

**2020**

**NON-AUDITED REPORT ON  
PERFORMANCE OF LUKA KOPER  
GROUP AND LUKA KOPER, D. D., IN  
JANUARY – SEPTEMBER 2020**

Luka Koper Group  
and Luka Koper, d. d.

## Kazalo

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# INTRODUCTION

## 1 Performance highlights of Luka Koper Group In January - September 2020

The year 2020 was characterised by substantially altered operating and business conditions, since SARS-CoV-2 (COVID-19) coronavirus outbreak caused the economic downturn, having a huge impact on the global economy, global trade flows and logistic routes. In January – September 2020, the consequences of the pandemic and related measures resulted in a lower volume of throughput of the Luka Koper Group and increased volume of goods in warehouses, thus resulting in a lower net revenue from sale and lower net profit or loss. Nevertheless, the Luka Koper Group estimates that the results are good, since the conditions in the port activity affected more severely other ports. The throughput of two strategic product groups, containers and cars remained stable, mostly the throughput of containers which only minimally lags behind the planned quantities. In the first nine months, also in comparison with competitive ports, the volume of throughput of both product groups was good. In comparison with the previous year, in the first nine months of 2020, the containers throughput in TEU was by 3 percent lower, whilst in the neighbouring port of Trieste it was lower by one percent. 11 percent drop in the throughput was recorded in the Port of Venice. The Port of Rijeka does not publish infra-annual throughput statistics. The transshipment of cars improved in comparison with the half-year results. Although Luka Koper, d. d., recorded a 15-percent fall in the volume of throughput in the first nine months of 2020 in comparison with the previous year, it recorded the minimum decrease among Mediterranean ports. The transshipment of cars in the Port of Barceloni was lower by 45 percent, in the Port of Valencia by 33 percent. The transshipment of cars in the northern European port of Antwerp declined even by 29 percent. Therefore, in the first nine months of 2020, the Luka Koper Group achieved by 11 percent lower net revenue from the market activity when compared to the previous year, which was a good result with respect to the radical changes in operating conditions.

Despite tight market conditions, the Luka Koper Group further implemented the investments in the increase of port facilities, since upon the improvement of health and economic situation affected by the pandemic, a renewed growth of the volume of throughput is expected. Besides the completed construction of a new RO-RO berth and additional railway tracks, the construction of the car garage has been continuing. Moreover, the extension of container quayside, jointly with other planned areas, is a key investment in order to maintain the competitive position in the containers segment.

In January – September 2020, net revenue from sale achieved EUR 155 million and was by 11 percent resp. by EUR 19 million lower than in the comparable period In 2019. Net revenue from sale relating to market activity were by 11 percent resp. by EUR 18.5 million lower than revenue achieved in the previous, year whilst the revenue from the performance of public utility service of regular maintenance of port infrastructure, intended for the public transport was by 9 percent resp. by EUR 478.9 thousand lower than the result achieved in the previous year. Lower revenue relating to market activity were due to lower volume of maritime throughput. The fall in throughput is mainly attributable to coronavirus SARS-CoV-2 (COVID-19) outbreak, related measures and economic slowdown. Lower revenue from the performance of public utility service of regular maintenance of port infrastructure, intended for the public transport was also affected by the coronavirus epidemic. In January – September 2020, net revenue from sale of Luka Koper Group was by 13 percent resp. by EUR 23.7 million below the planned.



155 mio. EUR

Net revenue from sale

-11 % 2020/2019

-13 % 2020/PLAN 2020

In January – September 2020, the net revenue from sale of Luka Koper Group from the market activity In January – September 2020 lagged behind the planned revenue from sale by 11 percent resp. by EUR 18.2 million, the revenue from the performance of public utility service of regular maintenance of port infrastructure, intended for the public transport, lagged behind the plan by 52 percent resp. by EUR 5.5 million. Not achieving of planned net revenue from sale relating to the the market activity mainly resulted from the COVID-19 outbreak and economic slowdown, the drop in the volume of dry bulk and bulk cargoes was further impacted by the European Climate law which provides for complete decarbonisation in the coming years and introduction of environmental taxes on CO<sub>2</sub> emissions.

Table 1: Maritime throughput in tons per cargo groups in 2020 and 2019

Cargo groups (in tons)	1–9 2020	1–9 2019	Index 2020/2019
General cargoes	662,111	942,061	70
Containers	6,962,170	7,246,446	96
Cars	688,934	791,711	87
Liquid cargoes	2,558,219	3,218,298	79
Dry and bulk cargoes	3,978,850	5,540,419	72
<b>Total</b>	<b>14,850,283</b>	<b>17,738,935</b>	<b>84</b>

Table 2: Throughput of containers (number containers and TEU) and cars (in units) in 2020 and 2019

Cargo groups	1–9 2020	1–9 2019	Index 2020/2019
Containers – number	408,421	430,301	95
Containers – TEU	710,165	734,489	97
Cars- units	426,107	503,653	85



22 mio. EUR

-44 % 2020/2019

Earnings before interest and taxes (EBIT)

-14 % 2020/PLAN 2020

Earnings before taxes and Interests (EBIT) of Luka Koper Group In January – September 2020 amounted to EUR 22 million, which was 44 percent resp. EUR 16.9 million decrease compared to January – September 2019. Lower earnings before taxes and interests (EBIT) In 2020 compared to 2019 were mainly due to lower net revenue from sale by EUR 19 million resulting from the drop In volume of throughput and higher labour costs which increased by EUR 2.7 million In 2020.

Earnings before interest and taxes (EBIT) of Luka Koper Group In January – September 2020 was by 14 percent resp. by EUR 3.5 million lower than planned. Lower earnings before interest and taxes than planned were attributable to lower net revenue from sale and higher other costs.



43 mio. EUR

-30 % 2020/2019

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

-10 % 2020/PLAN 2020

Earnings before interest, taxes, depreciation and amortisation (EBITDA) of Luka Koper Group in January - September amounted to EUR 43 million, which was a decrease of 30 percent resp. by EUR 18.2 million from the same period last year.

Earnings before interest, taxes, depreciation and amortisation (EBITDA) of Luka Koper Group in January - September 2020 were lower by 10 percent resp. by EUR 4.9 million lower than planned.



28 %

EBITDA margin

-21 % 2020/2019

+3 % 2020/PLAN 2020

EBITDA margin of Luka Koper Group in January - September 2020 amounted to 28 percent, which was a decrease of 21 percent resp. za 7.5 percentage point from 2019.

EBITDA margin Luka Koper Group In January - September 2020 was higher by 3 percent resp. by 1 percentage point when compared to budgeted margin.

EBITDA margin Luka Koper Group from market activity accounted for 28.5 percent, which was an increase of 1 percent resp. 0.2 percentage point when compared to the plan.



22 mio. EUR

Net profit or loss

-37 % 2020/2019

-11 % 2020/PLAN 2020

In January - September 2020, net profit or loss of Luka Koper Group amounted to EUR 22 million, which was 37 percent resp. EUR 12.8 million decline in comparison to the first nine months of 2019. In addition, as already explained, impacts which contributed to lower earnings before interest and taxes (EBIT) in 2020 compared to 2019, was also affected by the lower effective corporate tax rate .

In January - September 2020, net profit or loss of the Luka Koper Group was by 11 percent resp. by EUR 2.6 million lower than the budgeted amount.



50 mio. EUR

Investments

+97 % 2020/2019

-13 % 2020/PLAN 2020

In January - September 2020, Luka Koper Group allocated EUR 50 million for investments <sup>1</sup> in property, plant and equipment, investment property and intangible assets, which was 97 percent resp. EUR 24.6 million ahead on the comparable period in 2019. Investments were mainly allocated to the construction of the parking garage, construction of a new RO-RO berth, construction of railway tracks and the purchase of a new transshipment machinery and commencement of the construction of the Pier I extension.

<sup>1</sup> Without taking into account advances paid for the equipment.

In January - September 2020, investement expenditure was by 13 percent resp. by EUR 7.6 million lower than planned. Due to the COVID-19 epidemic, the delivery of the transshipment machinery was delayed and will be realised by the end of 2020.



7 %

Return on equity (ROE)

-40 % 2020/2019

-12 % 2020/PLAN 2020

In first nine months of 2020, the return on equity (ROE)<sup>2</sup> of Luka Koper Group amounted to 7 percent, which was by 40 percent resp. by 4.6 percentage point decline compared to the same period last year. The return on equity (ROE) was by 12 percent resp. by 0.9 percentage point lower when compared to the plan.



0.3

Net financial debt / EBITDA

-0.1 2020/2019

-0.5 2020/PLAN 2020

Indicator of net financial debt / EBITDA<sup>3</sup> of Luka Koper Group in January – September 2020 amounted to 0.3, in 2019 to 0.1. Low value of the net financial debt / EBITDA, demonstrates a high level of financial stability of Luka Koper Group as well as the willingness to enter a more intense investment cycle. The net financial debt/EBITDA indicator for January – September 2020 was at 0.8.

<sup>2</sup> Indicator is calculated on the basis of annualised data.

<sup>3</sup> Indicator is calculated on the basis of the annualised data.

## 1.1 Financial indicators

Table 3: Key performance indicators of Luka Koper, d. d., and Luka Koper Group in January - September 2020 in comparison to 2019

Income statement (in EUR)	Luka Koper, d. d.			Luka Koper Group		
	1 – 9 2020	1 – 9 2019	Index 2020/ 2019	1 – 9 2020	1 – 9 2019	Index 2020/ 2019
Net sales	151,980,632	170,822,838	89	154,858,140	173,820,118	89
Earnings before interest and taxes (EBIT) <sup>4</sup>	21,206,351	37,054,837	57	21,654,596	38,520,293	56
Earnings before interest, taxes, depreciation and amortisation (EBITDA) <sup>5</sup>	41,573,116	58,753,710	71	42,609,380	60,770,735	70
Profit or loss from financing activity	2,672,749	2,642,875	101	1,641,851	1,211,300	136
Profit before tax	23,879,100	39,697,712	60	24,369,613	40,869,443	60
Net profit or loss	21,334,711	33,598,174	63	21,782,947	34,536,727	63
Added value <sup>6</sup>	96,709,277	111,831,608	86	102,781,817	118,230,646	87

Statement of financial position (in EUR)	30.09.2020	31.12.2019	Index 2020/ 2019	30.09.2020	31.12.2019	Index 2020/ 2019
Assets	588,014,062	578,115,124	102	607,762,433	597,410,414	102
Non-current assets	478,818,688	463,329,270	103	490,117,672	474,919,477	103
Current assets	109,195,374	114,785,854	95	117,644,761	122,490,937	96
Own funds	395,939,258	386,889,959	102	428,493,930	419,089,356	102
Non-current liabilities with provisions and long-term accruals and deferred revenue	133,734,255	144,484,229	93	119,762,837	130,715,123	92
Short-term liabilities	58,340,549	46,740,936	125	59,505,666	47,605,935	125
Financial liabilities	101,076,289	108,844,281	93	85,123,567	93,001,716	92

Investments (in EUR)	1 – 9 2020	1 – 9 2019	Index 2020/ 2019	1 – 9 2020	1 – 9 2019	Index 2020/ 2019
Investments in property, plant and equipment, investment property and intangible assets <sup>7</sup>	49,661,213	24,413,287	203	49,878,663	25,267,362	197

<sup>4</sup> Earnings before interest and taxes (EBIT) = difference between operating income and costs..

<sup>5</sup> Earnings before interest, taxes, depreciation and amortisation (EBITDA) = earnings before interest and taxes (EBIT) + depreciation/amortisation

<sup>6</sup> Added value = net sales + capitalised own products and own services + other revenue – costs of goods, material, services – other operating expenses excluding revaluation operating expenses.

<sup>7</sup> Without taking into account advances paid for the equipment.

Ratios (in %)	Luka Koper, d. d.			Luka Koper Group		
	1 – 9 2020	1 – 9 2019	Index 2020/2019	1 – 9 2020	1 – 9 2019	Index 2020/2019
Return on sales (ROS) <sup>8</sup>	14.0%	21.7%	64	14.0%	22.2%	63
Return on equity (ROE) <sup>9</sup>	7.3%	12.1%	60	6.9%	11.5%	60
Return on assets (ROA) <sup>10</sup>	4.9%	7.9%	62	4.8%	7.9%	61
EBITDA margin <sup>11</sup>	27.4%	34.4%	80	27.5%	35.0%	79
EBITDA margin from market activity <sup>12</sup>	28.3%	35.6%	80	28.5%	36.1%	79
Financial liabilities/equity	25.5%	29.8%	86	19.9%	23.6%	84
Net financial debt /EBITDA <sup>13</sup>	0.7	0.4	162	0.3	0.1	192

Maritime throughput (in tons)	1 – 9 2020	1 – 9 2019	Index 2020/2019	1 – 9 2020	1 – 9 2019	Index 2020/2019
Maritime throughput	14,850,283	17,738,935	84	14,850,283	17,738,935	84

Number of employees	1 – 9 2020	1 – 9 2019	Index 2020/2019	1 – 9 2020	1 – 9 2019	Index 2020/2019
Number of employees	1,540	1,540	100	1,705	1,699	100

<sup>8</sup> Return on sales (ROS) = earnings before interest and taxes (EBIT) / net sales.

