(in thousands of EUR)		*(in thousands of EUR)*	
Revenue				
Revenue from rendering services	33,338	38,067	30,686	35,562
Revenue from sale of goods	66,305	38,867	66,305	38,866
	99,643	**76,934**	**96,991**	**74,428**
Other income				
Subsidy revenues	40	499	40	498
Interest income	119	26	119	26
Other income	91	121	68	94
	250	**646**	**227**	**618**
	99,893	**77,580**	**97,218**	**75,046**

Interest income includes income from interest on bank deposits.

NOTE 8 – REVENUE (continued)

Revenue segmentation by type of cargo is as follows:

	Luka Ploče Group		Luka Ploče d.d.	
	2024	**2023**	**2024**	**2023**
	(in thousands of EUR)		*(in thousands of EUR)*	
Bulk cargo	20,724	27,578	20,724	27,578
General cargo	6,441	5,775	6,441	5,775
Liquid cargo	1,853	1,848	1,853	1,848
Other port services	4,320	2,866	1,668	361
	33,338	**38,067**	**30,686**	**35,562**
Revenue from sale of goods	66,305	38,867	66,305	38,866
	99,643	**76,934**	**96,991**	**74,428**

Bulk, general, and liquid cargo relate to port services in relation to the handling of those types of cargo for which the Group charges fees based on tons of cargo handled while other port services relate to storage, warehouse handling and other services related to the handling of other cargo types. Revenue from sale of goods relates to the sale of metallurgical coal.

Revenue segmentation by type of service is as follows:

	Luka Ploče Group		Luka Ploče d.d.	
	2024	**2023**	**2024**	**2023**
	(in thousands of EUR)		*(in thousands of EUR)*	
Port handling services	22,895	24,076	22,895	24,076
Rent and warehousing	5,475	10,713	5,475	10,713
Other services	4,968	3,278	2,316	773
	33,338	**38,067**	**30,686**	**35,562**
Revenue from sale of goods	66,305	38,867	66,305	38,866
	99,643	**76,934**	**96,991**	**74,428**

NOTE 9 – MATERIALS, ENERGY COSTS AND SERVICE COSTS

Costs of materials and energy are as follows:

	Luka Ploče Group		Luka Ploče d.d.	
	2024	**2023**	**2024**	**2023**
	(in thousands of EUR)		*(in thousands of EUR)*	
Cost of goods sold	64,403	37,278	64,402	37,255
Fuel costs	935	1,155	857	1,123
Consumption of raw materials and supplies	1,307	1,588	1,094	1,249
Electricity	982	1,835	982	1,835
Small inventory, spare parts and office supplies	98	98	65	36
Other costs	10	42	9	17
	67,735	**41,996**	**67,409**	**41,515**

NOTE 9 – MATERIALS, ENERGY COSTS AND SERVICES (continued)

Service costs are as follows:

	Luka Ploče Group		Luka Ploče d.d.	
	2024	**2023**	**2024**	**2023**
	(in thousands of EUR)		*(in thousands of EUR)*	
Utilities	1,009	772	999	762
Variable concession fee	763	876	748	857
Repairs and maintenance	1,166	1,891	1,362	2,129
Security costs	771	583	771	583
Intellectual services	474	304	426	270
Advertising and entertainment expenses	278	172	387	313
Transport and telecommunication services	600	249	552	196
Other services	1,404	1,018	1,315	973
	6,465	**5,865**	**6,560**	**6,083**

The contracted fee for audit services for 2024. is 33 thousand euros (2023: 34 thousand euros).

NOTE 10 – STAFF COSTS

	Luka Ploče Group		Luka Ploče d.d.	
	2024	**2023**	**2024**	**2023**
	(in thousands of EUR)		*(in thousands of EUR)*	
Salaries and taxes	7,169	6,943	6,235	5,940
Contributions from and on salaries /i/	3,122	2,996	2,713	2,564
Termination benefits and jubilee awards and bonuses/ii/	502	510	500	513
Other employee benefits /iii/	906	1,025	801	955
	11,699	**11,474**	**10,249**	**9,972**

/i/ Defined pension contributions paid by the Group and the Company to mandatory pension funds for 2024 amounted to 1,763 thousand euro and 1,534 thousand euro (2023: 1,727 thousand euro and 1,475 thousand euro). Contributions are calculated as a percentage of the employees' gross salaries.

/ii/ Severance payments, jubilee awards, and bonuses take into account the effect of releasing provisions under IAS 19. During 2024, the Group and the Company released provisions amounting to 11 thousand euros and 7 thousand euros for severance payments and jubilee awards, respectively (2023: no provisions were released in the Group and the Company).

/iii/ Other employee benefits include travel costs (to and from work), gifts for children, event specific benefits (e.g. birth, easter etc.) and other benefits.

As at 31 December 2024 the Group had 436 employees (2023: 474), and the Company had 372 employees (2023: 403).

NOTE 11 – OTHER OPERATING EXPENSES

	Luka Ploče Group		Luka Ploče d.d.	
	2024	**2023**	**2024**	**2023**
	(in thousands of EUR)		*(in thousands of EUR)*	
Insurance premiums	263	213	225	189
Damages, penalties, and demurrage	149	72	148	60
Contributions and membership fees	116	116	112	109
Bank charges	80	145	66	129
Daily allowances and travel expenses	53	44	52	41
Supervisory Board fees	39	39	39	39
Other staff costs	48	52	10	12
Donations	199	81	199	96
Write-off of safety clothing and footwear	54	52	54	52
Litigation provisions	-	19	-	19
Other operating expenses	102	75	89	65
	1,103	**908**	**994**	**811**

NOTE 12 – OTHER (LOSSESS)/ GAINS – NET

	Luka Ploče Group		Luka Ploče d.d.	
	2024	**2023**	**2024**	**2023**
	(in thousands of EUR)		*(in thousands of EUR)*	
Gains from changes in the fair value of financial assets in the income statement /i/	152	5	152	5
Gains/(losses) on disposal and impairment of property, plant and equipment /ii/	(286)	18	(320)	18
Net foreign exchange differences	(1.100)	(705)	(1.100)	(705)
	(1.234)	**(682)**	**(1.268)**	**(682)**

5.

/i/ Gains from changes in the fair value of financial assets in the income statement:

(in thousands of EUR)	Luka Ploče Group		Luka Ploče d.d.	
	2024	**2023**	**2024**	**2023**
	(in thousands of EUR)		*(in thousands of EUR)*	
Gains from foreign exchange forward contracts (note 4.1)	148	-	148	-
Gains from changes in the fair value of listed company shares (note 25)	4	5	4	5
Gains from changes in the fair value of financial assets in the income statement	**152**	**5**	**152**	**5**

NOTE 12 – OTHER (LOSSESS)/ GAINS – NET (continued)

/i/ The disposal of property, plant and equipment comprises the following:

(in thousands of EUR)	Luka Ploče Group		Luka Ploče d.d.	
	2024	**2023**	**2024**	**2023**
Net carrying amount	(725)	(67)	(627)	(67)
Proceeds on sale of tangible assets	439	85	307	85
Gain/(losses) on disposal of property, plant and equipment	**(286)**	**18**	**(320)**	**18**

NOTE 13 – FINANCE INCOME / (EXPENSES) - NET

	Luka Ploče Group		Luka Ploče d.d.	
	2024	**2023**	**2024**	**2023**
	(in thousands of EUR)		*(in thousands of EUR)*	
Foreign exchange gains / (losses) – net	1.033	30	1.033	29
Interest expense	(747)	(723)	(727)	(702)
Finance expenses – net	**286**	**(693)**	**306**	**(673)**

NOTE 14 – INCOME TAX

	Luka Ploče Group		Luka Ploče d.d.	
	2024	**2023**	**2024**	**2023**
	(in thousands of EUR)		*(in thousands of EUR)*	
Current income tax	1,579	2,371	1,468	2,321
Deferred tax income	(13)	(33)	13	(33)
	1,566	**2,338**	**1481**	**2,288**

A reconciliation of tax expense of the Group and the Company per statement of comprehensive income and taxation at the statutory rate is detailed in the table below:

	Luka Ploče Group		Luka Ploče d.d.	
	2024	**2023**	**2024**	**2023**
	(in thousands of EUR)		*(in thousands of EUR)*	
Profit before tax	**8,381**	**13,074**	**7,309**	**12,575**
Corporate income tax at various rates	1,414	2,313	1,316	2,263
Effect of tax-free income	(3)	(6)	(3)	(3)
Effect of tax-deductible costs	145	31	168	28
Additional corporate income tax	10	-	-	-
Corporate income tax	**1,566**	**2,338**	**1,481**	**2,288**

NOTE 14 – INCOME TAX (continued)

In accordance with Croatian regulations, the tax authorities may at any time, inspect any of the Group company's records within 3 years subsequent to the year in which the tax liability is reported and may impose additional tax assessments and penalties. The Group's Management is not aware of any circumstances which may give rise to a potential material liability in this respect.

Deferred Tax Assets ("DTA") and Deferred Tax Liability ("DTL") are recognized for any temporary differences up to the level that these amounts are likely to be realized through the Group and the Company's future taxable profits:

	Luka Ploče Group		**Luka Ploče d.d.**	
	2024.	**2023.**	**2024.**	**2023.**
	(in thousands of euros)		*(in thousands of euros)*	
DTA on recognition of employee benefits	164	137	164	137
DTA on recognition of ECL	51	45	51	45
DTA on recognition of lease liabilities	744	821	744	821
Total deferred tax assets	**959**	**1.003**	**959**	**1.003**
DTL fair value measurement during the business combination (NCT d.o.o.) (note 33)	(591)	-	-	-
DTL on recognition of right-of-use property	(786)	(818)	(786)	(818)
Total deferred tax liability	**(1.377)**	**(818)**	**(786)**	**(818)**
Total deferred tax assets - net	**(418)**	**185**	**173**	**185**

Changes in deferred tax assets of the Group and the Company during the year were as follows:

(in thousands of euros)	**Employee benefits (bonuses, jubilee, severance pay)**	**Expected credit losses**	**Lease liabilities**	**TOTAL**
1 January 2023	**128**	**37**	**792**	**957**
Recognised in the statement of comprehensive income	9	8	29	46
31 December 2023	**137**	**45**	**821**	**1,003**
1 January 2024	**137**	**45**	**821**	**1,003**
Recognised in the statement of comprehensive income	27	6	(77)	(44)
31 December 2024	**164**	**51**	**744**	**959**

NOTE 14 – CORPORATE INCOME TAX (continued)

The changes in the Group and the Company's deferred tax liability during the year were as follows:

(in thousands of euros)	**Acquisition of subsidiary (NCT)**	**Right-of-use property**	**TOTAL**
1 January 2023	**-**	**(805)**	**(805)**
Recognised in the statement of comprehensive income	-	(13)	(13)
31 December 2023	**-**	**(818)**	**(818)**
1 January 2024	**-**	**(818)**	**(818)**
Increase in DTL (note 33)	(616)	**-**	(616)
Recognised in the statement of comprehensive income	25	32	57
31 December 2024	**(591)**	**(786)**	**(1,377)**

The changes in the Group and the Company's deferred tax liability during the year were as follows:

(in thousands of euros)	**Right-of-use property**	**TOTAL**
1 January 2023	**(805)**	**(805)**
Recognised in the statement of comprehensive income	(13)	(13)
31 December 2023	**(818)**	**(818)**
1 January 2024	**(818)**	**(818)**
Recognised in the statement of comprehensive income	32	32
31 December 2024	**(786)**	**(786)**