<sup>9</sup> Return on equity (ROE) = net income / shareholder equity.

Indicator is calculated on the basis of annualised data.

<sup>10</sup> Return on assets (ROA) = net income / average total assets.

Indicator is calculated on the basis of annualised data.

<sup>11</sup> EBITDA margin = earnings before interest, taxes, depreciation and amortisation (EBITDA) / net sales.

<sup>12</sup> EBITDA margin from market activity = earnings before interest, taxes, depreciation and amortisation (EBITDA) / net sales from market activity.

<sup>13</sup> Net financial debt/EBITDA = (financial liabilities – cash and cash equivalents) / EBITDA.

Indicator is calculated on the basis of annualised data.



Table 4: Key indicators of Luka Koper, d. d., and Luka Koper Group in January - September 2020 in comparison with the plan 2020

Income statement (in EUR)	Luka Koper, d. d.			Luka Koper Group		
	1 - 9 2020	Plan 1 - 9 2020	Index 2020/ plan 2020	1 - 9 2020	Plan 1 - 9 2020	Index 2020/ plan 2020
Net sales	151,980,632	175,728,196	86	154,858,140	178,520,012	87
Earnings before interest and taxes (EBIT) <sup>14</sup>	21,206,351	24,571,127	86	21,654,596	25,175,875	86
Earnings before interest, taxes, depreciation and amortisation (EBITDA) <sup>15</sup>	41,573,116	46,322,084	90	42,609,380	47,528,069	90
Profit or loss from financing activity	2,672,749	2,272,400	118	1,641,851	1,162,693	141
Profit before tax	23,879,100	26,843,527	89	24,369,613	27,344,106	89
Net profit or loss	21,334,711	23,968,316	89	21,782,947	24,427,561	89
Added value <sup>16</sup>	96,709,277	105,401,751	92	102,781,817	111,583,093	92

Statement of financial position (in EUR)	30.09.2020	Plan 30.09.2020	Index 2020/ plan 2020	30.09.2020	Plan 30.09.2020	Index 2020/ plan 2020
Assets	588,014,062	574,252,632	102	607,762,433	593,957,939	102
Non-current assets	478,818,688	494,311,466	97	490,117,672	504,790,763	97
Current assets	109,195,374	79,941,166	137	117,644,761	89,167,175	132
Own funds	395,939,258	393,496,735	101	428,493,930	426,320,326	101
Non-current liabilities with provisions and long-term accruals and deferred revenue	133,734,255	134,362,547	100	119,762,837	120,679,726	99
Short-term liabilities	58,340,549	46,393,349	126	59,505,666	46,957,887	127
Financial liabilities	101,076,289	100,982,306	100	85,123,567	85,119,281	100

Investments (in EUR)	1 - 9 2020	Plan 1 - 9 2020	Index 2020/ plan 2020	1 - 9 2020	Plan 1 - 9 2020	Index 2020/ plan 2020
Investments in property, plant and equipment, investment property and intangible assets <sup>17</sup>	49,661,213	57,130,441	87	49,878,663	57,453,266	87

<sup>14</sup> Earnings before interest and taxes (EBIT) = difference between operating income and costs.

<sup>15</sup> Earnings before interest, taxes, depreciation and amortisation (EBITDA) = earnings before interest and taxes (EBIT) + depreciation/amortisation..

<sup>16</sup> Added value = net sales + capitalised own products and own services + other revenue - costs of goods, material, services - other operating expenses excluding revaluation operating expenses.

<sup>17</sup> Without taking into account advances paid for the equipment.

Ratios (in %)	Luka Koper, d. d.			Luka Koper Group		
	1 – 9 2020	Plan 1 – 9 2020	Index 2020/ plan 2020	1 – 9 2020	Plan 1 – 9 2020	Index 2020/ plan 2020
Return on sales (ROS) <sup>18</sup>	14.0%	14.0%	100	14.0%	14.1%	99
Return on equity (ROE) <sup>19</sup>	7.3%	8.2%	88	6.9%	7.7%	88
Return on assets (ROA) <sup>20</sup>	4.9%	5.6%	88	4.8%	5.5%	88
EBITDA margin <sup>21</sup>	27.4%	26.4%	104	27.5%	26.6%	103
EBITDA margin from market activity <sup>22</sup>	28.3%	28.0%	101	28.5%	28.3%	101
Financial liabilities/equity	25.5%	25.7%	99	19.9%	20.0%	99
Net financial debt/EBITDA <sup>23</sup>	0.7	1.2	59	0.3	0.8	36

Maritime throughput (in tons)	1 – 9 2020	Plan 1 – 9 2020	Index 2020/ plan 2020	1 – 9 2020	Plan 1 – 9 2020	Index 2020/ plan 2020
Maritime throughput	14,850,283	17,931,814	83	14,850,283	17,931,814	83

Number of employees	1 – 9 2020	Plan 1 – 9 2020	Index 2020/ plan 2020	1 – 9 2020	Plan 1 – 9 2020	Index 2020/ plan 2020
Number of employees	1,540	1,643	94	1,705	1,805	94

<sup>18</sup> Return on sales (ROS) = earnings before interest and taxes (EBIT) / net sales.

<sup>19</sup> Return on equity (ROE) = net income / shareholder equity.

Indicator is calculated on the basis of annualised data.

<sup>20</sup> Return on assets (ROA) = net income / average total assets

Indicator is calculated on the basis of annualised data.

<sup>21</sup> EBITDA margin = earnings before interest, taxes, depreciation and amortisation (EBITDA) / net sales

<sup>22</sup> EBITDA market activity = earnings before interest, taxes, depreciation and amortisation (EBITDA) / net revenue from market activity.

<sup>23</sup> Net financial debt/EBITDA = (financial liabilities – cash and cash equivalents) / EBITDA.

Indicator is calculated on the basis of annualised data.

## 2 Introductory note

Compliant with the Market and Financial Instrument Act, Ljubljana Stock Exchange Rules as well as Guidelines and Disclosure for Listed Companies, Luka Koper, d. d., Vojkovo nabrežje 38, 6501 Koper discloses this Non-Audited Report on the performance of Luka Koper Group and Luka Koper, d. d., for January – September 2020.

This non-audited report on the performance of Luka Koper Group and Luka Koper, d. d., in January – September 2020 can be examined at Luka Koper, d. d., Vojkovo nabrežje 38, 6501 Koper and shall be accessible via the company's website družbe [www.luka-kp.si](http://www.luka-kp.si) from 27 November 2020 onwards.

The company promptly publishes any pertinent changes to information contained in the prospectus for stock exchange listing on SEOnet, the electronic information system.

This Non-Audited Report on the performance of Luka Koper Group and Luka Koper, d. d., in January – September 2020 was addressed by the company's Supervisory Board at its regular session on 27 November 2020.

## 3 Presentation of Luka Koper Group

### 3.1 Profile of the company Luka Koper, d. d., as of 18 November 2020

Company name	<b>LUKA KOPER, pristaniški and logistični sistem, delniška družba</b>
Short company name	<b>LUKA KOPER, d. d., Vojkovo nabrežje 38, 6000 Koper – Capodistria</b>
Registered office	Koper
Business address	Koper, Vojkovo nabrežje 38, 6000 Koper/Capodistria
Company's legal form	Public limited company
	Phone: 05 66 56 100
	Fax: 05 63 95 020
	Email: portkoper@luka-kp.si
	Website: www.luka-kp.si
	Sustainable development: <a href="http://www.zivetispristaniscem.si">http://www.zivetispristaniscem.si</a>
Company's registration	District Court of Koper, application No. 066/10032200
Company's registration number	5144353000
	Tax number SI 89190033
	Issued share capital EUR 58.420.964,78
	Number shares 14.000.000 of ordinary no par value shares
	Share listing Ljubljana Stock Exchange, Prime Mark
	Share listing LKPG
President of the Management Board	Dimitrij Zadel
Member of the Management Board	Metod Podkrižnik, M.Sc.
Member of the Management Board	Irma Gubanec, M.Sc.
Member of the Management Board - Labour Director	Vojko Rotar
President of the Supervisory Board	Uroš Ilić, M.Sc.
Luka Koper, d. d., core activity	Seaport and logistic system and service provider
Luka Koper Group activities	Various support and ancillary services in relation to core activity



### 3.2 Luka Koper Group structure

Companies consolidated within the Luka Koper Group provide various services which accomplish comprehensive operation of the Port of Koper



#### Luka Koper Group as at 30 September 2020

- Luka Koper, d. d.
- Subsidiary companies
  - o Luka Koper ANDPO, d. o. o., 100 %
  - o Adria Terminali, d. o. o., 100 %
  - o Luka Koper Pristan, d. o. o., 100 %
  - o Logis-Nova, d. o. o., 100 %
  - o Adria Investicije, d. o. o., 100 %
  - o TOC, d. o. o., 68,13 %

#### Associated companies as at 30 September 2020

- Adria Transport, d. o. o., 50 %
- Adria-Tow, d. o. o., 50 %
- Adriaфин, d. o. o., 50 %
- Avtoservis, d. o. o., 49 %

## 4 Corporate Management Board and Governance

### 4.1 Luka Koper, d. d., Management Board

As at 30 September 2020, Luka Koper, d. d., Management Board comprised the following members:

- Dimitrij Zadel, President of the Management Board, commenced a five year term on 29 December 2017,
- Metod Podkrižnik, M.Sc., Member of the Management Board, commenced a five year term on 29 December 2017,
- Irma Gubanec, M.Sc. Member of the Management Board, commenced a five year term on 29 December 2017,
- Vojko Rotar, Labour Director, commenced a five year term on 16 February 2018

A presentation of Luka Koper, d. d., Management Board is available on the Comany's website <https://luka-kp.si/slo/vodtvo-druzbe-193>.

### 4.2 Luka Koper, d. d., Supervisory Board

The Luka Koper, d. d., Supervisory Board is composed of nine members, six of whom are elected by the eneral Shareholders' Meeting and three by the Worker's Council. They are elected for a four-year term.

As at 30 September 2020, the Luka Koper, d. d., Supervisory Board comprised:

#### Representatives of the Shareholders:

Uroš Ilić, M.Sc., President of the Supervisory Board  
Commencement of a four year term: 1 July 2017 (28 General Shareholders' Meeting)

Andraž Lipolt, M.Sc., Deputy President of the Supervisory Board  
Commencement of a four year term: 1 July 2017 (28 General Shareholders' Meeting)

Rado Antolovič, Ph.D, MBA, Member of the Supervisory Board  
Commencement of a four year term: 1 July 2017 (28 General Shareholders' Meeting)

Mag. Milan Jelenc, Member Supervisory Board  
Commencement of a four year term: 1 July 2017 (28 General Shareholders' Meeting)

Barbara Nose, Member of the Supervisory Board  
Commencement of a four year term: 1 July 2017 (28 General Shareholders' Meeting)

Tamara Kozlovič, M.Sc, Memberica Supervisory Board  
Commencement of a four year term 22 August 2019 (32 General Shareholders' Meeting)

#### Representatives of the Employees:

Rok Parovel, Member of the Supervisory Board  
Commencement of a four year term: 13. September 2020 (appointment by the Works Council)

Mladen Jovičić, Member Supervisory Board  
Commencement of a four year term: 8. april 2017 (28 Shareholders' Meeting– informing of shareholders)

Mehrudand Vukovič, Member Supervisory Board  
Commencement of a four year term: 19 January 2020 (33 Shareholders' Meeting– informing of shareholders)

#### External Member of the Audit Committee of the Supervisory Board:

Mateja Treven, M.Sc., external Member of the Supervisory Board  
Appointed for the period from 22 February 2019 until revoked.

# BUSINESS REPORT

## 5 Significant events, news and achievements in January - September 2020

### JANUARY

- Works Council of Luka Koper, d. d., elected Mehrudin Vukovič as new employee representative in the Company's Supervisory Board, since the term of office of his predecessor, Marko Grabljevec, had expired.
- World Health Organization (WHO), declared coronavirus SARS-CoV-2 (COVID-19) a public health emergency of international concern. The spread of the disease has an impact also on international trade flows.
- Luka Koper, d. d., completed the construction of four railway tracks with a total length of 2.800 m, thereby gaining faster and more optimal railway access for transshipment of cars.
- The Government of the Republic of Slovenia adopted the Decree on the modifications and amendments of the National Spatial Plan for the second railway track, allowing the construction of the additional railway track on the section of Divača-Koper railway line.
- Luka Koper, d. d., published a call for sponsorships and donations from the fund Living with the Port in 2020.

### FEBRUARY

- The Port of Koper presented itself at the logistic fair Cargo Show CTL-BHP 2020, held in Mumbai in India.
- The Municipality of Koper published a call for proposals for the award of grants to the residents of Koper, residing in the close vicinity of the Port and are most affected by its operation.
- The State purchased 24.000 m<sup>2</sup> 5A plot, behind the fence of the Port of Koper which is according to the National Site Plan destined to the extension of the Port's zone.
- Luka Koper, d. d., drawn up a protocol on the conduct in the case of a contagious disease and implemented a series of measures to protect the employees from the coronavirus infection
- Luka Koper d. d., ranked among the finalists for the 2019 Zlata nit (Golden Thread) award, which will be awarded to the best employer in Slovenia in 2019.

### MAREC

- World Organisation declared coronavirus COVID-19 pandemic. The Slovenian Government adopted several restrictive measures and prohibitions. The Port as relevant strategic infrastructure operated smoothly.
- On the Ljubljana Stock Exchange website SEOnet, Luka Koper, d. d., informed the interested public about the situation and the adopted measures during the coronavirus epidemic.
- Due to the COVID-19 pandemic, the cruise lines cancelled cruise ships arrivals at least until the end of May 2020.
- Luka Koper published the public procurement for the construction of the third entrance to the Port (Ankaran entrance), destined mainly to trucks accessing the Container terminal.
- Luka Koper, d. d., published the Code of Conduct for Suppliers, in which key standards to be respected and implemented by each supplier of Luka Koper, d. d., are emphasized.
- Luka Koper, d. d., was among first companies in Slovenia which received the certification for standard ISO 50001:2018 for the efficient energy management.

## APRIL

- Luka Koper published the Port order, namely the rules related to the entrance and movement in the Port's zone.
- The Government of the Republic of Slovenia concluded a contract with the state-owned company KOPP Izobraževanje, on the basis of which the company obtained an exclusive right to provide maritime piloting services in the Port of Koper.
- A new minister of infrastructure, Jernej Vrtovec, who took office in March 2020, paid visit to Luka Koper.
- In the public tender, Luka Koper, d. d., selected the contractor Kolektor with its partners Grafist and Adriaing to construct the extension of the container quayside for 100 m.

## MAY

- On 4 May 2020, the selection of the contractor for the construction of the operational quay and the rear storage areas for the needs of the Container terminal became final. The selected company Kolektor, jointly with partners Grafist and Adriaing, will start the preparatory works immediately after the signature of the contract, whilst the commencement of works is planned in the summertime. The project concerning the extension of the Pier I comprises the construction of the operational quay of 985 metres in length and 34.4 metres in width and the construction of rear areas on the southern side of the Pier.
- Within the innovations and researches programme Horizon 2020, the European Commission will co-fund the implementation of the European development project 5G-LOGINNOV, in which Luka Koper d.d. jointly with Telekom Slovenia and INTERNET INSTITUT, d. o. o., cooperates with 15 partners from several European countries. The project 5G-LOGINNOV is focusing on the latest 5G technology, and primarily in view of the development of innovative solutions in logistics within the Industry 4.0.
- First vessel from the AEM6 service in Ocean Alliance which will call only three Adriatic ports: Koper, Trst and Rijeka, was berthed at the Container terminal quayside. The Port of Koper remains the first port of call on the route from Asia to the Adriatic, with the most favourable transit time for containers in import.
- At the initiative of the Slovenian Ship and Freight Agents Association, the Ministry of Infrastructure adopted the reduction of 50% of charges for use of aid to navigation (light dues) as of May 1, 2020.
- Within the national campaign for the promotion of the Slovenian economy, Spirit Slovenia – Public Agency include Luka Koper, d. d., among 19 companies as ambassadors which will promote the Slovenian economy in strategic export and investments markets. The slogan of the national campaign for the promotion is feel Slovenia. Green. Creative. Smart.
- On the basis of the Act Determining the intervention measures to contain the COVID-19, the Government of the Republic of Slovenia set a list of 187 important investments to restart the Slovenian economy after COVID-19 epidemic and among them 12 projects pertain to the Port of Koper.

## JUNE

- Luka Koper d.d., inaugurated a new RO-RO berth in the Basin III, which will be intended to the berthing of the car carrier ships.
- Luka Koper, d. d., signed a contract for the construction of the Pier I and storage areas, where containers will be transhipped and stored, with the company Kolektor.
- Luka Koper, d. d., started the construction of the truck entrance in the Port, Bertoki entrance.
- Luka Koper, d. d., received a lawsuit for the payment of EUR 20.718.373,01 from the company IPS Projekt, trgovina in storitve, d. o. o.

## JULY

- The train loaded with Jaguar Land Rover cars arrived in the port of Koper from the production plant in Nitra.
- A monthly record was achieved in the stuffing of containers with paper.
- Luka Koper, d. d., received the approval of the co-financing of the European project EALING, through with the project documentation related to the connecting ships to a shore-side power supply during mooring at the RO-RO berthing place in the Basin III.
- Luka Koper, d. d., published the magazine Port's knots, publication in which for the third year in a row the Company presents its activities, achievements and challenges in the field of the sustainable development. The publication is destined to the inhabitants living in close proximity of the port and are mostly affected by the impacts of the port's activity, both in the Municipality of Koper and the Municipality of Ankaran.
- After more than a month of navigation from China, the vessel Happy Sky with a new grab unloader for the transhipment of coal and iron ore was berthed in the Port of Koper.
- Works Council elected Rok Parovel as employees' representative in Luka Koper, d. d., Supervisory Board.



- A new state-of-the-art fire-fighting vehicle was put into service in order to improve the fire safety in the Port of Koper .
- The Austrian railway operator SETG introduced a new railway service between the container terminal in the Port of Koper and the terminal Wolfurt in the Austrian federal state of Vorarlberg.

## AUGUST

- The extension of the Pier I started in the port. In the first stage, which will last until the end of March 2021, the operational quayside will be constructed. The works will continue with the construction of storage areas for containers and are scheduled to be completed in 2022.
- Shareholders of Luka Koper, d. d., gathered on the 33rd General Meeting. At the meeting, shareholders:
  - Adopted a decision on the proposal for the appropriation of the accumulated for 2019, which amounted to EUR 30,013,663.97:
    - a portion in the amount of EUR 14,980,000 is to be used for dividend pay-out in the gross value of EUR 1.07 per ordinary share,
    - the residual amount of accumulated profit in the amount of EUR 15,033,663.97 is to remain unappropriated.
  - granted discharge for the business year 2019 to the Management Board and the Supervisory Board,
  - the audit of accounts of Luka Koper Group and Luka Koper, d. d., for 2020, 2021 and 2022 will be carried out by the company BDO Revizija d. o. o.
  - reduced the remunerations of the Members of the Supervisory Board which were determined by the General Shareholders' Meeting on 28 December 2017, by 30 % from 1 March 2020 until 31 May 2020 inclusive, when the Government of the Republic of Slovenia declared COVID-19 epidemic on the territory of the Republic of Slovenia, excluding the reimbursement of expenses.

## SEPTEMBER

- On 13 September 2020, Rok Parovel started his second successive mandate as the employees' representative in the Supervisory Board of Luka Koper, d. d.
- The Chamber of Commerce and Industry Slovenia drawn up a study on the effects of the port activity on the economy. The most significant finding of the study was that one euro of sales in the port activity generates another EUR 3.3 in the economy.
- The companies Nafta Strojna, Nautic Service Dvigal and Terberg Benschop were selected best suppliers in investments, technical services and products in 2019.
- BMW, exporting its car also through the Port of Koper, chose the Port of Koper for a new video shooting in which new cars models are presented.

## 6 Relevant post-balance events

### OCTOBER

- Luka Koper, d. d., hosted the ambassadors of the Visegrad Group: Poland, Hungary, Slovakia and Czech Republic, which are among most important hinterland markets of Luka Koper, d. d.
- At the Container terminal, the fourth new RMG crane for the transshipment of the containers onto/from the wagons was put into use.
- Luka Koper, d. d., received a state-of-the-art diesel-electric locomotive EffiShunter 1000 CZ Loko.
- Gašpar Gašpar Mišič lost the lawsuit against Luka Koper, d. d., due to the early recall from the function of the President of the Management Board of Luka Koper, d. d. The judgement of the Court has become final.
- At the container terminal weekly record was achieved in the railway segment. 180 container wagons were loaded and unloaded.
- On 18 October 2020 the Government of the Republic of Slovenia again declared the COVID-19 pandemic throughout the Slovenian territory.
- On 5 October 2020, the complete closure of the Karavanke railway tunnel began, which will last until 10 July 2021.

### NOVEMBER

- The shipping company Maersk in cooperation with the rail freight carrier PKP Cargo Connect set up a new regular railway service between the container terminal in the Port of Koper and the terminal in Melnik in Czech republic.
- Three new reach stackers were handed over to the container terminal. The loading capacity is 45 tons of cargo and lifting capacity up to the containers stacking height 5 and are mostly used for shifts of full containers. They are characterised by the state-of-art and ergonomic cabin with several assistance systems with a diesel propulsion of last generation, in compliance with the latest environmental standards.
- Luka Koper, d. d., jointly with the representatives of the Port's Community presented itself on the webinar presentation to Paraguayan association of exporters, investors and shipping companies,
- The Government of the Republic of Slovenia granted to Luka Koper, d. d. the consent to the implementation of the first stage of the project construction of the cassettes in the Ankaran bonifika area, arrangement of the Ankaran peripheral channel and the construction of substituting habitats as well as the consent to the construction of new berthing places at the southern side of the Pier II.

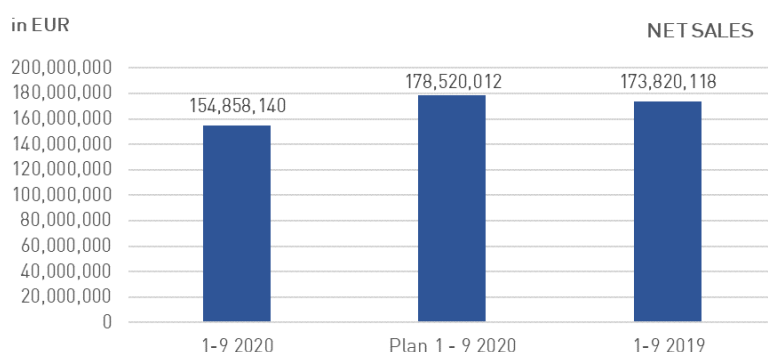
## 7 Performance analysis

### 7.1 Performance of Luka Koper Group

#### 7.1.1 Net revenue from sale of Luka Koper Group

In January – September 2020, net revenue from sale amounted to EUR 154.9 million, which was 11 percent resp. EUR 19 million decline in comparison with the same period in 2019.

Figure 1: Net revenue from sale of Luka Koper Group



Net revenue from sale of Luka Koper Group from the market activity were by 11 percent resp. by EUR 18.5 million lower than the revenue achieved in the previous year whilst revenue from the performance of the public utility service of regular maintenance of the port's infrastructure intended for the public transport were by 9 percent resp. by EUR 478.9 thousand lower than the revenue achieved in the previous year. Lower revenue from the market activity resulted from the lower volume of maritime throughput. The fall in throughput volume was mainly attributed to the SARS-COVID-19 outbreak and related measures and the economic slowdown.

Lower revenue from the performance of the public utility service of regular maintenance of the port's infrastructure intended for the public transport resulted from the lower port's duties charged, equally affected by the coronavirus pandemic.

#### 7.1.2 Capitalized own products and services

In January – September 2020, capitalized own products and services amounted to EUR 120.8 thousand, which was 62 percent resp. EUR 46.4 thousand ahead on the comparable period last year. Luka Koper Group accounts maintenance works on the infrastructure among capitalized own products and services.

#### 7.1.3 Other revenue

Other revenue of the Luka Koper Group so in January – September 2020 amounted to EUR 5 million, and rose by 45 percent resp. by EUR 1.5 million over January – September in 2019. In 2019, reported among other revenue was the received compensation for the crane in the amount of EUR 448.8 thousand. In January – September 2020, revaluation operating income amounted to EUR 513.5 thousand, which was 157 percent resp. EUR 313.5 thousand ahead on the comparable period in 2019 from higher revenue from allowances for receivables. The revenue from co-financing of European projects in January – September 2020 amounted to EUR 400.2 thousand, which was 16 percent resp. EUR 54.2 thousand ahead on 2019. Within other revenues in January – September 2020, was recognised the revenue from written-off liabilities for the payment of pension and disability insurance contributions in compliance with the provisions of the Act Determining the Intervention Measures to Contain the COVID-19 Epidemic and mitigate its consequences for citizens and the economy, in the amount of EUR 2.3 million.

### 7.1.4 Operating expenses

In the first nine months of 2020, the operating expense of Luka Koper Group amounted to EUR 138.3 million, which was a decline of EUR 506.9 thousand in comparison with the same period of the preceding year. Within the operating expenses in comparison with 2019, all types of costs decreased, except labour costs and other operating expenses.

In January – September 2020, the cost of material of Luka Koper Group amounted to EUR 12.2 million and dropped by 5 percent resp. by EUR 662.1 thousand when compared to 2019. The cost of replacement parts increased, whilst the energy costs, mostly the cost of fuel, decreased.