NOTE 15 – INTANGIBLE ASSETS

Luka Ploče Group	Intangible assets	Customer relationships	Total
(in thousands of EUR)			
At 1 January 2023			
Cost	398	-	398
Accumulated amortisation	(357)	-	(357)
Net carrying amount	**41**	**-**	**41**
For the year ended 31 December 2023			
Net carrying amount at the beginning of the year	41	-	41
Reclassification of tangible assets	(19)	-	(19)
Amortization	(3)	-	(3)
Net carrying amount at the end of the year	**19**	**-**	**19**
At 31 December 2023			
Cost	379	-	379
Accumulated amortisation	(360)	-	(360)
Net carrying amount at the end of the year	**19**	**-**	**19**
For the year ended 31 December 2024			
Net carrying amount at the beginning of the year	19	-	19
Increase through business combinations (note 33)	-	1,371	1,371
Amortisation	(3)	(59)	(62)
Net carrying amount at the end of the year	**16**	**1,312**	**1,328**
At 31 December 2024			
Cost	379	1,371	1,750
Accumulated amortisation	(363)	(59)	(422)
Net carrying amount	**16**	**1,312**	**1,328**

NOTE 15 – INTANGIBLE ASSETS (continued)

Luka Ploče d.d. (in thousands of EUR)	**Intangible assets**
At 1 January 2023	
Cost	398
Accumulated amortisation	(357)
Net carrying amount	**41**
For the year ended 31 December 2023	
Net carrying amount at the beginning of the year	41
Reclassification of tangible assets	(19)
Amortization	(3)
Net carrying amount at the end of the year	**19**
At 31 December 2023	
Cost	379
Accumulated amortisation	(360)
Net carrying amount at the end of the year	**19**
For the year ended 31 December 2024	
Net carrying amount at the beginning of the year	19
Amortisation	(3)
Net carrying amount at the end of the year	**16**
At 31 December 2024	
Cost	379
Accumulated amortisation	(363)
Net carrying amount	**16**

Intangible assets relate to software and network station.

NOTE 16 – PROPERTY, PLANT AND EQUIPMENT

Luka Ploče Group	**Land and buildings**	**Equipment**	**Assets under construction**	**Leasehold improvements**	**Total**
(in thousands of EUR)					
At 1 January 2023					
Cost	7,248	61,550	436	1,593	70,827
Accumulated depreciation	(1,417)	(16,663)	-	(1,007)	(19,087)
Net carrying amount	**5,831**	**44,887**	**436**	**586**	**51,740**
For the year ended 31 December 2023					
Opening balance	5,831	44,887	436	586	51,740
Increases	330	22	6,168	5	6,525
Reclassification from intangible assets and equipment	-	(61)	-	80	19
Transfer from assets under construction	-	6,021	(6,021)	-	-
Sales and impairment	-	(22)	-	-	(22)
Depreciation	(264)	(2,547)	-	(43)	(2,854)
Closing balance	**5,897**	**48,300**	**583**	**628**	**55,408**
At 31 December 2023					
Cost	7,579	67,327	583	1,717	77,206
Accumulated depreciation	(1,682)	(19,027)		(1,089)	(21,798)
Net carrying amount	**5,897**	**48,300**	**583**	**628**	**55,408**
For the year ended 31 December 2024					
Opening balance	5,897	48,300	583	628	55,408
Increases	-	433	3,608	22	4,063
Increase through business combinations (note 33)	-	2,267	-	28	2,295
Transfer from assets under construction	-	3,298	(3,298)	-	-
Lease modification	66	-	-	-	66
Sales and impairment	-	(666)	(180)		(846)
Depreciation	(270)	(3,130)	-	(46)	(3,446)
Closing balance	**5,693**	**50,502**	**713**	**632**	**57,540**
At 31 December 2024					
Cost	7,646	72,658	713	1,767	82,784
Accumulated depreciation	(1,953)	(22,156)	-	(1,135)	(25,244)
Net carrying amount	**5,693**	**50,502**	**713**	**632**	**57,540**

NOTE 16 – PROPERTY, PLANT AND EQUIPMENT (continued)

Luka Ploče d.d.	**Land and buildings**	**Equipment**	**Assets under construction**	**Leasehold mprovements**	**Total**
(in thousands of EUR)					
At 31 December 2023					
Cost	7,174	59,173	436	1,590	68,373
Accumulated depreciation	(1,401)	(15,767)	-	(1,005)	(18,173)
Net carrying amount	**5,773**	**43,406**	**436**	**585**	**50,200**
For the year ended 31 December 2023					
Opening balance	**5,773**	**43,406**	**436**	**585**	**50,200**
Increases	309	26	6,010	-	6,345
Reclassification of intangible assets	-	-	-	19	19
Transfer from assets under construction	21	5,824	(5,845)	-	-
Decreases and sales	-	(10)	(25)	-	(35)
Depreciation	(260)	(2,385)	-	(38)	(2,683)
Closing balance	**5,843**	**46,861**	**576**	**566**	**53,846**
At 31 December 2023					
Cost	7,504	64,937	576	1,609	74,626
Accumulated depreciation	(1,661)	(18,076)	-	(1,043)	(20,780)
Net carrying amount	**5,843**	**46,861**	**576**	**566**	**53,846**
For the year ended 31 December 2024					
Opening balance	**5,843**	**46,861**	**576**	**566**	**53,846**
Increases	-	92	3,564	-	3,656
Reclassification of intangible assets	-	3,246	(3,246)	-	-
Lease modification	66	-		-	66
Decreases and sales	-	(566)	(181)	-	(747)
Depreciation	(266)	(2,806)	-	(30)	(3,102)
Closing balance	**5,643**	**46,827**	**713**	**536**	**53,719**
At 31 December 2024					
Cost	7,571	67,135	713	1,609	77,028
Accumulated depreciation	(1,928)	(20,308)	-	(1,073)	(23,309)
Net carrying amount	**5,643**	**46,827**	**713**	**536**	**53,719**

NOTE 16 – PROPERTY, PLANT AND EQUIPMENT (continued)

Property, plant and equipment of the Group and the Company with a net carrying amount of 26,869 thousand euro (2023: 27,685 thousand euro) were pledged as a loan collateral.

As at 31 December 2024, right-of-use assets amounting to 4,366 thousand euro are included in the property value of the Company and the Group.

As of 31 December 2024, the acquisition cost of fully depreciated property, plant, and equipment amounted to 5,933 thousand euros for the Group and 5,575 thousand euros for the Company (as of 31 December 2023: 5,777 thousand euros for the Group and 5,522 thousand euros for the Company)

Right-of-use property

Equipment leases and concession agreements are recognised as right-of-use assets with the related liabilities from the date on which the leased assets become available for use by the Group.

	Luka Ploče Group			Luka Ploče d.d.		
(in thousands of euros)	**Equipment**	**Property in concession**	**TOTAL**	**Equipment**	**Property in concession**	**TOTAL**
Net carrying amount						
As at 1 January 2023	**901**	**4,471**	**5,372**	**794**	**4,471**	**5,265**
Increases	-	309	309	-	309	309
Depreciation	(95)	(237)	(332)	(83)	(237)	(320)
As at 31 December 2023	**806**	**4,543**	**5,349**	**711**	**4,543**	**5,254**
As at 1 January 2024	**806**	**4,543**	**5,349**	**711**	**4,543**	**5,254**
Lease modification	-	66	66	-	66	66
Sales	(724)	-	(724)	(628)	-	(628)
Depreciation	(82)	(243)	(325)	(83)	(243)	(326)
As at 31 December 2024	**-**	**4,366**	**4,366**	**-**	**4,366**	**4,366**

NOTE 17 – ADVANCES FOR TANGIBLE ASSETS

As of 31 December 2024, the Group and the Company have no advances for property, plant, and equipment (31 December 2023: 488 thousand euros for the Group and the Company)

NOTE 18 – INVESTMENT PROPERTY

	Luka Ploče Group		**Luka Ploče d.d.**	
	2024	**2023**	**2024**	**2023**
	(in thousands of EUR)		*(in thousands of EUR)*	
Cost	265	328	265	328
Accumulated depreciation	(99)	(118)	(99)	(118)
Net carrying amount	**166**	**210**	**166**	**210**

Investment property relates to apartments that are leased to former and current employees at minimal rates. Based on current market prices and location, the Management Board determined that the fair value of investment property approximates the net carrying amount.

Rental income recognised by the Group and the Company in 2024 was 5 thousand euro (2023: 6 thousand euro) and is included in other income. Depreciation amounting to 5 thousand euro (2023: 6 thousand euro) was expensed.

NOTE 18 – INVESTMENT PROPERTY (continued)

Future minimum lease payments are as follows:

	Luka Ploče Group		Luka Ploče d.d.	
	2024	**2023**	**2024**	**2023**
	(in thousands of EUR)		*(in thousands of EUR)*	
Up to 1 year	4	5	4	5
From 1 to 5 years	14	21	14	21
Over 5 years	28	42	28	42
Total	**46**	**68**	**46**	**68**

NOTE 19 – INVESTMENTS IN SUBSIDIARIES

Investments in subsidiaries as at 31 December 2024 and 31 December 2023 are as follows:

Subsidiaries	**Investment** *(in thousands of EUR)*		**Ownership %**		**Principal activity**
	2024	**2023**	**2024**	**2023**	
Luka Šped d.o.o.	421	421	100%	100%	Freight forwarding services
Pomorski servis - Luka Ploče d.o.o.	240	240	100%	100%	Maritime transport services
Pločanska plovidba d.o.o.	334	334	100%	100%	Shipping services
New concrete technologies d.o.o.	3,000	-	100%	100%	Exploration and exploitation of mineral resources
Total	**3,995**	**995**			
Impairment of investment in Pločanska plovidba d.o.o.	(334)	-			
Net investment in subsidiaries	**3,661**	**995**			

During 2024, the Company made a value adjustment to its investment in the subsidiary Pločanska plovidba d.o.o. as the investment was not recoverable. Pločanska plovidba d.o.o. incurred a loss of 111 thousand euros in 2024.

NOTE 20 – INVESTMENTS IN ASSOCIATES

	Luka Ploče Group		Luka Ploče d.d.	
(in thousands of EUR)	**2024**	**2023**	**2024**	**2023**
Lučka sigurnost d.o.o.	98	79	8	8
Vizir d.o.o.	60	49	3	3
Total	**158**	**128**	**11**	**11**

The Group and the Company have shares in associates, of which the Company has a 49% investment in two associates in the amount of 10 thousand euro, whereas the remaining 51% is owned by the Port of Authority. The Port of Authority controls these associates given they are responsible for appointing the only member of the Management Board responsible for making operational decisions and given they are responsible for appointing the majority in the supervisory boards. The associates' principal activity is the protection and security of business premises. Transactions with associates are disclosed in Note 33. In 2024 the Group recognised a share of income in associates amounting to 30 thousand euro (2023: 17 thousand euro).

Basic financial information relating to the associates at the reporting date are as follows:

	Lučka sigurnost d.o.o.		Vizir d.o.o.	
(in thousands of EUR)	**2024**	**2023**	**2024**	**2023**
Assets	307	250	190	155
Liabilities	(93)	(74)	(65)	(52)
Net assets	**214**	**176**	**125**	**103**
Revenue	906	687	796	562
Profit for the year	**38**	**5**	**23**	**30**

NOTE 21 – LONG-TERM LOANS GIVEN

Loans to employees

	Luka Ploče Group		Luka Ploče d.d.	
(in thousands of EUR)	**2024**	**2023**	**2024**	**2023**
Long-term loans given				
- To employees	93	110	93	110
- Impairment of long-term loan receivables	(70)	(73)	(70)	(73)
	23	37	23	37
Current portion (Note 23)	(15)	(18)	(15)	(18)
	8	**19**	**8**	**19**

In previous years, the Company sold apartments to its employees on credit in accordance with legal regulations of the Republic of Croatia. The loans are repayable over a period of 20 – 35 years with an interest rate of 1% p.a. The loans are repaid regularly in monthly instalments. The loans are not discounted. The loans are secured by mortgages on the apartments. The Company is obliged to pay 65% of the received proceeds to the state budget. Loans given are denominated in euro.