In the first nine months of 2020, the cost of services of Luka Koper Group amounted to EUR 38.9 million, which was 3 percent resp. EUR 1.3 million decline in comparison with the same period of the preceding year. The maintenance costs decreased, as well as costs of intellectual and personal services and trade fairs, advertising costs and representation expenses. The cost of services in the performance of the activity due to the increase of cost of agency workers were higher by 5 percent resp. by EUR 805.9 thousand.

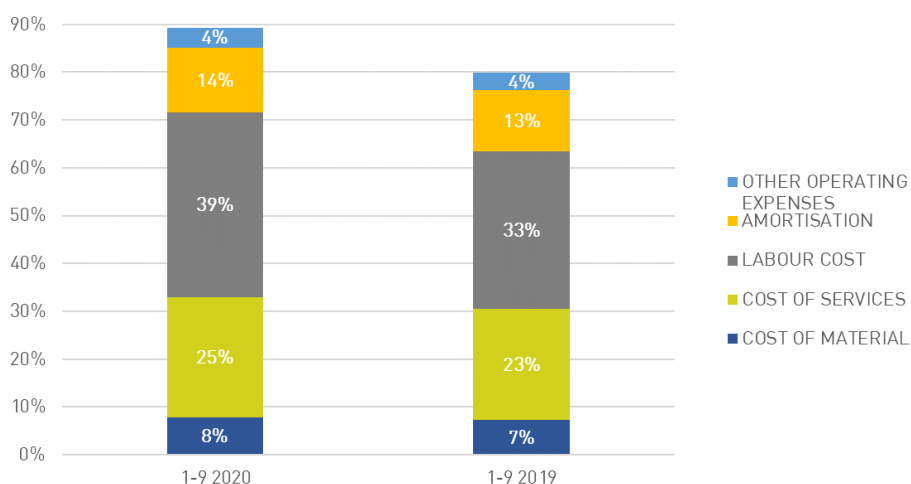
In January - September 2020, labour costs of Luka Koper Group amounting to EUR 59.9 million were by 5 percent resp. by EUR 2.7 million ahead on the comparable period in 2019. The increase of labour costs resulted from a higher number of employees and due to the payment of the crisis supplement to the employees in accordance to the provisions of the Act Determining the Intervention Measures to Contain the COVID-19 Epidemic and mitigate its consequences for citizens and the economy. As at 30 September 2020, Luka Koper Group employed a total of 1,705 persons, as at 30 September 2019, 1,699 persons, which were 6 employees more, since in 2019 Luka Koper Group continued to carry out the action plan for the implementation of strategy of port's services, whilst in 2020 followed by employment slowdown and the completion of the 3-tier employment model. In January – September 2020, 26 recruitments were realised in Luka Koper Group. Since the contracts concluded with selected agencies for recruitment of workers were concluded for the period of one year, on May 27 2020, republished the tender for the selection of agencies for hiring 361 agency workers.

In January – September 2020, costs of amortisation of Luka Koper Group amounted to EUR 21 million, which was 6 percent resp. EUR 1.3 million decrease in comparison with 2019. Costs decreased as a result of the extension of lifetime of assets.

Other operating costs amounted to EUR 6.4 million, which was 1 percent resp. EUR 46.4 thousand increase over the same period in 2019. The cost of humanitarian contributions increased, whereof in the amount of EUR 200 thousand from the donation to the Municipality of Koper for the implementation of mitigation measures with aim to reduce the impact of emissions from the port activity by 2020.

The share of operating expenses in net revenue from sale in January – September 2020 amounted to EUR 89.3 percent, which was 9.5 percentage point ahead on 2019. In comparison with 2019, shares of all types of costs increased, except other operating expenses, which remained at the same level.

Figure 2: Share of single operating expenses within net revenue from sale of Luka Koper Group



### 7.1.5 Earnings before interest and taxes (EBIT)

In January – September 2020, the operating profit (EBIT) of Luka Koper Group amounted to EUR 21.7 million, which was 44 percent resp. EUR 16.9 million decline in comparison with January – September 2019. Lower earnings and taxes (EBIT) in 2020 in comparison to 2019 were mostly attributable to EUR 19 million lower net revenue from sale due to lower volume of throughput and labour costs, which were higher by EUR 2.7 million in 2020.

Earnings before interest, taxes, depreciation and amortization (EBITDA) of Luka Koper Group in January - September 2020 amounted to EUR 42.6 million, which was 30 percent resp. EUR 18.2 million decline in comparison with the same period last year.

EBITDA margin of Luka Koper Group in January – September 2020 amounting to 27.5 percent decreased by 21 percent resp. by 7.5 percentage point in comparison with 2019.

### 7.1.6 Profit before tax and profit for the period

Profit or loss from financing activities in January – September 2020 amounted to EUR 1.6 million, which was 36 percent resp. EUR 430.6 thousand ahead on the comparable period in 2019. Finance income from shares in Group companies increased. The results of associated companies in January – September 2020 increased the profit before tax of Luka Koper Group by EUR 1.1 million, which was by 6 percent resp. by EUR 64.7 thousand decline in comparison with 2019.

### 7.1.7 Net profit or loss for the period

Net profit or loss of Luka Koper Group 2020 in January - September 2020 amounted to EUR 21.8 million, which was 37 percent resp. EUR 12.8 million decline compared to the first nine months of 2019. Besides the aforesaid impacts which contributed to the lower operating profit (EBIT) in 2020 with respect to 2019, also a lower effective corporate tax rate had an impact on the net profit or loss.

### 7.1.8 Financial position and financial management

As at 30 September 2020, the balance sheet of Luka Koper Group amounted to EUR 607.8 million, which was 2 percent resp. za EUR 10.4 million ahead on 31 December 2019.

As at 30 September 2020, 80.6 percent of the balance sheet accounted for non-current assets. Due to the investments, the value of property, plant and equipment, and namely increased by 8 percent resp. by EUR 29.6 million. Property, plant and equipment in acquisition increased by EUR 30.3 million, the advances given for the purchase of property, plant and equipment decreased by EUR 16.9 million. The value of shares and interests increased by EUR 3.2 million, and namely due to the of the market value of non-current finance investments and interests carried at fair value.

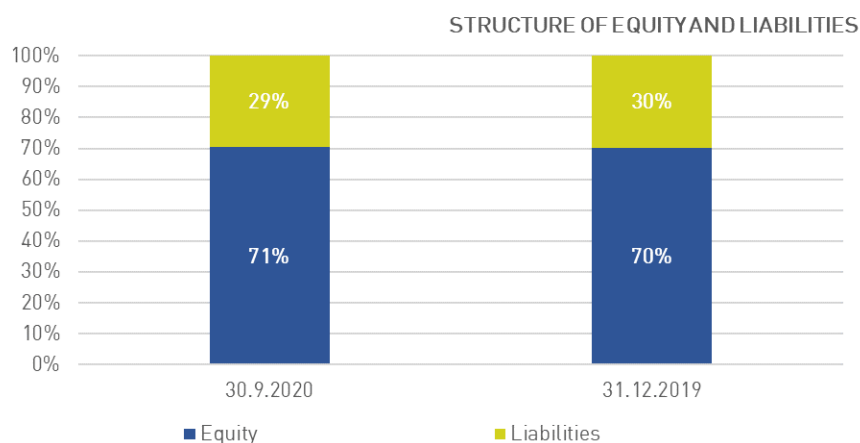
As at 30 September 2020, the short-term assets of the Luka Koper Group in the amount of EUR 117.6 million were 4 percent or EUR 4.8 million lower than on 31 December 2019, whereby income tax receivables decreased by 3, EUR 1 million and the balance of cash and cash equivalents by EUR 3.7 million, while operating and other receivables increased by EUR 2.1 million. The increase in operating and other receivables is a reflection of the usual year-on-year increase in other receivables, short-term deferred costs and accrued revenues increased by EUR 3.6 million compared to 31 December 2019, while operating receivables, where trade receivables predominate, followed revenues decreased by EUR 1.5 million compared to 31 December 2019.

The capital of the Luka Koper Group amounted to EUR 428.3 million as at 30 September 2020 and increased by 2 percent or EUR 9.4 million compared to 31 December 2019. The increase is the net effect of the capital increase due to the entry of net profit for the period of EUR 21.8 million, positive changes in the revaluation surplus of financial investments in the amount of EUR 2.6 million and its decrease due to the parent company's profit of EUR 15 million. As at 30 September 2020, capital represented 70.5 percent of the balance sheet total.

As at 30 September 2020, non-current liabilities including long-term provisions and long-term accrued costs and deferred revenue of Luka Koper Group were by 8 percent resp. by EUR 11 million lower than as at 31 December 2019. Provisions for lawsuits decreased by EUR 1.5 million. Non-current loans from domestic banks from regular repayment of principal amounts from contractually agreed amortisation schedules decreased by EUR 7.9 million.

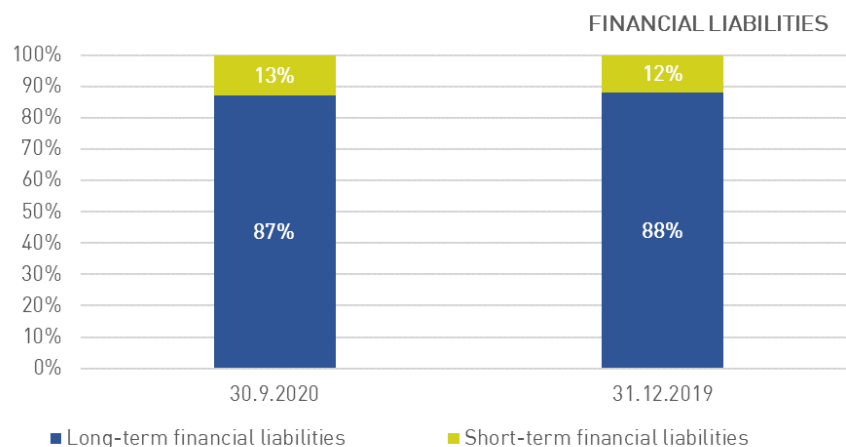
As at 30 September 2020, current liabilities of Luka Koper Group were higher by 25 percent resp. by EUR 11.9 million compared to the balance as at 31 December 2019. Trade receivables increased by EUR 5.1 million, whilst liabilities from advances decreased by EUR 1.7 million. Operating liabilities from accrued costs and other operating liabilities increased by EUR 8.2 million.

Figure 3: Structure of Luka Koper Group liabilities



As at 30 September 2020, financial liabilities of Luka Koper Group amounted to EUR 85.1 million, which was 8 percent resp. EUR 7.9 million decline compared to the balance as at 31 December 2019. The volume of domestic bank loans decreased in accordance with valid amortisation schedules.

Figure 4: Structure of Luka Koper Group liabilities by maturity

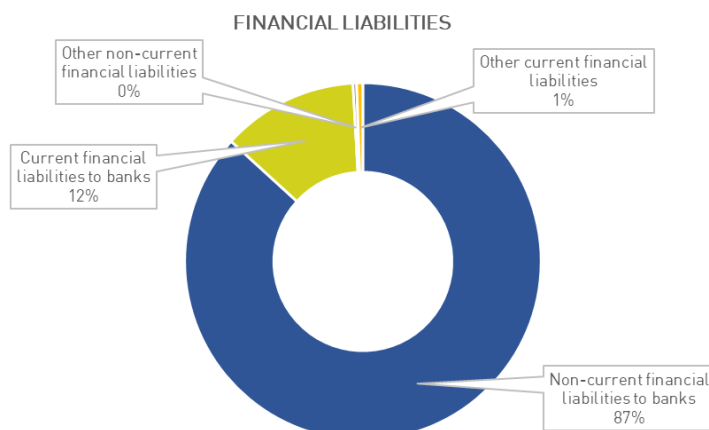


Non-current financial liabilities to banks of Luka Koper Group as at 30 September 2020 accounted for 86.7 percent of total financial liabilities. Their share decreased by 1.1 percentage point in comparison to the balance as at 31 December 2019.

As at 30 September 2020, Luka Koper Group had 46.2 percent of loans non exposed to interest rate risk, the remaining 53.8 percent were variable interest loans.

The share of financial liabilities in the equity as at 30 September 2020 amounted to 19.9 percent, which was 16 percentage point decline compared to 31 December 2019.

Figure 5: Financial liabilities of Luka Koper Group



### 7.1.9 Comparison of the results achieved by Luka Koper Group in January – September 2020 in relation to the plan

In January – September 2020, the net revenue from sale of Luka Koper Group amounted to EUR 154.9 million and was by 13 percent resp. by EUR 23.7 million below the planned. Net revenue from sale of Luka Koper Group from the market activity in January – September 2020 lagged behind the planned net revenue from sale by 11 percent resp. by EUR 18.2 million, the revenue from the performance of the public utility service for the regular maintenance of the port's infrastructure, destined for public transport lagged behind the plan by 52 percent resp. by EUR 5.5 million. Deviation from the planned net revenue from sale mainly resulted from the epidemic COVID-19 and global economy slowdown which resulted in decreased maritime throughput. Lower revenue than planned from the performance of the public utility service of regular maintenance of the port's infrastructure reflected lower port's dues charged and lower deferred revenue, attributable to lower maintenance costs due to the delayed approval of the business plan, delayed performance of procurement contracts, performance of urgent maintenance works only required by the need to adapt to the epidemic outbreak.

In January – September 2020, earnings before interests and taxes (EBIT) of Luka Koper Group a 14 percent resp. by EUR 3.5 million below the planned. Lower earnings before interests and taxes (EBIT) than planned were attributable to lower net revenue from sale and other higher operating expenses. Costs of material were lower than planned due to lower energy costs, primarily cost of fuel and lower cost of maintenance material. The decrease of fuel consumption resulted from minor volume of throughput due to the economic shock at COVID-19, the costs of material of maintenances were lower since only urgent maintenance works were performed. Within the cost of services, the cost of services of external partners was lower than planned mainly due to the deferred implementation of public procurements, cost of maintenance services were lower since only indispensable maintenance works were implemented, education and training costs and travel expenses were lower due to the epidemic, transshipment fees and cond concession fees were lower due to a minor volume of throughput. As at 30 September 2020, 1,705 persons were employed at Luka Koper Group and 1,805 were planned, which was 100 less than planned. Amortisation costs were lower than planned due to the extension of the lifetime of assets, which was not taken into account in planning the amortisation in 2020. Other costs were higher in comparison to the plan due to higher costs for compensations, higher costs of humanitarian contributions and higher allowances for receivables.

In January – September 2020, earnings before interest, taxes, depreciation and amortisation (EBITDA) of the Luka Koper Group were by 10 percent resp. by EUR 4.9 million below the planned. EBITDA margin of the Luka Koper Group in January – September 2020 was by 3 percent resp. by 1 percentage point higher than planned.

EBITDA margin of the Luka Koper Group from the market activity amounted to 28.5 percent, which was 1 percent and was by 0.2 percentage point ahead on the planned. In January – September 2020, the net profit of the Luka Koper Group decreased by 11 percent resp. by EUR 2.6 million in comparison to the budgeted net profit.

## 7.2 Summary of the performance of Luka Koper, d. d.

### 7.2.1 Comparison of the results achieved by Luka Koper, d. d., in January – September 2020 and 2019

In January – September 2020, the net revenue from sale of Luka Koper, d. d., amounted to EUR 152 million, which was 11 percent resp. EUR 18.8 million decline compared with the same period in 2019. Net revenue from sale resulting from the market activity was by 11 percent resp. by EUR 18.4 million lower than the revenue generated in the previous year, whilst the revenue from the performance of the public utility service of regular maintenance of the port's infrastructure, intended for the public transport were lower by 9 percent resp. by EUR 478.9 thousand in comparison with the previous year.

Higher revenue from the market activity was achieved from rentals, all other revenues were lower compared to 2019 and namely due to lower volume of maritime throughput, as result of coronavirus SARS-CoV-2 (COVID-19) outbreak and related measures, as well as due to the economic slowdown.

Earnings before interest and taxes (EBIT) of Luka Koper, d. d., in January - September 2020 amounted to EUR 21.2 million, which was 43 percent resp. EUR 15.8 million below than in the comparable period in 2019. Lower earnings before interest and taxes (EBIT) in 2020 in comparison with 2019 were primarily due to lower net revenue from sale by EUR 18.8 million resulting from the lower throughput, higher labour costs, increased by EUR 2.1 million in 2020, IT costs, which increased by EUR 211 thousand and costs of disinfection, rat extermination and fumigation, which were higher by EUR 357.8 thousand.

In Luka Koper, d. d., so In January – September 2020 costs related to coronavirus SARS-CoV-2 (COVID-19) incurred. In January – September 2020. Cost of protective equipment, such as coveralls, gloves, protective masks and disinfectants in January – September 2020 amounted to EUR 217.9 thousand.

Net profit or loss of Luka Koper, d. d., in January – September 2020 amounted to EUR 21.3 million, and decreased by 37 percent resp. by EUR 12.3 million in comparison with the same period of the previous year. In addition to the explained impacts which contributed to lower earnings before taxes and interest (EBIT) in 2020 compared to 2019, net profit or loss in 2020 was affected by a lower effective corporate tax rate.

### 7.2.2 Comparison of results achieved by Luka Koper, d. d., in January – September 2020

In January - September 2020, the net revenue from sale of Luka Koper, d. d., decreased by 14 percent resp. by EUR 23.7 million compared to the planned net revenue from sale. Net revenue from sale from the market activity lagged behind the plan by 11 percent resp. by EUR 18.3 million, whilst the revenue from the performance of the public utility service of regular maintenance of the port's infrastructure destined to public traffic lagged behind the plan by 52 percent resp. by EUR 5.5 million. Net revenue from sale from the market activity was lower than planned due to the economic cooling down and signs of economic downturn and as result of COVID-19.

In January – September 2020, earnings before interest and taxes (EBIT) were 14 percent resp. EUR 3.4 million below the planned. Lower operating profit than planned was attributable to lower net revenue from sale and higher other costs. Costs of material were lower than planned due to lower energy cost, primarily fuel costs and lower costs of maintenance material. Within the cost of services, the costs of external contractors, cost of maintenance services, training costs and travel allowances, costs of transshipment fees and concession fees were lower than planned. Labour costs were lower than planned due to lower number of employees than planned. . The costs of amortisation were lower than planned due to lower amortisation in 2019 resulting from the extension of lifetime of assets, which was not taken into account at planning of the amortisation for 2020. Other costs were higher than planned, primarily costs of compensations.

In January - September 2020, net profit or loss was lower by 11 percent resp. by EUR 2.6 million than planned.



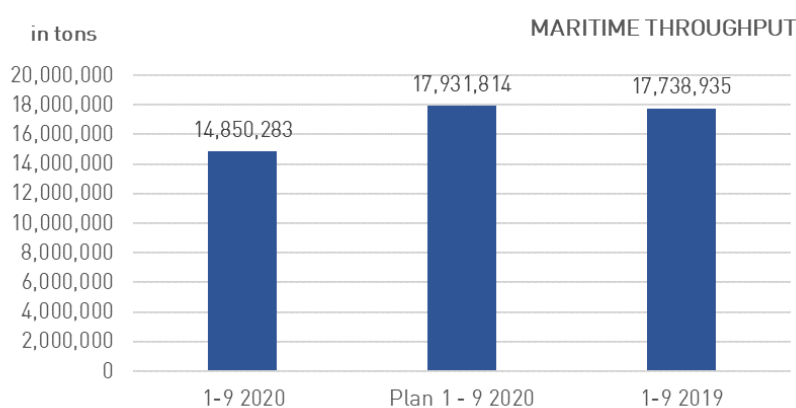
## 8 Marketing and sale

### 8.1 Maritime throughput

The maritime throughput of the Luka Koper Group in January – September 2020 achieved 14.9 million tons and lagged behind the planned quantities by 17 percent, which was 16 percent decline in comparison with the comparable period last year. In comparison with the previous year, in January – September, Luka Koper Group recorded 6 percent decline of loaded and 21 percent decline of unloaded goods onto/from ships.

The year 2020 was characterised by substantially altered operating and business conditions, since SARS-CoV-2 (COVID-19) coronavirus outbreak caused the economic downturn, having a huge impact on the global economy, global trade flows and logistic routes. In January – September 2020, the consequences of the pandemic and related measures resulted in a lower volume of throughput of the Luka Koper Group and increased volume of goods in warehouses. Nevertheless, the Luka Koper Group estimates that the results are good, since the conditions in the port activity affected more severely other ports. The throughput of two strategic product groups, containers and cars remained stable.

Figure 6: Maritime throughput



### 8.2 Cargo structure by cargo types

In the whole structure of the maritime throughput prevailed containers, of which share increased by 6 percentage point in comparison to 2019. The share of dry and bulk cargoes, liquid cargoes and general cargoes decreased, the share of cargo group cars remain unchanged.

Table 5: Maritime throughput in tons per cargo types in 2020 and 2019

Cargo groups (In tons)	1-9 2020	1-9 2019	Index 2020/2019
General cargoes	662,111	942,061	70
Containers	6,962,170	7,246,446	96
Cars	688,934	791,711	87
Liquid cargoes	2,558,219	3,218,298	79
Dry and bulk cargoes	3,978,850	5,540,419	72
<b>Total</b>	<b>14,850,283</b>	<b>17,738,935</b>	<b>84</b>

Figure 7: Maritime throughput per cargo types – in tons

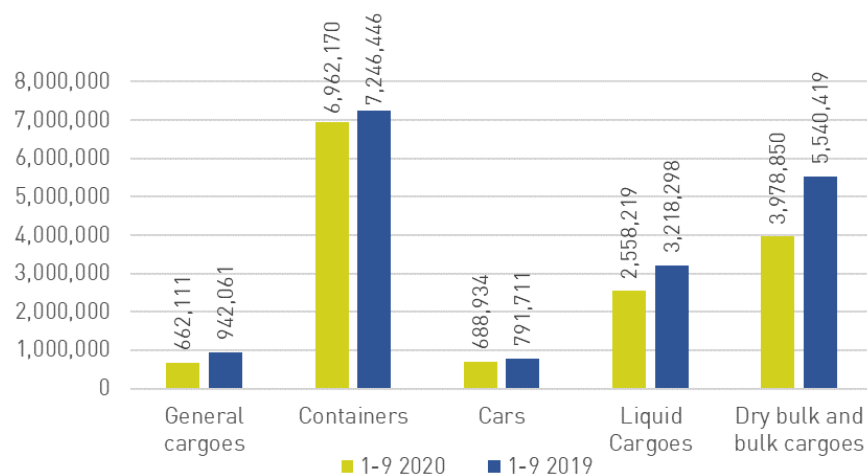


Table 6: Throughput containers (number containers and TEU) and cars (in units) in 2020 and in 2019

Cargo groups	1-9 2020	1-9 2019	Index 2020/2019
Containers – number	408,421	430,301	95
Containers – TEU	710,165	734,489	97
Cars – units	426,107	503,653	85

Figure 8: Throughput of containers and cars

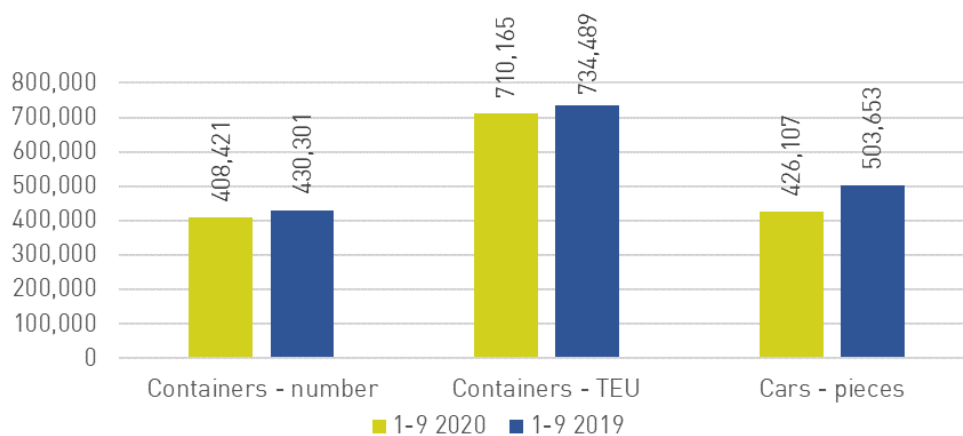
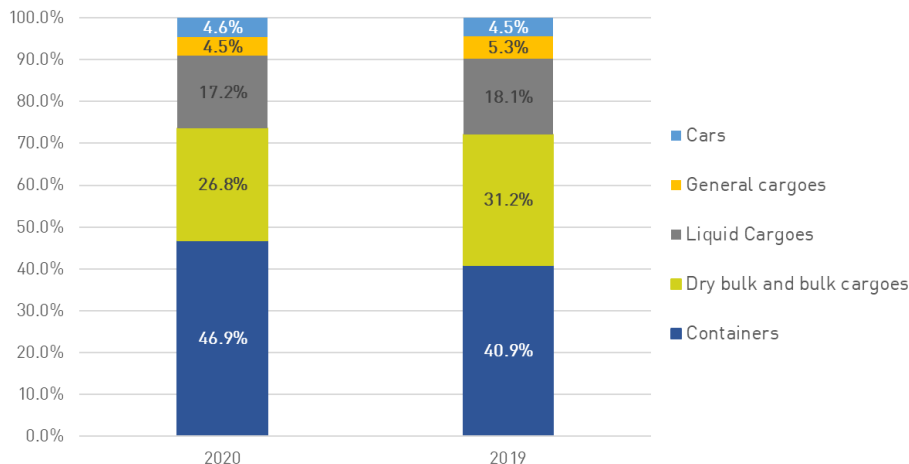


Figure 9: Structure of maritime throughput by cargo types



### 8.2.1 General cargoes

Within the general cargoes, Luka Koper Group in January – September 2020 achieved 30 percent lower throughput in comparison to the same period last year. The maritime throughput within the general cargoes decreased by 44 percent in the segment of iron product., due to the world economic cooling down and difficulties connected with COVID-19 epidemic.