NOTE 21 – LOANS GIVEN (continued)

Loans to employees (continued)

The maturity of loans given to employees is as follows:

	Luka Ploče Group		Luka Ploče d.d.	
	2024	**2023**	**2024**	**2023**
	(in thousands of EUR)		*(in thousands of EUR)*	
Up to 1 year	15	18	15	18
Between 1 and 5 years	8	19	8	19
Total	**23**	**37**	**23**	**37**

Loans to subsidiaries

Short-term loans granted to subsidiaries as at 31 December 2024:

(in thousands of EUR)	**Pločanska plovidba d.o.o.**	**New concrete technologies d.o.o.**	**Total**
Up to 1 year	207	351	558
Between 1 and 5 years	-	-	-
Total short-term loans	**207**	**351**	**558**
Impairment of short-term loans	(207)	-	(207)
Total	**-**	**351**	**351**

The loans are denominated in euros and are contracted at a variable interest rate of 3.25% in accordance with the Ministry of Finance's decision on the interest rate for loans between related parties and are unsecured. During 2024, the Company made a value adjustment to the receivables from short-term loans given to the related company Pločanska plovidba d.o.o. in the amount of 207 thousand euros.

Short-term loans granted to subsidiaries as at 31 December 2023:

(in thousands of EUR)	**Pločanska plovidba d.o.o.**	**Total**
Up to 1 year	207	207
Between 1 and 5 years	-	-
Total short-term loans	**207**	**207**
Impairment of short-term loans	-	-
Total	**207**	**207**

The loans are denominated in euros and are contracted at a variable interest rate of 2,40% in accordance with the Ministry of Finance's decision on the interest rate for loans between related parties and are unsecured

NOTE 22 – INVENTORIES

	Luka Ploče Group		Luka Ploče d.d.	
	2024	**2023**	**2024**	**2023**
	(in thousands of EUR)		*(in thousands of EUR)*	
Raw materials	977	870	922	855
Spare parts	83	81	83	81
Advances for inventories	-	3	-	1
Trade goods	8	1	-	-
	1,068	**955**	**1,005**	**937**

NOTE 23 – TRADE AND OTHER RECEIVABLES

	Luka Ploče Group		Luka Ploče d.d.	
	2024	**2023**	**2024**	**2023**
	(in thousands of EUR)		*(in thousands of EUR)*	
Receivables from domestic customers	4,579	2,672	4,377	2,502
Receivables from foreign customers	8,145	8,855	8,094	8,799
Receivables not yet invoiced	6,728	11,896	6,728	11,896
Impairment provision	(1,099)	(980)	(1,074)	(955)
Trade receivables	**18,353**	**22,443**	**18,125**	**22,242**
Current portion of long-term loans given (Note 21)	15	18	15	18
Receivables from the state	127	374	51	303
Advances	725	758	713	583
Guarantees	1	1	-	-
Other receivables	250	140	240	133
	19,471	**23,734**	**19,144**	**23,279**

As at 31 December 2024, the Group's trade receivables that are past due but not impaired amounted to 3,892 thousand euro (2023: 2,933 thousand euro). The same at a Company level amounted to 3,555 thousand euro (2023: 2,389 thousand euro). The ageing of trade receivables is based on the days outstanding after the maturity date and are categorised as follows:

	Luka Ploče Group		Luka Ploče d.d.	
	2024	**2023**	**2024**	**2023**
	(in thousands of EUR)		*(in thousands of EUR)*	
Up to 30 days	1,580	330	1,463	328
Up to 60 days	323	713	242	650
Up to 90 days	1,293	498	1,278	377
Over 90 days	696	1,392	572	1,034
	3,892	**2,933**	**3,555**	**2,389**

The fair value of trade receivables approximates their carrying amount.

NOTE 23 – TRADE AND OTHER RECEIVABLES (continued)

Balances and movement in the provision for impairment losses is as follows:

	Luka Ploče Group		Luka Ploče d.d.	
	2024	**2023**	**2024**	**2023**
	(in thousands of euros)		*(in thousands of euros)*	
At 1 January	980	903	955	888
Increase	22	-	22	-
Impairment	41	42	41	43
Exchange rate differences	56	47	56	36
Post write-off recoveries	-	(12)	-	(12)
At 31 December	**1,099**	**980**	**1,074**	**955**

Expected credit loss (ECL) model

For the calculation of expected credit losses, the Group and the Company prepare an impairment matrix. Loss rates are calculated based on the probability that the receivable will exceed 365 days post maturity and will not be collected subsequently. The probabilities of default (PD) and loss given default (LGD) are based on historical data for the last three years. Exposure at default (EAD) is adjusted for the estimated value of collateral.

As at 31 December 2024, the Group's and Company's probabilities of defaults were as follows: overdue receivables: 0.25% (2023: 0.13%), 1 to 30 days: 1.24% (2023: 1.16%), 31 to 90 days: 2.12% (2023: 2.20%), 91 to 180 days: 7.99% (2023: 9.79%), 181 to 365 days: 35.61% (2023: 37.88%) and over 365 days: 80.76% (2023: 79.93%).

Financial assets (trade receivables and guarantees) are denominated in the following currencies:

	Luka Ploče Group		Luka Ploče d.d.	
	2024	**2023**	**2024**	**2023**
	(in thousands of EUR)		*(in thousands of EUR)*	
EUR	17,482	21,594	17,255	21,393
USD	871	849	870	849
	18,353	**22,443**	**18,125**	**22,242**

NOTE 24 – DEPOSITS

	Luka Ploče Group		Luka Ploče d.d.	
(in thousands of EUR)	**2024**	**2023**	**2024**	**2023**
Bank deposits	1,032	622	486	476
Total deposits	**1,032**	**622**	**486**	**476**
Short-term	886	476	486	476
Long-term	146	146	-	-
	1,032	**622**	**486**	**476**

All deposits are denominated in euro. Interest rates are up to 0% - 2.80% (2023: 0% - 0.004%).

NOTE 25 – FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	Luka Ploče Group		Luka Ploče d.d.	
	2024	**2023**	**2024**	**2023**
	(in thousands of EUR)		*(in thousands of EUR)*	
At beginning of year	38	33	38	33
Fair value gains / (losses) (Note 12)	4	5	4	5
At end of year	**42**	**38**	**42**	**38**

As at 31 December 2024, investments in listed companies where the Group's holding does not exceed 20% of ownership amounted to 42 thousand euro (2023: 38 thousand euro). Details relating to fair value assumptions are explained in Note 5. Financial assets at fair value through profit or loss are denominated in euro.

NOTE 26 – LETTERS OF CREDIT

As of December 31, 2024, the Group and the Company have no open letters of credit (2023: 49 thousand euros).

Letters of credit are denominated in the following currencies:

	Luka Ploče Group		Luka Ploče d.d.	
	2024	**2023**	**2024**	**2023**
	(in thousands of EUR)		*(in thousands of EUR)*	
EUR	-	49	-	49
	-	**49**	**-**	**49**

The Group and the Company were unable to utilize foreign currency letters of credit as of 31 December 2023, because they pertain to irrevocable letters of credit that cannot be unconditionally used for daily transactions. Therefore, they are not treated as free cash according to the definition of cash and cash equivalents under IAS 7.

NOTE 27 – CASH AND CASH EQUIVALENTS

	Luka Ploče Group		Luka Ploče d.d.	
	2024	**2023**	**2024**	**2023**
	(in thousands of EUR)		*(in thousands of EUR)*	
Giro account	22,321	18,293	20,473	17,090
Foreign currency account	559	199	406	24
	22,880	**18,492**	**20,879**	**17,114**

Cash and cash equivalents are denominated in the following currencies:

	Luka Ploče Group		Luka Ploče d.d.	
	2024	**2023**	**2024**	**2023**
	(in thousands of EUR)		*(in thousands of EUR)*	
EUR	22,321	18,293	20,473	17,090
USD	559	199	406	24
	22,880	**18,492**	**20,879**	**17,114**

NOTE 28 – CAPITAL AND RESERVES

Share capital

The ownership structure as at 31 December 2024 and 2023 was as follows:

	2024		2023	
Shareholders	**Number of shares**	**Ownership (%)**	**Number of shares**	**Ownership (%)**
Energia naturalis d.o.o.	183,964	43.39	161,865	38.27
Small shareholders	83,349	19.70	90,061	21.29
Mandatory pension funds	102,361	24.20	102,361	24.20
Voluntary pension funds	32,216	7.62	32,216	7.62
Financial institutions	19,358	4.58	34,745	8.21
Treasury shares	1,719	0.41	1,719	0.41
Total	**422,967**	**100.00**	**422,967**	**100.00**

As at 31 December 2024 Shareholders' equity amounted to 22,417 thousand euro (2023: 22,417 thousand euro) and consists of 422,967 ordinary shares (31 December 2023: 422,967 shares) with a nominal value of 53 euro (31 December 2023: 53 euro).

Share Premium

In 2011, the Company recognised a share premium of 11,966 thousand euro from newly issued shares. This premium was reduced by the costs associated with issuing new shares, amounting to 272 thousand euros. As at 31 December 2024, the share premium amounts to 11,694 thousand euro (2023: 11,694 thousand euro).

NOTE 28 – CAPITAL AND RESERVES (continued)

Other reserves

Other reserves at 31 December 2024 amounted to 6,430 thousand euro (2023: 6,430 thousand euro) in the Company and the Group. Treasury share reserves amounted to 1.040 thousand euro at 31 December 2024 (2023: 1,040 thousand) of which 142 thousand euro was used to acquire the treasury shares. Other reserves are distributable.

Legal reserves

Legal reserves in the amount of 1,123 thousand euro (2023: 1,123 thousand euro) were formed in line with Croatian law and must be built up to a minimum of 5% of the profit for the year until the total legal reserve reaches 5% of the Company's share capital. Legal reserves are not distributable.

Treasury shares

In 2011, the Company purchased 380 treasury shares at a price between 90 euro and 102 euro per share.
In 2012, the Company purchased 626 treasury shares at a price between 73 euro and 81 euro per share.
In 2013, the Company purchased 713 treasury shares at a price between 76 euro and 79 euro per share.

NOTE 29 – EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the Company's net profit with the outstanding weighted average number of ordinary shares in issue during the year, excluding ordinary shares purchased by the Company and held as treasury shares. The basic earnings per share is equal to diluted earnings per share, since the Company did not issue any financial instruments that may dilute number of shares.