5 percent lower export was recorded in timber throughput.

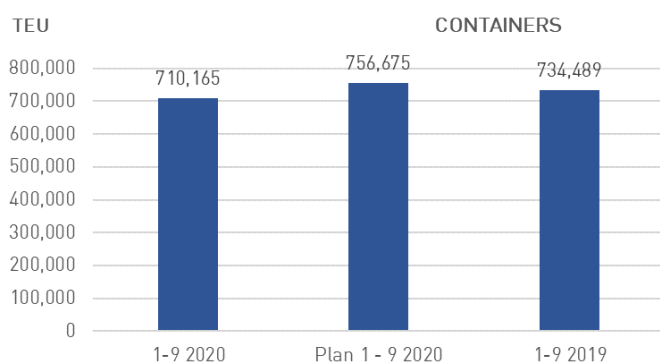
### 8.2.2 Containers

In January - September 2020, the maritime throughput of containers in TEU was by 3 percent lower in comparison with 2019.

In the beginning of 2020, the COVID-19 pandemic had a relevant negative impact on the maritime throughput (in TEUs) in China which paralysed the economy for several weeks. As a consequence, there was reduced import through the Port of Koper and partially reduced export quantities. Due to the COVID -19 spread across Europe and the impact on the European production, also in the second and third quarter of 2020 Luka Koper Group recorded a slight fall in cargo throughput. Drop in quantities in import is mainly related with the European car industry in the hinterland, which reduced resp. even stopped the production.

In comparison with the previous year, in the first nine months of 2020, the containers throughput in TEU was by 3 percent lower, whilst in the neighbouring port of Trieste it was lower by one percent.,11 percent drop in the troughput was recorded in the Port of Venice. The Port of Rijeka does not publish infra-annual throughput statistics public.

Figure 10: Maritime throughput of containers



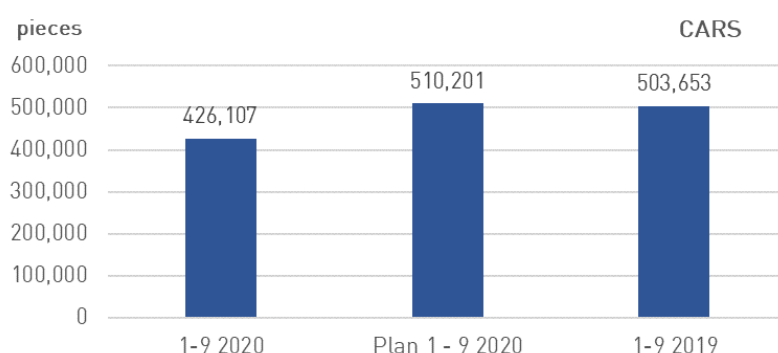
### 8.2.3 Cars

In January – September 2020, 426,107 cars were transhipped, which was 15 percent decline compared to the same period in 2019. Lower throughput this year is due to COVID-19 outbreak and related measures. Due to the closure of car plants, car stores and difficulties in logistics (transport), the transhipment of cars in 2020 decreased in comparison to achieved quantities of cargo in 2019.

252.8 thousand cars were loaded onto ships, and 173.3 thousand cars unloaded.

The transhipment of cars improved in comparison with the half-year results. Although Luka Koper, d. d., recorded a 15-percent fall in the volume of throughput in the first nine months of 2020 in comparison with the previous year, it recorded the minimum decrease among Mediterranean ports. The transhipment of cars in the Port of Barcelona was lower by 45 percent, in the Port of Valencia by 33 percent. The transhipment of cars in the northern European port of Antwerp declined even by 29 percent.

Figure 11: Maritime throughput of cars



### 8.2.4 Liquid cargoes

In January – September 2020, the throughput of liquid cargoes in comparison with the equivalent period in 2019 decreased by 21 percent. In the product subgroup of liquid cargoes, the throughput decreased by 26 percent in comparison with the previous year, mainly due to the reduced retail sale of petroleum products and a sharp decrease of air traffic.

### 8.2.5 Dry and bulk cargoes

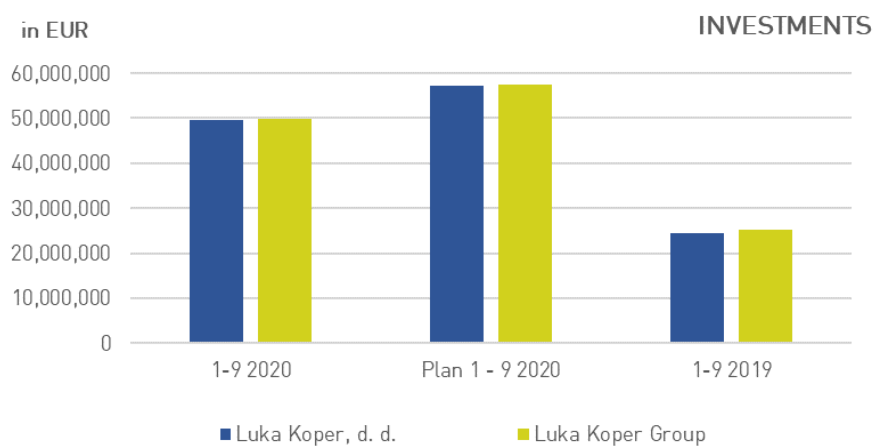
In January – September 2020, the maritime throughput of dry and bulk cargoes decreased by 28 percent in comparison with the same period in 2019. Luka Koper Group recorded the decrease mostly in the throughput of thermal coal of which consumption continues to decrease in accordance with the EU legislation which provides for complete decarbonisation in the coming years. Besides that, high environmental taxes on CO<sub>2</sub> emissions which makes the consumption and the competitiveness in this energy segment even more difficult.

The maritime throughput in the product group of dry bulk cargoes remained at the same level as last year.

## 9 Non-financial investments

In January – September 2020, Luka Koper Group allocated EUR 49.9 million for the investments in the property, plant and equipment, property investments and intangible assets<sup>24</sup>, which was 97 ahead on the comparable period in 2019. In January – September 2020, Luka Koper, d. d., allocated EUR 49.7 million for investments, which was 99.6 percent of Luka Koper Group investments.

Figure 12: Non-financial investments



Largest implemented investments were the following:

- Continued construction of the parking garage for cars,
- Construction of a new RO-RO berth in Basin III was constructed and arrangement of areas,
- Purchase of the E-RTG crane for the needs of the container terminal,
- Construction of the group IV of railway tracks,
- Start of the extension of the Pier I,
- Continuation of the construction of the additional entrance to the port (Bertoki entrance),
- Purchase of a new fire-fighting vehicle,
- Purchase of a new RMG crane for the needs of the bulk cargoes terminal,
- Purchase of a RMG crane for the needs of the Container terminal.

<sup>24</sup> Without taking into account advances paid for the equipment.

# 10 Risk management

## 10.1 Explanatory note to the Coronavirus SARS-CoV-2 (COVID-19) outbreak

COVID-19 outbreak affected the economy and logistics flows. On 2 March, the Government of the Republic of Slovenia declared the epidemic of COVID-19 which lasted till 1 June, on 18 October 2020 the Government declared the new epidemic. Luka Koper Group has been endeavouring to minimize the consequences of the pandemic. At COVID-19 outbreak, Luka Koper Group firstly adopted measures for the protection of persons. The Port of Koper is the facility of a special importance for defence and the economy of the Republic of Slovenia and has status of critical infrastructure facility Luka Koper, d. d., as concessionaire in the Port of Koper, drawn up crisis response plan, this including also the pandemic. Prior to the first case of infection with the coronavirus in Slovenia, Luka Koper, d. d., set up a work group which adopts measures for preventing the spread of infection. The Company also adopted a protocol on informing and taking actions in case of the suspected infection offshore and onshore which was harmonised with the National Institute of Public Health and all government bodies exercising their powers in the port's zone. Besides these measures, Luka Koper, d. d., adopted several additional measures among which also: adjustment of working hours in operations and other processes with aim to reduce a direct contact among the organisation of work with emphasis on remote work and implementation of remote meetings as well as reinforced self-protective and hygiene measures, daily informing about the infection rate in the Port of Koper has been introduced, additionally, Protection and rescue plan in the event of an epidemic, will be drawn up. Also the Port's section of Civil Protection was involved in the control over the implementation of preventive measures and set up Civil protection committee, which controls whether measures are respected and provides additional disinfection in the Port. The adopted measures and activities are updated and communicated to internal and external public, business partners and all interested stakeholders. Stakeholders. The fear of consequences of coronavirus and endeavours to prevent its expansion will have an impact also on supply chains and logistics flows and consequently Luka Koper, d. d., where the consequences could be reflected in a reduced volume of throughput and increased volume of goods in warehouses. Depending on developments, due to a potential global economic recession and new waves of epidemic, the coronavirus COVID-19 epidemic will have a negative impact on the performance of the Luka Koper Group. It is difficult to predict to which extent because of a great uncertainty associated with the virus itself and the capability to control it.

## 10.2 Other risks

As regards commercial risks, the economic slowdown, projections of a decline of the growth of markets and other risks in the international environment will further present a risk for a lower throughput and consequently the deviation of the revenue from sale. International Monetary Fund forecasts 8.3 percent fall in GDP in euro area in 2020. In 2021, economic growth is projected at 5.2 percent. However, this assessment is based on the assumption of a rapid economic recovery after the end of the epidemic. Among commercial risks, also risks related to the development of competitive ports and entering of larger shipping companies in the ownership of neighbouring ports (Trieste, Rijeka, Pireus) likely resulting in the shift of a part of cargoes to other routes, have been increasing. Besides that, the neighbouring ports pay a lot of attention to the enhancement of the competitiveness in railway transport. Said risks are managed with marketing activities directed in the existing and acquisition of new businesses, and applying particular warehousing terms for cargo, subject to unfavourable (emergency) situation in the market.

Other two strategic risks resulting from the external environment, remain the uncertainty about the construction of the second railway track and obsolete, insufficient capacities of the existing railway line, thus undermining further growth of throughput also until the construction of the second railway track of the existing railway line. In 2019, a project group, which started to implement the activities aimed to improve IT support, implementation of infrastructure interventions and organisational changes, was set up. In 2020, the activities related to the coordination of needs in railway infrastructure will continue. In the third quarter of 2020. In the third quarter of 2020, the railway tunnel Karavanke is intended to be closed. Due to planned works and closure of the tunnel Karavanke the customers might redirect their logistic through other ports, mainly through Northern European ports, mostly at risk is the cargo group of vehicles. Have only a limited impact on this fact, the risk may be managed with operational coordination and notifications during the closure of the railway tunnel Karavanke.

The risk management activities relating to the implementation of key investment projects, continue In the first stage which will last until the end of March 2021, the operational quay will be constructed within the extension of the Pier I. Works will continue with the construction of storage areas for containers and are projected to be

completed one year later. The investment concerning the extension of the Pier I comprises the construction of the operational quay of length 98.5 m and width 34.4 m and the construction of rear storage areas on the southern side of the Pier measuring 24.830 m<sup>2</sup>. Za potrebe termandala za avtomobile and ro-ro smo zaključili The construction of a new ro-ro berth and tracks group VI was completed, the construction of the garage house with capacity of 6,000 vehicles and the third truck entrance in the in Port alongside Ankaran access road will be completed by the end of the year for the needs of the Car terminal. These investments will increase capacities of storage and berths and improve the internal logistics in the transshipment of cars and meanwhile reduce the risk arising from the development of neighbouring ports.

As of 16 January 2020, a new business model of the implementation of port's services, entered into force, whereby compliance risk for future period. The risk of exceeding the noise thresholds towards Koper old town may be generated during driving the piles within the extension of the Pier I or due to excessive noise produced when carrying out the activity. Luka Koper Group has already adopted measures which will take into consideration already at the design stage and further on at the selection of the construction works contractor will take into consideration imposing limits of noise at acceptable level. Noise measurements were carried out at driving piles, which show that measurements are within the prescribed limits. The Group manages other risks relating to excessive noise with a gradual switchover to technological equipment with electrical supply and cooperates also in the Neptunes project, in the framework of which solutions for the reduction of ship-generated noise, are sought ..

Among the financial risks we recognise risk relating to change in fair value, interest rate risk, liquidity risk, currency and credit risk and risk relating to adequate capital structure. An increase of interest rates is not expected in 2020, according to recent projections, EURIBOR should remain negative over a longer period. In the coming period, we will closely monitor the liquidity of container shipping companies and other relevant partners. Financial risks are treated in detail in the chapter Financial instruments and financial risk management.

# 11 European projects

In January – September 2020, Luka Koper, d. d., implemented several activities in the field of research and development aiming to support the port's development and started to implement the Strategic business plan for 2020 - 2025.

The emphasis was on faster implementation of priority infrastructure projects, also in connection with the possibility of obtaining grants to this end. There are challenges in the field of new technologies where Luka Koper, d. d., is partner in two projects testing new technologies in the disposal and processing of the dredged material generated at the maintenance of adequate depths along the operational quayside, environmental, energy, IT and security issues

Luka Koper, d. d., was involved in co-funded initiatives and in January January - September 2020, the following applications for new projects within different programmes, were implemented:

- Within the open public tender of the programme CEF, Luka Koper, d. d., as a partner or leading partner, joined the applications in the following projects: LKPIER, ICON LK-STUDIES and EALING.
- Within the public tenders of the programme Horizon 2020, Luka Koper, d. d. joined as partner the following projects: 5G-LOGINNOV and SEAPORTEYE.

Throughout January – September 2020 period, the activities of approved projects and optimal absorption of funds were carried out:

- With regard to European projects, the following activities of Luka Koper, d. d., as leading partner on two projects from the programme CEF, should be emphasized:
  - NAPA4CORE - investments in the port's infrastructure
  - CarEsmatic - investments in the port's infrastructure

As partner, Luka Koper, d. d., implemented the activities on the following projects: GAINN4MOS (CEF), SAURON and Infrastress (Horizon 2020).

- In the European territorial cooperation programmes, the activities continued on the following projects: SECNET, ADRIPASS, ISTEEN, SUPAIR, TalkNet (programme Central Europe), IntraGreen-Nfromes, REIF, ComfromalCE, CLEAN BERTH.

The projects of the European territorial cooperation programmes are relevant as they place the Port of Koper in the European institutional environment, especially from the aspect of planning of Trans-European transport corridors, environmental protection, as well as cultural heritage, port's security, sustainable energy supply, digitalization and similar.

- On projects, co-funded from structural funds, the activities continued on the following projects:
  - Competence center Logands - support of education and competence development in Logistics,

Within smart digitalisation specialisation, Luka Koper, d. d., continued the implementation of the project:

- NMP (Exploitation of the biomass potential for the development of the advanced materials and bio-based products) – pilot study in researches of the good use of the sea sludge
- Development of a sustainable growth model "Green Port", which comprises nautical characteristics of navigation routes in the bay of Koper, impacts of environmental interventions, primarily on the seabed, primarily in relation to the biodiversity, pollution and flows ter-resuspension of the sediment during the navigation and manoeuvring, risk assessment from a nautical perspective and perspective of industrial accidents, analysis of national and international legal procedures for intervention in the seabed.

In the first nine months of 2020, the Company obtained the approval of the call project 5G-LOGINNOV and EALING project.



## 12 Trading in LKPG

The share of Luka Koper identified as LKPG LKPG is listed in the first quotation of Ljubljana Stock Exchange. As at 30 September 2020, the share ended its trading with 26 percent lower value than in the comparable period last year. On the last trading day of the third quarter of 2020 the LKPG share amounted to EUR 18.50 per share.

In the first nine months of 2020, the ownership structure of Luka Koper, d. d., slightly changed. As at 30 September 2020, 9,221 shareholders were registered in the register, which was 160 less than 2019. The Republic of Slovenia is the company's major shareholder.

Table 7: Ten largest shareholders in Luka Koper, d. d., as at 30 September:

Shareholder	Number shares 30.09.2020	Percentage stake 30.09.2020	Number shares 30.09.2019	Percentage stake 30.09.2019
Republic of Slovenia	7,140,000	51.00	7,140,000	51.00
Slovenski državni holding, d. d.	1,557,857	11.13	1,557,857	11.13
Kapitalska družba, d. d.	696,579	4.98	696,579	4.98
Municipality of Koper	439,159	3.14	439,159	3.14
Citibank N.A. – fiduciary account	384,421	2.75	390,413	2.79
Hrvatska poštanska banka, d. d. – fiduciary account	141,462	1.01	138,582	0.99
Raiffeisen Bank Andternational AG (RBI)	132,207	0.94	116,774	0.83
NLB skladi – Slovenija mešani	114,523	0.82	99,782	0.71
Zavarovalnica Triglav, d. d.	113,568	0.81	113,568	0.81
Zagrebačka banka d. d. – fiduciary account	101,311	0.72	80,214	0.57
<b>Total</b>	<b>10,821,087</b>	<b>77.29</b>	<b>10,772,928</b>	<b>76.95</b>

### 12.1 Trading in LKPG

In the first nine months of 2020, the average daily price of Luka Koper, d. d., stood at EUR 19.64, whilst its overall value fluctuated between EUR 15.70 and EUR 24.70. The highest daily price was EUR 25.00, the lowest EUR 15.10. As at 30 September 2020, the market capitalisation of Luka Koper, d. d., shares amounted to EUR 259,000,000.

There were 1,879 transactions and block trades with aggregate value of EUR 7,104,606, whereby 358,495 shares changed ownership. In this period, the SBITOP index achieved 9.1 decline.

Figure 13: Changes in the daily LKPG share price and daily turnover in January – September 2020

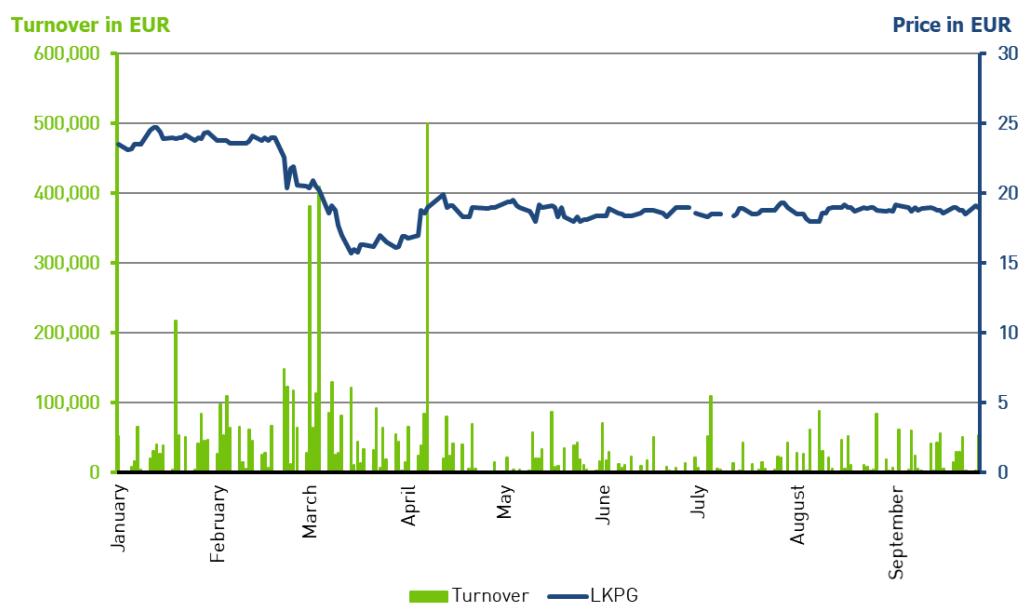


Table 8: Relevant data on LKPG

	1 – 9 2020	1 – 9 2019
Number of shares as at 30.09.	14.000.000	14.000.000
Number of ordinary no par value shares	14.000.000	14.000.000
Closing price as at 30. 09. (in EUR)	18.80	25.00
Book value of shares as at 30. 09. (in EUR) <sup>25</sup>	28.28	26.98
Ratio between average weighed price in avce (P/B) <sup>26</sup>	0.66	0.93
Average market price (in EUR) <sup>27</sup>	19.82	26.94
Average book value of share (in EUR) <sup>28</sup>	28.37	26.81
Ratio between average weighed market price and average book value of share	0.70	1.00
Net earning per share (EPS) (in EUR) <sup>29</sup>	2.03	3.20
Ratio between market price and earnings per share (P/E) <sup>30</sup>	9.25	7.81
Market capitalisation as at 30.09. (in mio EUR) <sup>31</sup>	263.20	350.00
Turnover – all transactions in January - September (in mio EUR)	7.10	5.44

<sup>25</sup> Book value of share = equity / number shares.

<sup>26</sup> Ratio between market price and book value of share (P/B) = closing share price / book value of share

<sup>27</sup> Weighted average market price is calculated as a ratio between total value of LKPG stock exchange transaction and the aggregate number of LKPG shares traded across the period.

<sup>28</sup> Average book value of the LKPG is calculated on the basis of average monthly ratio between equity and number of ordinary shares.

<sup>29</sup> Earnings per share (EPS) = net profit or loss / number shares.

<sup>30</sup> Ratio between the market price and earnings per share (P/E) = closing share per price / earnings per share (EPS).

<sup>31</sup> Market capitalisation = closing share price \* number of shares.

## 12.1 Number of LKPG shares by the Supervisory Board and Management Board Members

	Shareholder	Ownership 30. 09. 2020
Supervisory Board	Uroš Ilić, President of the Supervisory Boarda	55
	Tamara Kozlovič, Member of the Supervisory Boarda	94
	Rok Parovel, Member of the Supervisory Board	8

As at 30 September 2020, other Members of the Supervisory Board and Members of the Management Board of Luka Koper, d. d., as at 30 September 2020 did not own company's shares.

## 12.1 Treasury shares, authorised capital, conditional capital increase

As at 30 September 2020, Luka Koper, d. d., held no treasuryshares. The applicable Articles of association do not provide for categories of authorised capital up to which the Management Board could increase the share capital. The company had no basis for the conditional increase in the share capital.

## 12.2 Rules on restrictions and disclosure on trading with company's shares and shares of related parties

In compliance with Ljubljana Stock Exchange recommendations, Luka Koper, d. d., adopted the Rules on trading with issuer's shares. These Rules represent an additional assurance on equal information to all interested public on relevant business events in the company and are important in strenghtening the trust of investors and the corporate reputation. The purpose of the Rules is to enable the persons to trade in shares of Luka Koper and to prevent any possible trading based on insider information. At the same time, the Rules enable mandatory reporting in accordance with the law on the sale and purchase of company's shares to the Securities Market Agency.

# SUSTAINABLE DEVELOPMENT

## 13 Care for employees

The port's activity requires a flexible approach to the organisation of work, therefore the employees have to adapt to the needs of business and social environment.

Skilled and motivated employees are a strategic asset and the condition for the implementation of development plans of Luka Koper. Cooperation, responsibility, respect, commitment and creativity on the part of each individual are the values implemented by the Group in its practice.

### 13.1 Recruitment, turnover rate and employment structure

As at 30 September 2020, Luka Koper Group hold 1.705 employees which was more 6 employees more than as at 30 September 2019.

In 2019, in Luka Koper, d. d., reorganisation of the business model took place and therewith related intensive recruitment, in 2020 the employment stabilised and three-tier model of employment was finally introduced. As at 30 September 2020, Luka Koper, d. d., held 1,540 regularly employed persons (tier I), 314 agency workers were posted to Luka Koper, d. d. through the public procurement system (tier II), to a lesser extent services of external contractors were hired (tier III).). Luka Koper INPO, d. o. o. also held four agency workers.

In the first nine months, 26 recruitments were realised in Luka Koper Group, whereof 21 in Luka Koper, d. d., which is essentially lower number than in the comparable period last year. when the intensive recruitment was done for the basic transshipment and storage process as a result of the process of the implementation of the strategy of providers of port's services resp. of the changed business model. In 2020, Luka Koper, d. d., has been paying attention on the optimisation of business processes. In the first nine months, in accordance with the needs of work, mainly conversions of the employment relationship from the fixed-term employment relationship into indefinite-term employment for regularly employed staff were realised, and in accordance to the action plan of the implementation of the strategy for port service providers remaining agency workers, who are guaranteed equal rights and obligations as regularly employed staff, were carried out. Since in 2019 the contracts concluded with selected agencies for placement of workers were stipulated for the period of one year, a public tender for the selection of agencies for hiring 361 agency workers was published on May 27, 2020.

In 2020, the measures adopted to prevent the extension of the coronavirus SARS -CoV-2 (COVID-19) affected the implementation of the business processes, although in compliance with the status of particular social and defense importance of Luka Koper d. d., smooth operation of the port was provided. Preventive measures for the protection of the employees were introduced. Forms of digital communication were established among the employees and customers. In March, due to exceptional circumstances, a new regulation and protocol on mandating other forms of work, performance of other work and work from home, were adopted. A temporary layoff was applied only in Luka Koper Pristan, d. o. o.

### Number of employees by company and in the Luka Koper Group

	30.9.2020	30.9.2019	Index 2020/2019
Luka Koper, d. d.	1,540	1,540	100
Luka Koper INPO, d. o. o.	132	127	104
Luka Koper Pristan, d. o. o.	4	4	100
Adria Terminali, d. o. o.	24	24	100
TOC, d. o. o.	5	4	125
<b>Group Luka Koper*</b>	<b>1,705</b>	<b>1,699</b>	<b>100</b>

\* Subsidiaries of Luka Koper Group, Logis-Nova, d. o. o., and Adria Investicije, d. o. o., are not shown in table, since they not hold any employees.