	Luka Ploče Group		Luka Ploče d.d.	
	2024	**2023**	**2024**	**2023**
Net profit /(loss) attributable to shareholders from continuing operations *(in thousands of euro)*	6,815	10,736	5,828	10,287
Weighted average number of ordinary shares	421,248	421,248	421,248	421,248
Basic/diluted earnings / (loss) per share from continuing operations *(in euro)*	**16.18**	**25.49**	**13.83**	**24.42**

NOTE 30 – BORROWINGS

	Luka Ploče Group		Luka Ploče d.d.	
	2024	**2023**	**2024**	**2023**
	(in thousands of EUR)		*(in thousands of EUR)*	
Leases	4,130	4,654	4,130	4,654
Bank borrowings	13,499	15,569	13,365	15,360
State borrowings	61	72	61	72
	17,690	**20,295**	**17,556**	**20,086**
Current portion	(2,225)	(2,321)	(2,165)	(2,245)
Total long-term borrowings	**15,465**	**17,974**	**15,391**	**17,841**

	Luka Ploče Group		Luka Ploče d.d.	
	2024	**2023**	**2024**	**2023**
	(in thousands of EUR)		*(in thousands of EUR)*	
Current portion	2,225	2,321	2,165	2,245
Total short-term borrowings	**2,225**	**2,321**	**2,165**	**2,245**

Currency structure of borrowings is as follows:

	Luka Ploče Group		Luka Ploče d.d.	
	2024	**2023**	**2024**	**2023**
	(in thousands of EUR)		*(in thousands of EUR)*	
EUR	17,690	20,295	17,556	20,086
	17,690	**20,295**	**17,556**	**20,086**

Currency risk is explained further in Note 4.

NOTE 30 – BORROWINGS (continued)

Reconciliation of movements in borrowings to cash flows arising from financing activities of the Group is as follows:

Luka Ploče Group	**2024**	**2023**
	(in thousands of EUR)	
At 1 January	**20,295**	**26,872**
Changes in financing cash flows		
Loans receipts	5,000	15,000
Repayment of loans	(7,070)	(21,625)
Repayment of leases	(253)	(264)
Interest expenses	753	725
Interest payments	(753)	(725)
Total changes in financing cash flows	**(2,323)**	**(6,889)**
Other changes		
Lease increases	-	312
Other (modification)	(282)	-
Total other changes	**(282)**	**312**
At 31 December	**17,690**	**20,295**

Reconciliation of movements in borrowings to cash flows arising from financing activities of the Company is as follows:

Luka Ploče d.d.	**2024**	**2023**
	(in thousands of EUR)	
At 1 January	**20,086**	**26,588**
Changes in financing cash flows		
Loans receipts	5,000	15,000
Repayment of loans	(6,995)	(21,550)
Repayment of leases	(253)	(264)
Interest expenses	740	711
Interest payments	(740)	(711)
Total changes in financing cash flows	**(2,248)**	**(6,814)**
Other changes		
Lease increases	-	312
Other (modification)	(282)	-
Total other changes	**(282)**	**312**
At 31 December	**17,556**	**20,086**

NOTE 30 – BORROWINGS (continued)

Bank and state borrowings

The contractual maturities for bank and state borrowings at the reporting date are as follows:

	Luka Ploče Group		Luka Ploče d.d.	
	2024	**2023**	**2024**	**2023**
	(in thousands of EUR)		*(in thousands of EUR)*	
Up to 1 year (current portion)	2,062	2,080	2,002	2,004
Between 1 and 5 years	7,768	8,836	7,694	8,703
Over 5 years	3,730	4,725	3,730	4,725
	13,560	**15,641**	**13,426**	**15,432**

As at 31 December 2024 bank borrowings amounted to 9,699 thousand euro (31 December 2023: 10,693 thousand euro) and relate to a loan from HBOR that is denominated in euro, which bears a fixed interest rate of 3% and is secured by the Company's equipment.

The remaining portion of the Group's bank borrowings is denominated in euro, contracted at variable interest rate 1,95% linked to six-month EURIBOR and secured by the Group's movable assets.

In relation to long-term loans given to its employees for the purchase of apartments, the Company has recognised a liability for the repayment of 65% of all proceeds from the employees to the State budget (Note 21). These loans are denominated in euro.

Leases

The contractual maturity of leases at the reporting date is as follows:

	Luka Ploče Group		Luka Ploče d.d.	
	2024	**2023**	**2024**	**2023**
	(in thousands of EUR)		*(in thousands of EUR)*	
Up to 1 year (current portion)	164	241	164	241
Between 1 and 5 years	876	735	876	735
Over 5 years	3,090	3,678	3,090	3,678
	4,130	**4,654**	**4,130**	**4,654**

Leases arising from concession agreements

The Company and the Group have concluded that liabilities related to the payment of fixed concession fees and infrastructure-related expenses are lease components, while the remaining liabilities that relate to expenditures for own assets (equipment) and maintenance, as well as payments of variable concession fees do not constitute lease components in accordance with IFRS 16 and will therefore continue to be recognized in accordance with other relevant standards, primarily in accordance with IAS 16 Property, Plant and Equipment.

The Company's and the Group's leases arising from concession agreements in the amount of 4,130 thousand euro are denominated in euro. As at 31 December 2024 and as at 31 December 2023, the average incremental borrowing rate applied was 3%.

NOTE 30 – BORROWINGS (continued)

Amounts recognized in the statement of comprehensive income

	Luka Ploče Group		Luka Ploče d.d.	
	2024.	**2023.**	**2024.**	**2023.**
	(in thousands of EUR)		*(in thousands of EUR)*	
Interest costs per lease	130	134	130	134
Variable payments under concession contracts not included in calculated lease liabilities (Note 9)	754	876	748	857
Depreciation (Note 16)	243	332	243	320
Total	**1,127**	**1,342**	**1,121**	**1,311**

NOTE 31 – PROVISIONS

Luka Ploče Group	**Litigation**	**Employee remuneration**	**TOTAL**
(in thousands of euros)			
Balance as at 1 January 2024	**204**	**992**	**1,196**
Increases	-	565	565
Reclassification to liabilities	(186)	(355)	(541)
Releases	-	(11)	(11)
Closing balance as at 31 December 2024	**18**	**1,191**	**1,209**
Analysis of total provisions			
Long-term provisions	18	283	301
The short-term provisions	-	908	908
	18	**1,191**	**1,209**

Luka Ploče d.d.	**Litigation**	**Employee remuneration**	**TOTAL**
(in thousands of euros)			
Balance as at 1 January 2024	**204**	**946**	**1,150**
Increases	-	532	532
Reclassification to liabilities	(186)	(355)	(541)
Releases	-	(7)	(7)
Closing balance as at 31 December 2024	**18**	**1,116**	**1,134**
Analysis of total provisions			
Long-term provisions	18	242	260
The short-term provisions	-	874	874
	18	**1,116**	**1,134**

Provisions relate to legal disputes, long and short-term employee benefits as defined by the collective agreement. Non-current provisions relate to legal disputes, jubilee awards and retirement benefits, while current provisions relate to the current portion of termination benefits, jubilee awards and unused leave pay at year end.

NOTE 32 – TRADE AND OTHER PAYABLES

	Luka Ploče Group		Luka Ploče d.d.	
	2024	**2023**	**2024**	**2023**
	(in thousands of EUR)		*(in thousands of EUR)*	
Domestic trade payables	1,178	1,200	1,123	1,318
Foreign trade payables	49	112	53	114
Total trade payables	**1,227**	**1,312**	**1,176**	**1,432**
Net salaries payable	605	596	532	525
Taxes/contributions from and on salaries	315	304	260	272
Payables to the state	89	102	42	27
Other	111	90	110	89
	2,347	**2,404**	**2,120**	**2,345**

Trade payables (including accrued interest) comprising financial liabilities are denominated in the following currencies:

	Luka Ploče Group		Luka Ploče d.d.	
	2024	**2023**	**2024**	**2023**
	(in thousands of EUR)		*(in thousands of EUR)*	
EUR	1,227	1,312	1,176	1,432
	1,227	**1,312**	**1,176**	**1,432**

NOTE 33 – BUSINESS COMBINATIONS

On May 22, 2024, the Group acquired a 100% stake in New Concrete Technology d.o.o. (NCT d.o.o.). The company was purchased for 3,000 thousand euros, and through the acquisition, the company obtained 30 thousand euros in cash and cash equivalents.

The acquired net fair value of assets and the determined amount of goodwill are as follows:

	2024
	(in thousands of EUR)
Consideration for the acquisition of a 100% stake in New Concrete Technologies d.o.o. as defined by the Purchase Agreement	3,000
Fair value of the acquired assets of New Concrete Technologies d.o.o.	(3,000)
Goodwill	-

Fer value of assets and liabilities acquired through business combination are as follows:

(in thousands of EUR)	Fair value of assets and liabilities on the acquisition date
Property, plant and equipment /i/	2,270
Intangible assets /i/	1,395
Inventory	51
Trade and other receivables	28
Short-term loans	64
Cash and cash equivalents	30
Total assets	**3,838**
Borrowings	(210)
Trade payables	(9)
Other liabilities	(2)
Deferred tax liability (DTL) /i/	(617)
Total liability	**(838)**
Fer value of acquired assets - net	**3,000**

/i/ On the acquisition date of NCT d.o.o., the Group recognized intangible assets, specifically customer relationships, valued at 1,371 thousand euros, and tangible assets, including plant and equipment related to a dredger vessel, valued at 2,057 euros based on their fair value at the acquisition date. Due to the higher fair value of assets compared to their book value at the acquisition date, the Company recognized a deferred tax liability amounting to 617 thousand euros

NOTE 34 – RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability to control the other party, is under common control or exercises significant influence over the other party in making financial or operational decisions.

Related parties which were not included in consolidation are the Port Authority as a state institution (entity with influence on the Group's operations in accordance with the Concession agreement) and the associates Vizir d.o.o. Ploče, Lučka sigurnost d.o.o., Ploče (see Note 20) and companies under common control of shareholders.

Transactions and balances with the above-mentioned related parties as at 31 December 2024 and 2023 are as follows:

	Luka Ploče Group		Luka Ploče d.d.	
	2024	2023	2024	2023
	(thousands of EUR)		(thousands of EUR)	
Receivables				
Port Authority	3	2	1	2
Companies under common control of shareholders	14,687	17,652	14,687	17,652
Associates	-	-	658	207
Total	**14,690**	**17,654**	**15,346**	**17,861**
Liabilities				
Port Authority	181	219	136	212
Companies under common control of shareholders	105	122	105	122
Associates	74	63	74	63
Subsidiaries	-	-	81	317
Total	**360**	**404**	**396**	**714**
Revenues				
Port Authority	655	17	6	15
Companies under common control of shareholders	90,116	57,650	90,116	57,650
Associates	3	5	3	5
Subsidiaries	-	-	141	188
Total	**90,774**	**57,672**	**90,266**	**57,858**
Expenses				
Port Authority	1,353	1,443	1,319	1,400
Companies under common control of shareholders	846	552	846	552
Associates	771	583	771	583
Subsidiaries	-	-	442	560
Total	**2,970**	**2,578**	**3,378**	**3,095**

Transactions with the Port Authority comprise utility expenditure. Transactions with associates comprise security of business premises. Transactions with Companies under common control of shareholders comprise insurance, electricity costs and transport costs. Expenses incurred to the Port Authority include variable concession fees amounting to 748 thousand euro (2023: 857 thousand euro). Lease liabilities related to the Port Authority as at 31 December 2024 amounted to 4,130 thousand euro (31 December 2023: 4,562 thousand euro).

NOTE 34 – RELATED PARTY TRANSACTIONS (continued)

Key management fee

Key management of the Company comprises 2 members of the Management Board (2023: 2) and 4 directors in the subsidiaries of the Group (2023: 3). Key management remuneration at a Group level amounted to 565 thousand euro (2023: 615 thousand euro), while for the Company it amounted to 422 thousand euro (2023: 437 thousand euro).

Key management pension contributions paid to mandatory pension funds for 2024 at a Group and Company level amounted to 83 thousand euro (2023: 88 thousand euro).

NOTE 35 – COMMITMENTS AND CONTINGENCIES

Legal disputes

The Group and the Company are the defendant and the plaintiff in several court proceedings arising from regular business operations. In the financial statements for the year ended 31 December 2024, litigation provisions were recognised amounting to 18 thousand euro.

Commitments

By signing concession agreements, the Company committed to invest in concession area and port handling equipment.

Scheduled investments in port handling equipment for the bulk cargo terminal was planned in two phases. Sub-phase A of the first phase was completed during 2019, while sub-phase B of the first phase in the amount of 13 million euro depends on the level of cargo throughput, i.e. when said reaches 3 million tons. The second phase of investment amounting to 7 million euro is planned when cargo throughput reaches eighty percent (80%) of the maximum annual capacity of 6.2 million metric tons. Financing for the first phase was sourced by means of a loan from HBOR and own funds.

Capital investments amounting to 8 million euro in the container terminal are planned once the Company reaches certain throughput-related conditions, i.e. when cargo throughput reaches at least 90 TEU.

Commitments under the concession agreement for the old port are as follows:

	Up to 1 year	1 to 2 years	2 to 5 years	Over 5 years	**Total**
Capital investments (old port)	406	1,714	2,738	3,036	**7,894**
	406	**1,714**	**2,738**	**3,036**	**7,894**

Capital investments in the old port exclude capital expenditure for infrastructure already recognised under IFRS 16. In accordance with the signed agreements, dynamic investment plans are re-evaluated every year and may change. Luka Ploče d.d. has a general obligation under the Concession Agreement which is subject to continuous negotiations with Port Authority in respect to type and final value of investments during the concession period.

Excluding capital expenditure obligations under the concession agreement, the Group and the Company have an obligation to pay the variable portion primarily dependent on the quantities of cargo handled. The fixed part of the concession fee, including fixed expenses related to infrastructure, is recognised in accordance with the requirements of IFRS 16.

NOTE 36 – EVENTS AFTER THE BALANCE SHEET DATE

Events after the balance sheet date that do not affect the financial statements of the Company and the Group as of or for the period ended 31 December 2024, but are significant for the Company and the Group and were recorded in the period after 31 December 2024, until the date of issuance of this report are summarized below:

- On 31 January 2025, the repairs of the damaged railway were completed, and rail traffic resumed after nearly four months of disruption. The restoration of the railway has met all conditions for the normal dispatch of goods to customers in Bosnia and Herzegovina and Serbia, as well as the delivery of goods to the port of Ploče.

- The war in Ukraine and the current global geopolitical situation have caused instability in the commodity trading segment, making it impossible to conduct this activity without significant risks. Consequently, due to changed market conditions, the Company has decided to cease commodity trading activities until further notice. Revenue from the sale of goods in 2024 amounted to EUR 66,304 thousand, while the cost of goods sold was EUR 64,403 thousand, generating a profit of EUR 1,901 thousand. The volume of goods sold was 321 thousand tons. The Company informed investors and the public about this decision at the end of the first quarter of 2025.

ISSUER'S GENERAL DATA

Reporting period:	**01.01.24**	to	**31.12.24**
Year:	**2024**		

Annual financial statements

Registration number (MB):	**03036138**	Issuer's home Member State code:	**HR**
Entity's registration number (MBS):	**090006523**		
Personal identification number (OIB):	**51228874907**	LEI:	**74780000P0WHNTXNI633**
Institution code:	**2574**		
Name of the issuer:	**Luka Ploče d.d.**		
Postcode and town:	**20340**		**Ploče**
Street and house number:	**Trg kralja Tomislava 21**		
E-mail address:	financije@luka-ploce.hr		
Web address:	www.luka-ploce.hr		
Number of employees (end of the reporting period):	**372**		
Consolidated report:	**KN**	(KN-not consolidated/KD-consolidated)	
Audited:	**RD**	(RN-not audited/RD-audited)	

Names of subsidiaries (according to IFRS)	Registered office:	MB:

Bookkeeping firm:	**No**	(Yes/No)	(name of the bookkeeping firm)
Contact person:	**DANIELA MARELIĆ** (only name and surname of the contact person)		
Telephone:	**020 603 223**		
E-mail address:	d.marelic@luka-ploce.hr		
Audit firm:	PricewaterhouseCoopers d.o.o. (name of the audit firm)		
Certified auditor:	Tanja Babac (name and surname)		

BALANCE SHEET
balance as at 31.12.2024.

in EUR

Submitter: Luka Ploče d.d.

Item	ADP code	Last day of the preceding business year	At the reporting date of the current period
1	2	3	4
A) RECEIVABLES FOR SUBSCRIBED CAPITAL UNPAID	001	0	0
B) FIXED ASSETS (ADP 003+010+020+031+036)	002	55.846.040	57.823.282
I INTANGIBLE ASSETS (ADP 004 to 009)	003	18.672	15.911
1 Research and development	004	0	0
2 Concessions, patents, licences, trademarks, software and other rights	005	0	0
3 Goodwill	006	0	0
4 Advance payments for purchase of intangible assets	007	0	0
5 Intangible assets in preparation	008	0	0
6 Other intangible assets	009	18.672	15.911
II TANGIBLE ASSETS (ADP 011 to 019)	010	54.543.750	53.884.577
1 Land	011	4.827.103	4.650.527
2 Buildings	012	1.016.359	992.163
3 Plant and equipment	013	44.864.956	45.080.056
4 Tools, working inventory and transportation assets	014	2.561.454	2.282.755
5 Biological assets	015	0	0
6 Advance payments for purchase of tangible assets	016	488.268	0
7 Tangible assets in preparation	017	575.723	713.231
8 Other tangible assets	018	0	0
9 Investment property	019	209.887	165.845
III FIXED FINANCIAL ASSETS (ADP 021 to 030)	020	1.006.230	3.671.723
1 Investments in holdings (shares) of undertakings within the group	021	995.679	3.661.172
2 Investments in other securities of undertakings within the group	022	0	0
3 Loans, deposits, etc. to undertakings within the group	023	0	0
4 Investments in holdings (shares) of companies linked by virtue of participating interest	024	10.551	10.551
5 Investment in other securities of companies linked by virtue of participating interest	025	0	0
6 Loans, deposits etc. given to companies linked by virtue of participating interest	026	0	0
7 Investments in securities	027	0	0
8 Loans, deposits, etc. given	028	0	0
9 Other investments accounted for using the equity method	029	0	0
10 Other fixed financial assets	030	0	0
IV RECEIVABLES (ADP 032 to 035)	031	91.715	78.415
1 Receivables from undertakings within the group	032	0	0
2 Receivables from companies linked by virtue of participating interests	033	0	0
3 Customer receivables	034	0	0
4 Other receivables	035	91.715	78.415
V. Deferred tax assets	036	185.673	172.656
C) CURRENT ASSETS (ADP 038+046+053+063)	037	41.896.402	42.336.754
I INVENTORIES (ADP 039 to 045)	038	936.803	1.005.422
1 Raw materials	039	935.938	1.005.422
2 Work in progress	040	0	0
3 Finished goods	041	0	0
4 Merchandise	042	0	0
5 Advance payments for inventories	043	865	0
6 Fixed assets held for sale	044	0	0
7 Biological assets	045	0	0
II RECEIVABLES (ADP 047 to 052)	046	23.068.645	19.558.150
1 Receivables from undertakings within the group	047	0	100.758
2 Receivables from companies linked by virtue of participating interest	048	0	0
3 Customer receivables	049	22.169.128	17.959.389
4 Receivables from employees and members of the undertaking	050	749	1.614
5 Receivables from government and other institutions	051	303.113	716.641
6 Other receivables	052	595.655	779.748
III SHORT-TERM FINANCIAL ASSETS (ADP 054 to 062)	053	777.008	894.034
1 Investments in holdings (shares) of undertakings within the group	054	0	0
2 Investments in other securities of undertakings within the group	055	0	0
3 Loans, deposits, etc. to undertakings within the group	056	206.594	351.042
4 Investments in holdings (shares) of companies linked by virtue of participating interest	057	0	0
5 Investment in other securities of companies linked by virtue of participating interest	058	0	0
6 Loans, deposits etc. given to companies linked by virtue of participating interest	059	0	0
7 Investments in securities	060	37.854	42.025
8 Loans, deposits, etc. given	061	483.380	500.967
9 Other financial assets	062	49.180	0
IV CASH AT BANK AND IN HAND	063	17.113.946	20.879.148
D) PREPAID EXPENSES AND ACCRUED INCOME	064	129.583	165.811
E) TOTAL ASSETS (ADP 001+002+037+064)	065	97.872.025	100.325.847
OFF-BALANCE SHEET ITEMS	066		

LIABILITIES			
A) CAPITAL AND RESERVES (ADP 068 to 070+076+077+083+086+089)	067	73.687.130	79.515.476
I. INITIAL (SUBSCRIBED) CAPITAL	068	22.417.251	22.417.251
II CAPITAL RESERVES	069	11.731.516	11.731.516
III RESERVES FROM PROFIT (ADP 071+072-073+074+075)	070	5.201.058	5.201.058
1 Legal reserves	071	1.122.747	1.122.747
2 Reserves for treasury shares	072	1.181.838	1.181.838
3 Treasury shares and holdings (deductible item)	073	-141.524	-141.524
4 Statutory reserves	074	0	0
5 Other reserves	075	3.037.997	3.037.997
IV REVALUATION RESERVES	076	0	0
V FAIR VALUE RESERVES AND OTHER (ADP 078 to 082)	077	0	0
1 Financial assets at fair value through other comprehensive income (i.e. available for sale)	078	0	0
2 Cash flow hedge - effective portion	079	0	0
3 Hedge of a net investment in a foreign operation - effective portion	080	0	0
4 Other fair value reserves	081	0	0
5 Exchange differences arising from the translation of foreign operations (consolidation)	082	0	0
VI RETAINED PROFIT OR LOSS BROUGHT FORWARD (ADP 084-085)	083	24.050.376	34.337.305
1 Retained profit	084	24.050.376	34.337.305
2 Loss brought forward	085	0	0
VII PROFIT OR LOSS FOR THE BUSINESS YEAR (ADP 087-088)	086	10.286.929	5.828.346
1 Profit for the business year	087	10.286.929	5.828.346
2 Loss for the business year	088	0	0
VIII MINORITY (NON-CONTROLLING) INTEREST	089	0	0
B) PROVISIONS (ADP 091 to 096)	090	949.007	902.506
1 Provisions for pensions, termination benefits and similar obligations	091	745.092	884.517
2 Provisions for tax liabilities	092	203.915	0
3 Provisions for ongoing legal cases	093	0	17.989
4 Provisions for renewal of natural resources	094	0	0
5 Provisions for warranty obligations	095	0	0
6 Other provisions	096	0	0
C) LONG-TERM LIABILITIES (ADP 098 to 108)	097	17.888.446	15.438.722
1 Liabilities towards undertakings within the group	098	0	0
2 Liabilities for loans, deposits, etc. to companies within the group	099	0	0
3 Liabilities towards companies linked by virtue of participating interest	100	0	0
4 Liabilities for loans, deposits etc. of companies linked by virtue of participating interest	101	0	0
5 Liabilities for loans, deposits etc.	102	0	0
6 Liabilities towards banks and other financial institutions	103	13.365.366	11.370.628
7 Liabilities for advance payments	104	47.500	47.500
8 Liabilities towards suppliers	105	0	0
9 Liabilities for securities	106	0	0
10 Other long-term liabilities	107	4.475.580	4.020.594
11 Deferred tax liability	108	0	0
D) SHORT-TERM LIABILITIES (ADP 110 to 123)	109	5.257.999	4.359.274
1 Liabilities towards undertakings within the group	110	316.620	81.958
2 Liabilities for loans, deposits, etc. to companies within the group	111	0	0
3 Liabilities towards companies linked by virtue of participating interest	112	62.611	73.710
4 Liabilities for loans, deposits etc. of companies linked by virtue of participating interest	113	0	0
5 Liabilities for loans, deposits etc.	114	0	0
6 Liabilities towards banks and other financial institutions	115	1.994.738	1.994.738
7 Liabilities for advance payments	116	0	0
8 Liabilities towards suppliers	117	793.023	836.655
9 Liabilities for securities	118	0	0
10 Liabilities towards employees	119	524.549	531.730
11 Taxes, contributions and similar liabilities	120	903.350	302.172
12 Liabilities arising from the share in the result	121	0	0
13 Liabilities arising from fixed assets held for sale	122	0	0
14 Other short-term liabilities	123	663.108	538.311
E) ACCRUALS AND DEFERRED INCOME	124	89.443	109.869
F) TOTAL – LIABILITIES (ADP 067+090+097+109+124)	125	97.872.025	100.325.847
G) OFF-BALANCE SHEET ITEMS	126	0	0

STATEMENT OF PROFIT OR LOSS
for the period 01.01.2024 to 31.12.2024

in EUR

Submitter: Luka Ploče d.d.

Item	ADP code	Same period of the previous year	Current period
1	2	3	4
I OPERATING INCOME (AOP 002 do 006)	001	75.234.031	97.347.564
1 Income from sales with undertakings within the group	002	173.586	128.904
2 Income from sales (outside group)	003	74.268.596	96.873.334
3 Income from the use of own products, goods and services	004	159.232	107.771
4 Other operating income with undertakings within the group	005	0	0
5 Other operating income (outside the group)	006	632.617	237.555
II OPERATING EXPENSES (AOP 08+009+013+017+018+019+022+029)	007	61.310.736	89.516.469
1 Changes in inventories of work in progress and finished goods	008	0	0
2 Material costs (AOP 010 do 011)	009	47.878.953	74.295.186
a) Costs of raw material	010	4.444.505	3.134.390
b) Costs of goods sold	011	37.255.270	64.402.324
c) Other external costs	012	6.179.178	6.758.472
3 Staff costs (AOP 014 do 016)	013	8.503.954	8.948.234
a) Net salaries and wages	014	5.352.144	5.623.190
b) Tax and contributions from salaries expenses	015	2.063.566	2.146.032
c) Contributions on salaries	016	1.088.244	1.179.012
4 Depreciation	017	2.692.196	3.110.063
5 Other expenses	018	1.635.607	2.005.230
6 Value adjustments (AOP 020+021)	019	53.513	626.116
a) fixed assets other than financial assets	020	10.633	344.264
b) current assets other than financial assets	021	42.880	281.852
7 Provisions (AOP 023 do 028)	022	546.513	531.640
a) Provisions for pensions, termination benefits and similar obligations	023	527.747	531.640
b) Provisions for tax liabilities	024	0	0
c) Provisions for ongoing legal cases	025	18.766	0
d) Provisions for renewal of natural resources	026	0	0
e) Provisions for warranty obligations	027	0	0
f) Other provisions	028	0	0
8 Other operating expenses	029	0	0
III FINANCIAL INCOME (AOP 031 do 040)	030	140.527	1.317.255
1 Income from investments in holdings (shares) of undertakings within the group	031	0	0
2 Income from investments in holdings (shares) of companies linked by virtue of participating interest	032	0	0
3 Income from other long-term financial investment and loans granted to undertakings within the group	033	0	0
4 Other interest income from operations with undertakings within the group	034	6.951	11.863
5 Exchange rate differences and other financial income from operations with undertakings within the group	035	0	0
6 Income from other long-term financial investments and loans	036	0	0
7 Other interest income	037	28.177	119.486
8 Exchange rate differences and other financial income	038	98.406	1.032.011
9 Unrealised gains (income) from financial assets	039	5.389	4.170
10 Other financial income	040	1.604	149.725
IV FINANCIAL EXPENDITURE (AOP 042 do 048)	041	1.488.024	1.839.398
1 Interest expenses and similar expenses with undertakings within the group	042	0	0
2 Exchange rate differences and other expenses from operations with undertakings within the group	043	0	0
3 Interest expenses and similar expenses	044	711.255	739.746
4 Exchange rate differences and other expenses	045	776.769	1.099.652
5 Unrealised losses (expenses) from financial assets	046	0	0
6 Value adjustments of financial assets (net)	047	0	0
7 Other financial expenses	048	0	0
V SHARE IN PROFIT FROM COMPANIES LINKED BY VIRTUE OF PARTICIPATING INTEREST	049	0	0
VI SHARE IN PROFIT FROM JOINT VENTURES	050	0	0
VII SHARE IN LOSS OF COMPANIES LINKED BY VIRTUE OF PARTICIPATING INTEREST	051	0	0
VIII SHARE IN LOSS OF JOINT VENTURES	052	0	0
IX TOTAL INCOME (AOP 001+030+049 +050)	053	75.374.558	98.664.819
X TOTAL EXPENDITURE (AOP 007+041+051 + 052)	054	62.798.760	91.355.867
XI PRE-TAX PROFIT OR LOSS (AOP 053-054)	055	12.575.798	7.308.952
1 Pre-tax profit (AOP 053-054)	056	12.575.798	7.308.952
2 Pre-tax loss (AOP 054-053)	057	0	0
XII INCOME TAX	058	2.288.869	1.480.606
XIII PROFIT OR LOSS FOR THE PERIOD (AOP 055-059)	059	10.286.929	5.828.346
1 Profit for the period (AOP 055-059)	060	10.286.929	5.828.346
2 Loss for the period (AOP 059-055)	061	0	0

DISCONTINUED OPERATIONS (to be filled in by undertakings subject to IFRS only with discontinued operations)			
XIV PRE-TAX PROFIT OR LOSS OF DISCONTINUED OPERATIONS (AOP 063-064)	**062**	0	0
1 Pre-tax profit from discontinued operations	**063**	0	0
2 Pre-tax loss on discontinued operations	**064**	0	0
XV INCOME TAX OF DISCONTINUED OPERATIONS	**065**	0	0
1 Discontinued operations profit for the period (AOP 062-065)	**066**	0	0
2 Discontinued operations loss for the period (AOP 065-062)	**067**	0	0
TOTAL OPERATIONS (to be filled in only by undertakings subject to IFRS with discontinued operations)			
XVI PRE-TAX PROFIT OR LOSS (AOP 055+062)	**068**	0	0
1 Pre-tax profit (AOP 068)	**069**	0	0
2 Pre-tax loss (AOP 068)	**070**	0	0
XVII INCOME TAX (AOP 058+065)	**071**	0	0
XVIII PROFIT OR LOSS FOR THE PERIOD (AOP 068-071)	**072**	0	0
1 Profit for the period (AOP 068-071)	**073**	0	0
2 Loss for the period (AOP 071-068)	**074**	0	0
APPENDIX to the P&L (to be filled in by undertakings that draw up consolidated annual financial statements)			
XIX PROFIT OR LOSS FOR THE PERIOD (AOP 076+077)	**075**	0	0
1 Attributable to owners of the parent	**076**	0	0
2 Attributable to minority (non-controlling) interest	**077**	0	0
STATEMENT OF OTHER COMPRHENSIVE INCOME (to be filled in by undertakings subject to IFRS)			
I PROFIT OR LOSS FOR THE PERIOD	**078**	10.286.929	5.828.346
II OTHER COMPREHENSIVE INCOME/LOSS BEFORE TAX (AOP 80 + 87)	**079**	0	0
III Items that will not be reclassified to profit or loss (AOP 081 do 085)	**080**	0	0
1 Changes in revaluation reserves of fixed tangible and intangible assets	**081**	0	0
2 Gains or losses from subsequent measurement of equity instruments at fair value through other comprehensive income	**082**	0	0
3 Fair value changes of financial liabilities at fair value through statement of profit or loss, attributable to changes in their credit risk	**083**	0	0
4 Actuarial gains/losses on the defined benefit obligation	**084**	0	0
5 Other items that will not be reclassified	**085**	0	0
6 Income tax relating to items that will not be reclassified	**086**	0	0
IV Items that may be reclassified to profit or loss (AOP 088 do 095)	**087**	0	0
1 Exchange rate differences from translation of foreign operations	**088**	0	0
2 Gains or losses from subsequent measurement of debt securities at fair value through other comprehensive income	**089**	0	0
3 Profit or loss arising from effective cash flow hedging	**090**	0	0
4 Profit or loss arising from effective hedge of a net investment in a foreign operation	**091**	0	0
5 Share in other comprehensive income/loss of companies linked by virtue of participating interests	**092**	0	0
6 Changes in fair value of the time value of option	**093**	0	0
7 Changes in fair value of forward elements of forward contracts	**094**	0	0
8 Other items that may be reclassified to profit or loss	**095**	0	0
9 Income tax relating to items that may be reclassified to profit or loss	**096**	0	0
V NET OTHER COMPREHENSIVE INCOME OR LOSS (AOP 080+087 - 086 - 096)	**097**	0	0
VI COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD (AOP 078+097)	**098**	10.286.929	5.828.346
APPENDIX to the Statement on comprehensive income (to be filled in by entrepreneurs who draw up consolidated statements)			
VI COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD (AOP 100+101)	**099**	0	0
1 Attributable to owners of the parent	**100**	0	0
2 Attributable to minority (non-controlling) interest	**101**	0	0

STATEMENT OF CASH FLOWS - indirect method
for the period 01.01.2024 . to 31.12.2024.

in EUR

Submitter: Luka Ploče d.d.

Item	ADP code	Same period of the previous year	Current period
1	2	3	4
Cash flow from operating activities			
1 Pre-tax profit	001	12.575.798	7.308.952
2 Adjustments (ADP 003 to 010):	002	3.475.831	4.798.343
a) Depreciation	003	2.692.196	3.110.063
b) Gains and losses from sale and value adjustment of fixed tangible and intangible assets	004	-18.002	0
c) Gains and losses from sale and unrealised gains and losses and value adjustment of financial assets	005	37.491	330.034
d) Interest and dividend income	006	-35.128	277.682
e) Interest expenses	007	711.255	-133.114
f) Provisions	008	102.995	739.746
g) Exchange rate differences (unrealised)	009	-14.976	139.426
h) Other adjustments for non-cash transactions and unrealised gains and losses	010	0	334.506
I Cash flow increase or decrease before changes in the working capital (ADP 001+002)	011	16.051.629	12.107.295
3 Changes in the working capital (ADP 013 to 016)	012	15.720.128	3.449.571
a) Increase or decrease in short-term liabilities	013	13.743.682	-172.749
b) Increase or decrease in short-term receivables	014	1.821.826	4.108.982
c) Increase or decrease in inventories	015	-25.833	-68.618
d) Other increase or decrease in the working capital	016	180.453	-418.044
II Cash from operations (ADP 011+012)	017	31.771.757	15.556.866
4 Interest paid	018	-711.255	-739.746
5 Income tax paid	019	-7.065.083	-2.737.686
A) NET CASH FLOW FROM OPERATING ACTIVITIES (ADP 017 to 019)	020	23.995.419	12.079.434
Cash flow from investment activities			
1 Cash receipts from sales of fixed tangible and intangible assets	021	85.375	332.463
2 Cash receipts from sales of financial instruments	022	0	0
3 Interest received	023	35.128	131.349
4 Dividends received	024	1.604	1.764
5 Cash receipts from repayment of loans and deposits	025	0	0
6 Other cash receipts from investment activities	026	0	0
III Total cash receipts from investment activities (ADP 021 to 026)	027	122.107	465.576
1 Cash payments for the purchase of fixed tangible and intangible assets	028	-4.446.791	-3.050.957
2 Cash payments for the acquisition of financial instruments	029	0	0
3 Cash payments for loans and deposits for the period	030	-100.000	-351.042
4 Acquisition of a subsidiary, net of cash acquired	031	0	-3.000.000
5 Other cash payments from investment activities	032	0	0
IV Total cash payments from investment activities (ADP 028 to 032)	033	-4.546.791	-6.401.999
B) NET CASH FLOW FROM INVESTMENT ACTIVITIES (ADP 027 +033)	034	-4.424.684	-5.936.423
Cash flow from financing activities			
1 Cash receipts from the increase of initial (subscribed) capital	035	0	0
2 Cash receipts from the issue of equity financial instruments and debt financial instruments	036	0	0
3 Cash receipts from credit principals, loans and other borrowings	037	15.000.000	5.000.000
4 Other cash receipts from financing activities	038	0	0
V Total cash receipts from financing activities (ADP 035 to 038)	039	15.000.000	5.000.000
1 Cash payments for the repayment of credit principals, loans and other borrowings and debt financial instruments	040	-21.528.072	-6.994.738
2 Dividends paid	041	0	0
3 Cash payments for finance lease	042	0	0
4 Cash payments for the redemption of treasury shares and decrease of initial (subscribed) capital	043	0	0
5 Other cash payments from financing activities	044	-419.191	-383.071
VI Total cash payments from financing activities (ADP 040 to 044)	045	-21.947.263	-7.377.809
C) NET CASH FLOW FROM FINANCING ACTIVITIES (ADP 039 +045)	046	-6.947.263	-2.377.809
1 Unrealised exchange rate differences in cash and cash equivalents	047	0	0
D) NET INCREASE OR DECREASE OF CASH FLOWS (ADP 020+034+046+047)	048	12.623.472	3.765.202
E) CASH AND CASH EQUIVALENTS AT THE BEGINNING OF PERIOD	049	4.490.474	17.113.946
F) CASH AND CASH EQUIVALENTS AT THE END OF PERIOD(ADP 048+049)	050	17.113.946	20.879.148

STATEMENT OF CHANGES IN EQUITY

for the period from 01.01.24 to 31.12.24

in EUR

Item	ADP code	Attributable to owners of the parent																Minority (non-controlling) interest	Total capital and reserves
		Initial (subscribed) capital	Capital reserves	Legal reserves	Reserves for treasury shares	Treasury shares and holdings (deductible item)	Statutory reserves	Other reserves	Revaluation reserves	Fair value of financial assets through other comprehensive income (available for sale)	Cash flow hedge - effective portion	Hedge of a net investment in a foreign operation - effective portion	Other fair value reserves	Exchange rate differences from translation of foreign operations	Retained profit / loss brought forward	Profit/loss for the business year	Total attributable to owners of the parent		
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18 (3 do 6 - 7 + 8 do 17)	19	20 (18+19)
Previous period																			
1 Balance on the first day of the previous business year	**01**	22.454.947	11.693.820	1.122.747	1.181.838	141.524	0	3.037.997	0	0	0	0	0	0	17.440.426	6.609.950	63.400.201	0	63.400.201
2 Changes in accounting policies	**02**	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3 Correction of errors	**03**	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
4 Balance on the first day of the previous business year (restated) (ADP 01 to 03)	**04**	22.454.947	11.693.820	1.122.747	1.181.838	141.524	0	3.037.997	0	0	0	0	0	0	17.440.426	6.609.950	63.400.201	0	63.400.201
5 Profit/loss of the period	**05**	0	0	0	0	0	0	0	0	0	0	0			0	10.286.929	10.286.929	0	10.286.929
6 Exchange rate differences from translation of foreign operations	**06**	0	0	0	0	0	0	0	0	0	0	0			0	0	0	0	0
7 Changes in revaluation reserves of fixed tangible and intangible assets	**07**	0	0	0	0	0	0	0	0	0	0	0			0	0	0	0	0
8 Gains or losses from subsequent measurement of financial assets at fair value through other comprehensive income (available for sale)	**08**	0	0	0	0	0	0	0	0	0	0	0			0	0	0	0	0
9 Gains or losses on efficient cash flow hedging	**09**	0	0	0	0	0	0	0	0	0	0	0			0	0	0	0	0
10 Gains or losses arising from effective hedge of a net investment in a foreign operation	**10**	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
11 Share in other comprehensive income/loss of companies linked by virtue of participating interest	**11**	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
12 Actuarial gains/losses on defined benefit plans	**12**	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
13 Other changes in equity unrelated to owners	**13**	-37.696	37.696	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
14 Tax on transactions recognised directly in equity	**14**	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
15 Increase/decrease in initial (subscribed) capital (other than from reinvesting profit and other than arising from the pre-bankruptcy settlement procedure)	**15**	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
16 Decrease in initial (subscribed) capital arising from the pre-bankruptcy settlement procedure	**16**	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
17 Decrease in initial (subscribed) capital arising from the reinvestment of profit	**17**	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
18 Redemption of treasury shares/holdings	**18**	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
19 Payments from members/shareholders	**19**	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
20 Payment of share in profit/dividend	**20**	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
21 Other distributions and payments to members/shareholders	**21**	0	0	0	0	0	0	0	0	0	0	0	0	0	6.609.950	-6.609.950	0	0	0
22 Transfer to reserves according to the annual schedule	**22**	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
23 Increase in reserves arising from the pre-bankruptcy settlement procedure	**23**	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
24 Balance on the last day of the previous business year reporting period (ADP 04 to 23)	**24**	22.417.251	11.731.516	1.122.747	1.181.838	141.524	0	3.037.997	0	0	0	0	0	0	24.050.376	10.286.929	73.687.130	0	73.687.130
APPENDIX TO THE STATEMENT OF CHANGES IN EQUITY (to be filled in by undertakings that draw up financial statements in accordance with the IFRS)																			
I OTHER COMPREHENSIVE INCOME OF THE PREVIOUS PERIOD, NET OF TAX (ADP 06 to 14)	**25**	-37.696	37.696	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
II COMPREHENSIVE INCOME OR LOSS FOR THE PREVIOUS PERIOD (ADP 05+25)	**26**	-37.696	37.696	0	0	0	0	0	0	0	0	0	0	0	0	10.286.929	10.286.929	0	10.286.929
III TRANSACTIONS WITH OWNERS IN THE PREVIOUS PERIOD RECOGNISED DIRECTLY IN EQUITY (ADP 15 to 23)	**27**	0	0	0	0	0	0	0	0	0	0	0	0	0	6.609.950	-6.609.950	0	0	0
Current period																			
1 Balance on the first day of the current business year	**28**	22.417.251	11.731.516	1.122.747	1.181.838	141.524	0	3.037.997	0	0	0	0	0	0	24.050.376	10.286.929	73.687.130	0	73.687.130
2 Changes in accounting policies	**29**	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3 Correction of errors	**30**	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
4 Balance on the first day of the current business year (restated) (AOP 28 to 30)	**31**	22.417.251	11.731.516	1.122.747	1.181.838	141.524	0	3.037.997	0	0	0	0	0	0	24.050.376	10.286.929	73.687.130	0	73.687.130
5 Profit/loss of the period	**32**	0	0	0	0	0	0	0	0	0	0	0			0	5.828.346	5.828.346	0	5.828.346
6 Exchange rate differences from translation of foreign operations	**33**	0	0	0	0	0	0	0	0	0	0	0			0	0	0	0	0
7 Changes in revaluation reserves of fixed tangible and intangible assets	**34**	0	0	0	0	0	0	0	0	0	0	0			0	0	0	0	0
8 Gains or losses from subsequent measurement of financial assets at fair value through other comprehensive income (available for sale)	**35**	0	0	0	0	0	0	0	0	0	0	0			0	0	0	0	0
9 Gains or losses on efficient cash flow hedging	**36**	0	0	0	0	0	0	0	0	0	0	0			0	0	0	0	0
10 Gains or losses arising from effective hedge of a net investment in a foreign operation	**37**	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
11 Share in other comprehensive income/loss of companies linked by virtue of participating interest	**38**	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
12 Actuarial gains/losses on defined remuneration plans	**39**	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
13 Other changes in equity unrelated to owners	**40**	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
14 Tax on transactions recognised directly in equity	**41**	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
15 Decrease in initial (subscribed) capital (other than arising from the pre-bankruptcy settlement procedure or from the reinvestment of profit)	**42**	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
16 Decrease in initial (subscribed) capital arising from the pre-bankruptcy settlement procedure	**43**	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
17 Increase of initial (subscribed) capital arising from the pre-bankruptcy settlement procedure	**44**	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
18 Redemption of treasury shares/holdings	**45**	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
19 Payments from members/shareholders	**46**	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
20 Payment of share in profit/dividend	**47**	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
21 Other distributions and payments to members/shareholders	**48**	0	0	0	0	0	0	0	0	0	0	0	0	0	10.286.929	-10.286.929	0	0	0
22 Carryforward per annual plan	**49**	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
23 Increase in reserves arising from the pre-bankruptcy settlement procedure	**50**	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
24 Balance on the last day of the current business year reporting period (ADP 31 to 50)	**51**	22.417.251	11.731.516	1.122.747	1.181.838	141.524	0	3.037.997	0	0	0	0	0	0	34.337.305	5.828.346	79.515.476	0	79.515.476
APPENDIX TO THE STATEMENT OF CHANGES IN EQUITY (to be filled in by undertakings that draw up financial statements in accordance with the IFRS)																			
I OTHER COMPREHENSIVE INCOME FOR THE CURRENT PERIOD, NET OF TAX (ADP 33 to 41)	**52**	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
II COMPREHENSIVE INCOME OR LOSS FOR THE CURRENT PERIOD (ADP 32 do 52)	**53**	0	0	0	0	0	0	0	0	0	0	0	0	0	0	5.828.346	5.828.346	0	5.828.346
III TRANSACTIONS WITH OWNERS IN THE CURRENT PERIOD RECOGNISED DIRECTLY IN EQUITY (ADP 42 to 50)	**54**	0	0	0	0	0	0	0	0	0	0	0	0	0	10.286.929	-10.286.929	0	0	0

NOTES TO THE ANNUAL FINANCIAL STATEMENTS - GFI

Name of issuer: Luka Ploče d.d.

Personal identification number (OIB): 51228874907

Reporting period: 01.01.2024.-31.12.2024.

Notes to the financial statements are to be drawn up in accordance with the International Financial Reporting Standards (hereinafter: IFRS) in such a way that they:

a) present information about the basis for the preparation of the financial statements and the specific accounting policies used in accordance with the International Accounting Standard 1 (IAS 1),

b) disclose any information required by IFRSs that is not presented elsewhere in the statement of financial position, statement of comprehensive income, statement of cash flows and statement of changes in equity,

c) provide additional information that is not presented elsewhere in the statement of financial position, statement of comprehensive income, statement of cash flows and statement of changes in equity, but is relevant for understanding any of them.

(d) in the notes to the financial statements, in addition to the information stated above, information in respect of the following matters shall be disclosed:

1. issuer's name, registered office (address), legal form, country of establishment, entity's registration number and, if applicable, the indication whether the issuer is undergoing liquidation, bankruptcy proceedings, shortened termination proceedings or extraordinary administration

2. adopted accounting policies

3. the total amount of any financial commitments, guarantees or contingencies that are not included in the balance sheet, and an indication of the nature and form of any valuable security which has been provided; any commitments concerning pensions of the issuer within the group or company linked by virtue of participating interest shall be disclosed separately

4. the amount of advances and credits granted to the members of the administrative, managerial and supervisory bodies, with indications of the interest rates, main conditions and any amounts repaid, written-off or revoked, as well as commitments entered into on their behalf by way of guarantees of any kind, with an indication of the total for each category

5. the amount and nature of individual items of income or expenditure which are of exceptional size or incidence

6. amounts owed by the issuer and falling due after more than five years, as well as the total debts of the issuer covered by valuable security furnished by the issuer, specifying the type and form of security

7. average number of employees during the financial year

8. where, in accordance with the regulations, the issuer capitalised on the cost of salaries in part or in full, information on the amount of the total cost of employees during the year broken down into the amount directly debiting the costs of the period and the amount capitalised on the value of the assets during the period, showing separately the total amount of net salaries and the amount of taxes, contributions from salaries and contributions on salaries

9. the amount of the emoluments granted in respect of the financial year to the members of the administrative, managerial and supervisory bodies by reason of their responsibilities, and any commitments arising or entered into in respect of retirement pensions for former members of those bodies, with an indication of the total for each category

10. the average number of persons employed during the financial year, broken down by categories and, if they are not disclosed separately in the profit and loss account, the staff costs relating to the financial year, broken down between net salaries and wages, tax costs and contributions from salaries, contributions on salaries and other salary costs, excluding cost allowances

11. where a provision for deferred tax is recognised in the balance sheet, the deferred tax balances at the end of the financial year, and the movement in those balances during the financial year

12. the name and registered office of each of the companies in which the issuer, either itself or through a person acting in their own name but on the issuer's behalf, holds a participating interest, showing the proportion of the capital held, the amount of capital and reserves, and the profit or loss for the latest financial year of the company concerned for which financial statements have been adopted; the information concerning capital and reserves and the profit or loss may be omitted where the company concerned does not publish its balance sheet and is not controlled by another company

13. the number and the nominal value or, in the absence of a nominal value, the accounting par value of the shares subscribed during the financial year within the limits of the authorised capital

14. where there is more than one class of shares, the number and the nominal value or, in the absence of a nominal value, the accounting value for each class

15. the existence of any participation certificates, convertible debentures, warrants, options or similar securities or rights, with an indication of their number and the rights they confer

16. the name, registered office and legal form of each of the companies of which the issuer is a member having unlimited liability

17. the name and registered office of the company which draws up the consolidated financial statements of the largest group of companies of which the issuer forms part as a controlled group member

18. the name and registered office of the company which draws up the consolidated financial statements of the smallest group of companies of which the issuer forms part as a controlled group member and which is also included in the group of companies referred to in point 17.

19. the place where copies of the consolidated financial statements referred to in points 17 and 18 may be obtained, provided that they are available

20. the proposed appropriation of profit or treatment of loss, or where applicable, the appropriation of the profit or treatment of the loss

21. the nature and business purpose of the company's arrangements that are not included in the balance sheet and the financial impact on the company of those arrangements, provided that the risks or benefits arising from such arrangements are material and in so far as the disclosure of such risks or benefits is necessary for the purposes of assessing the financial position of the company

22. the nature and the financial effect of material events arising after the balance sheet date which are not reflected in the profit and loss account or balance sheet

23. the net income broken down by categories of activity and into geographical markets, in so far as those categories and markets differ substantially from one another, taking account of the manner in which the sale of products and the provision of services are organised.

24 the total fees for the financial year charged by each statutory auditor or audit firm for the statutory audit of the annual financial statements, i.e. annual consolidated financial statements, the total fees charged for other assurance services, the total fees charged for tax advisory services and the total fees charged for other non-audit services, total research and development expenditure as the basis for granting state aid.

Company Luka Ploče d.d.
The Company's financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as approved by the European Union (EU).
A summary of significant accounting policies is presented in Note 3 to the audited financial statements.
The Company also prepared consolidated financial statements as at 31 December 2024 and for the year then ended, in accordance with IFRS as approved by the EU for the Company and its subsidiaries (Group) which are approved by the Management Board.
The stand alone and consolidated financial statements including the detailed notes to the financial statements are published on the Company's website, on the Zagreb Stock Exchange website and in the Official Register of Prescribed Information (HANFA). Information that is required to be presented in accordance with IFRS and which is not presented in the financial position statement, statement of comprehensive income, statement of cash flows and statement of changes in equity, is disclosed in Notes 4 to 36 to the audited financial statements.
The name, registered office (address) of the issuer, legal form of the issuer, country of establishment, identification number of the entity and personal identification number are published on the''General Data'' tab within this document and in Note 1 to the audited financial statements.
The adopted accounting policies are explained in Note 3 to the audited financial statements.
The Company does not have financial liabilities relating to issued guarantees or contingencies that are not included in the balance sheet. The Company has no pension liabilities.
The Company has no advance payments or loans issued to members of the administrative, management and supervisory bodies nor obligations agreed in their favour through any guarantees.
Liabilities maturing after more than five years are explained in Note 30 to the audited financial statements.
Lease liabilities arising from the application of IFRS 16 are disclosed in AOP 107 and AOP 123 and are explained in Note 30 and Note 35 to the audited financial statements.
In 2024, the Company employed an average of 382 employees. The Company monitors employees by category.
There was no salaries capitalization in 2024.
In 2024, members of the Management Board received a gross amount of 422 thousand euro on the basis of salary and annual bonus.
Members of the Supervisory Board are entitled to remuneration and during 2024 a total gross amount of 47 thousand euro was incurred.
Provisions for deferred tax, deferred tax balances at the end of the financial year and movements in these balances during the financial year are presented in Note 14 to the financial statements.
The Company has business relations with associates: Lučka sigurnost d.o.o. Trg kralja Tomislava 21, 20340 Ploče and Vizir d.o.o. Trg kralja Tomislava 21, 20340 Ploče. The Company has an ownership interest of 49% in each respectively.
Investments in subsidiaries and Investments in associates which are accounted for using the equity method, are explained in Note 19 and Note 20 to the audited financial statements, respectively.
There were no share subscriptions or equities transacted during the year relating to authorized capital. There are no multiple categories of shares. The Company has no certificates of participation, convertible debentures, guarantees, options or similar securities or rights.
The Company has no ownership stake in any companies with unlimited liability.
The consolidated financial statements of the Company (the Issuer) represent the largest group of companies. The Issuer is not a controlled member of any other group of companies.
The audited separate and consolidated financial statements for 2024 have been approved by the Supervisory Board. The proposal for distribution of profits has also been shared with the Supervisory Board.
Transactions with related parties are disclosed in Note 34 to the audited financial statements.
Post balance sheet events have been disclosed in Note 36 to the financial statements.
The Company's revenue is disclosed in Notes 7 and 8 to the audited financial statements.
Audit fees for the Company amounted to 33 thousand euro (refer to Note 9 to the audited financial statements).
Lease liabilities arising from the application of IFRS 16 are disclosed in AOP 107 and AOP 123 and are explained in Note 30 and Note 35 to the audited financial statements. The right-of-use assets are disclosed in AOP 011 and explained in Note 16 - PROPERTY, PLANT AND EQUIPMENT to the audited financial statements.
In order to reconcile the amounts presented in the standard form GFI-POD and the audited financial statements of the Company, the following should be taken into account:
Balance Sheet positions:
1. AOP 004-009; 011-018; 019 reconciles to the audited financial statements Note 15 - INTANGIBLE ASSETS, Note 16 - PROPERTY, PLANT AND EQUIPMENT, Note 17 - ADVANCES FOR TANGIBLE ASSETS and Note 18 - INVESTMENT PROPERTY.
2. AOP 021; 024 reconciles to the audited financial statements Note 19- INVESTMENTS IN SUBSIDIARIES and Note 20 - INVESTMENTS IN ASSOCIATES.
3. AOP 032-035 reconciles to the audited financial statements Note 21 - LONG-TERM LOANS GIVEN.
4. AOP 036 reconciles to the audited financial statements Note 14 - INCOME TAX.
5. AOP 039-045 reconciles to the audited financial statements Note 22 – INVENTORIES.
6. AOP 047-052 reconciles to the audited financial statements Note 23 - TRADE AND OTHER RECEIVABLES.
7. AOP 056 ; 060; 061; 062; 063 reconciles to the audited financial statements Note 21 - LONG-TERM LOANS GIVEN, Note 25 - FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS, Note 24 – DEPOSITS, Note 26 – LETTERS OF CREDIT and Note 27 - CASH AND CASH EQUIVALENTS.
8. AOP 068-076 reconciles to the audited financial statements Note 28 - CAPITAL AND RESERVES.
9. AOP 084 reconciles to the audited financial statements Note 14 - INCOME TAX.
10. AOP 091-096 reconciles to the audited financial statements Note 31 – PROVISIONS.
11. AOP 103, AOP 104, AOP 107, AOP 115 i AOP 123 reconciles to the audited financial statements Note 30 - BORROWINGS.
12. AOP 110; 112; 117; 119; 120; 124 reconciles to the audited financial statements Note 32 - TRADE AND OTHER PAYABLES.
The differences that are noted in the positions of the Balance Sheet in the XLS format when compared to those in the audited financial stataments are a result of mapping variances and rounding (i.e. presentation in '000 euro).
Income statement positions:
1. AOP 002 and 006 reconciles to the audited financial statements Note 8 – REVENUE.
2. AOP 010-012 reconciles to the audited financial statements Note 9 - MATERIALS, ENERGY COSTS AND SERVICES.
3. AOP 014-016 reconciles to the audited financial statements Note 10 - STAFF COSTS.
4. AOP 017 reconciles to the audited financial statements Note 15 - INTANGIBLE ASSETS, Note 16 - PROPERTY, PLANT AND EQUIPMENT, Note 17 – ADVANCES FOR TANGIBLE ASSETS and Note 18 - INVESTMENT PROPERTY.
5. AOP 018 reconciles to the audited financial statements Note 11 - OTHER OPERATING EXPENSES.
6. AOP 020-021 reconciles to the audited financial statements Note 16 - PROPERTY, PLANT AND EQUIPMENT and Note 23 - TRADE AND OTHER RECEIVABLES.
7. AOP 023-029 reconciles to the audited financial statements Note 10 – STAFF COSTS and Note 11 - OTHER OPERATING EXPENSES.
8. AOP 031-050 reconciles to the audited financial statements Note 12 – OTHER (LOSSES)/ GAINS – NET and Note 13 - FINANCE INCOME / (EXPENSES) – NET.
The Company presents the effect of exchange rate differences and interest rates in the standard form. The exact amount of exchange rate differences and interest is disclosed in the note.
9. AOP 058 reconciles to the audited financial statements Note 14 - INCOME TAX.
The differences that are noted in the positions of the Income Statement in the XLS format when compared to those in the audited financial stataments are a result of mapping variances and rounding (i.e. presentation in '000 euro).
Cash flow positions:
Refer to Notes 8, 12, 13, 15, 16, 18, 19, 20, 23, 30, 31 and 33 to the audited financial statements of the Company.
The differences that are noted in the XLS format when compared to those in the audited financial statements are a result of mapping variances and rounding (i.e. presentation in '000 euro).