### Comparison between recruitment, termination and turnover rate

	Number of new recruitments		Number of departures		Turnover rate (in %)*	
	1 – 9 2020	1 – 9 2019	1 – 9 2020	1 – 9 2019	1 – 9 2020	1 – 9 2019
Luka Koper, d. d.	21	462	22	15	1.4	1.0
Luka Koper Group	26	468	25	15	1.4	0.9

\* Fluctuation calculation method = number of departures / (previous number of employees + new recruitments) x100

The number of departures from Luka Koper Group was higher than in the same period last year. The reasons for termination of the employment relationship in more than a half of departures are dominated by the retirement age, to a lower extent by consensual employment terminations and regular terminations of the employment relationship, expiry of fixed-term employment contracts and three cases of employees' death. Consequently, the fluctuation in Luka Koper Group was higher than in the previous year, but still relatively low in the industry.

Intensive recruitment for the basis transshipment and storage process in 2019 importantly affected the educational structure of Luka Koper, d. d., and Luka Koper Group, shifting towards larger share of employees at a lower level of education. Higher number of employees at higher level of education mainly resulted from the successfully completed the education at work.

## 13.2 Occupational health and safety

In September 2020, the audit reconfirmed that the occupational and health system had been successfully set up and had been implemented in accordance with a new standard ISO 45001.

By a variety of measures, such as education, additional training, informing of employees and other stakeholders in the Port, the company takes preventive actions. Each serious injury is adequately examined and measures to prevent the recurrence of such incidents in the future, are taken.

### Injuries at work

	1 – 9 2020	1 – 9 2019
Luka Koper, d. d.	25	17
Recruitment agencies – RA*	12	/
Providers of port's services*	/	16
Outsourcing companies	11	10
Subsidiaries	1	5
<b>TOTAL</b>	<b>49</b>	<b>48</b>

\* The recruitment agencies started to provide services in Luka Koper, d. d., in September 2019, therefore the comparison with the preceding period is not possible.

The target of maximum 15 occupational injuries per million hours worked was achieved, since in January – September 2020, the Company recorded 13.4 injuries per million hours worked. Since the performance of works has been transmitted from port service providers on Luka Koper, d. d., and therewith, also injuries at work.. The increased total number of injuries resulted from the employment and reallocation of workers in other work processes, who have still been obtaining an appropriate level of knowledge and expertise in order to carry out properly their duties in a single work process.

In January 2020, one serious occupational injury occurred when during the installation of lifting bands on the cargo the worker was squeezed the thumb of the right hand, and seriously injured, and therefore the target 0 serious occupational injuries was not achieved.

In January – September 2020, 27.2 collisions per million hours worked occurred. Therefore, the target of max 25 collisions per million hours worked, was not achieved. There was no significant material damage.

In the reported period less 27 preventive rounds were carried out, therefore the third target for 2020 has not been achieved yet. 40 extraordinary supervisions of occupational health in the port's zone were carried out.

In the times of the coronavirus SARS -CoV-2 (COVID-19) epidemics, a work group, composed of different departments, is operative and daily monitors the situation and adapts protection measures. The Civil protection, providing assistance in the implementation of measures and continuous monitoring of compliance with prescribed measures by employees and external stakeholders, has been actively involved.

### 13.1 Education, training and development of employees

In the first nine months of 2020, Luka Koper Group provided on average 10.6 hours of training per employee, 11.6 hours in Luka Koper, d. d., which was fewer number of hours than in 2019. Measures for the prevention of spread of coronavirus SARS-CoV-2 (COVID-19) affected the training, since in March – September 2020, no in-house group trainings were organised, trainings in external educational institutions were canceled or postponed to autumn. 90 percent of trainings were in-house trainings. 74 percent of employees in Luka Koper Group resp. 78 percent of employees in Luka Koper, d. d., were involved in training.

Luka Koper co-financed the acquisition of a higher level of education to two percent of employees

Luka Koper, d. d., and Adria Terminali, d. o. o., are involved in the project Competence center for HR development in logistics Logins, which will disburse grants from 50 – percent co-funding of the education and training of employees until 2022.

In the first nine months of 2020, the share of internal mobility of employees at Luka Koper Group was equal to the comparable period last year.

In the beginning of 2020, Luka Koper, d. d., started to implement annual interviews with all employees. In the selection for the best employer in the Zlata nit (Golden Thread) project, Luka Koper, d. d., was ranked among the finalists of large companies.

The dialogue with social partners takes place continuously, with Works Council, crane operator's union trade union and dockworkers trade union Slovenia OSO KS 90.

## 14 Natural environment

Luka Koper has always been concerned for improving the quality of life in the entire area in which the port is embedded. To this end, it cooperates and cofunds the educational and research institutions, supports sport, humanitarian and cultural activities. In the development issues it takes into consideration the principles of the sustainable and responsible environment management.

The most important goals in the area of natural environment in 2020 are:

- To successfully carry out the audit in compliance with EMAS requirements
- To obtain the certificate for the standard SIST ISO 50001,
- To reduce emissions of dust at all ten port's locations to 200 mg/m<sup>2</sup>day and max 5 deviations from 120/th measurements in the course of the year
- To keep the value of PM10 particles (the size up to 10 µm) emissions below 30 µg/m<sup>3</sup> in the entire Port's area (in direction towards Ankaran, Koper and Bertoki),
- To increase the percentage of separately collected waste above 91 percent,
- To decrease night-time noise to 48 dBA in the direction of Koper,
- To keep the daily-time noise level to 58 dB in front of closest buildings outside the Port's area and the night-time to 53 dB,
- To modernise the drainage at the Dry Bulk Terminal and installation of the treatment plant at the Livestock Terminal,
- To keep specific consumption of energy at the last year level, despite the increased throughput and enlarged storage areas and namely for motor fuel 0,23 l/t, for electric energy 1,27 kWh/t, potable water 6,4 l/t,
- Without taking actions (inspection and internal) in environmental interventions,
- Without pollution outside the Port's aquatorium,
- To ensure an efficient and adequate system of the supply with water for fire extinguishing in the port's area and the provision of an adequate provision of fire-fighting for specific buildings.

### 14.1 EMAS certificate

In March 2020, Luka Koper, d. d., successfully passed the first certification according to ISO 50001 requirements and obtained the certificate. Furthermore, the assessment according to EMAS regulation was successfully implemented and renovated the certificate.

### 14.2 Atmosphere

Striving for a constant reduction in emissions that are produced by the performance of port activities involves many activities. The most important measures for the reduction in dusting are the introduced technology of applying paper mill sludge to the coal and iron ore disposal area. Paper mill sludge builds a solid layer that prevents drifting of dust.

#### 14.2.1 Total dust in the port

Luka Koper, d. d., has been controlling measurements of the total volume of dust carried by Luka Koper, d. d., yet from 2002 on ten measurement points in the Port. We have set the annual goal not to exceed 200 mg/m<sup>2</sup>day and the average of measurement values for the reported period is 111 mg/m<sup>2</sup>day. In January – September 2020, 7 deviations were recorded. The law does not prescribe limit values resp. permitted deviations for such measurements.

Table 9: Comparison of mean values of PM<sub>10</sub> ,

	1 – 9 2020	1 – 9 2019	Index 2020/2019
Average value of dust deposits (mg/m <sup>2</sup> day)	111	111	100

### 14.2.2 Quantity of health hazardous dust particles (PM<sub>10</sub>)

Statutory prescribed measurements of fine dust particles (PM<sub>10</sub>), have been carried out in the Port of Koper and are continuously measured on three points within the Port. The measurement devices are placed inside the port zone, but in the immediate proximity of the residential area Rožnik in Ankaran, towards Bertoki and at the Cruise terminal, in the close proximity of Koper old town centre. The measurements taken in the third quarter of 2020 were below the target value 30 µg/m<sup>3</sup>. The company had not found out the causes for extremely high values in the first quarter of 2020, since there were higher values in the whole Primorska region and not only in Koper.

The results from two measurement devices are shown automatically every hour on the Port's web page online Living with the Port [www.zivetispristaniscem.si](http://www.zivetispristaniscem.si).

Table 10: Comparison of mean values PM<sub>10</sub>

□	1 – 9 2020	1 – 9 2019	Index 2020/2019
Ankaran – Rožnik	19 µg/m <sup>3</sup>	17 µg/m <sup>3</sup>	112
Bertoki	21 µg/m <sup>3</sup>	23 µg/m <sup>3</sup>	91
Koper – Cruise terminal	21 µg/m <sup>3</sup>	16 µg/m <sup>3</sup>	131

### 14.2.3 Emissions of dust particles on key sources

Since the permitted values of dust particles emissions of key sources are stipulated by law, we perform measurements in the direct vicinity of dust-generating sources e.g. at loading/unloading of wagons, trucks and ships. The threshold of permitted value of emissions is 20 mg/m<sup>3</sup>. The company has not yet performed the statutory measurements for 2020.

## 14.3 Waste management

Various types of waste are generated in the Port of Koper. In terms of the commitment for the environment, Luka Koper, d. d., regularly provides for waste separation, recycling and waste processing. The waste separation is carried out at all terminals, by the users of the economic zone and on ships. Separately collected waste materials are delivered to external waste-processing contractors and agents.

In January - September 2020, the share of sorted separately collected waste was 91 percent, and thereby the set objective of 91 sorted separately collected waste was achieved. The target reached was higher by 2 percent compared to the previous year.

## 14.4 Noise

Noise levels are continuously monitored by devices at three peripheral points around the port, and the results are published online via the Living with the Port [www.zivetispristaniscem.si](http://www.zivetispristaniscem.si).

In 2019, a new Decree on the threshold values of environmental noise came into force, on the basis of which Luka Koper, d. d., in 2019 obtained a new environmental permit setting the noise level. The results for the first quarter are in compliance with the requirements of the environmental permit and a newly adopted Decree. Notwithstanding a new Decree, the Company keeps set determined objectives, which were in force under the previous Decree.



Table 11: Average noise levels (in dB)

1 – 9 2020			1 – 9 2019			Threshold values for 2020
Eastern periphery (Bertoki)	Northern periphery (Ankaran)	Southern periphery (Koper)	Eastern periphery (Bertoki)	Northern periphery (Ankaran)	Southern periphery (Koper)	
LD =39	LD =43	LD =52	LD =40	LD =46	LD =53	LD = 65
LV =37	LV =41	LV =51	LV =37	LV =43	LV =52	LV = 60
LN =36	LN =39	LN =51	LN =35	LN =42	LN =51	LN = 55
LDVN =43	LDVN =47	LDVN =57	LDVN =43	LDVN =49	LDVN =58	LDVN = 65

Legend: LD – daily noise level, LV – evening noise level, LN – night noise level, LDVN – noise level day – evening – night

Data in table show the noise without ships and in the front of the first buildings outside the Port's zone

## 14.5 Energy

Luka Luka Koper, d. d., obtained the certificate to ISO 50001:2018 standard – Energy management system for the work carried out so far in the field of energy management. The implementation of this standard jointly with systematic energy management will result in additional reduction of greenhouse emissions and other related environmental impacts and energy costs. The value of standard as efficient tool for energy management is even bigger because its compliance can be proved by the certification of an independent organisation.

### 14.5.1 Electricity and water consumption

Specific fuel consumption in the first nine months of 2020 in comparison with 2019 was higher by 3 percent due to major share of the fuel consumption, necessary for the operation, independently of the throughput volume. The advantage of the use of electric powered cranes lays in essentially bigger efficiency of engines, lower noise level and practically zero emissions of local exhaust gases. Besides lower throughput this is the main reason for the increased specific consumption of the electric power in the first nine months of 2020 in comparison with 2019. The reason for a higher specific water consumption in the first nine months of 2020, compared to 2019, was in slightly higher absolute water consumption and water loss from the distribution networks.

Table 12: Specific consumption of energy and water per handled ton of the total throughput<sup>32</sup>

	1 – 9 2020	1 – 9 2019	Index 2020/2019
Consumption of electric energy (kWh/t)	0.753	0.690	109
Motor fuel consumption (l/t)	0.122	0.118	103
Water consumption (l/t)	5.237	3.665	143

### 14.5.2 Electricity consumption

In January – September 2020, the major consumer of the electric power in port was the Container terminal, followed by the Reefer Terminal. Among major consumers in the port are primarily quay cranes, food stuff cold storage rooms at the Reefer terminal, conveyor belts for the transshipment of the dry bulk cargo, lighting and power supply to the reefer containers. In the first nine months of 2020, the company did not achieve the target value of specific energy consumption.

### 14.5.3 Motor fuel consumption

In the first nine months of 2020, the Container terminal consumed 62.9 percent of motor fuel of the whole Port, followed by the General cargoes with 9.9 percent. The major consumers of fuel in the Port of Koper are terminal tractors (32.6 percent), followed by warehouse cranes (18.1 percent) and forklifts (12.7 percent). In January – September 2020, the company achieved the target value of specific consumption of the motor fuel.

<sup>32</sup> Total throughput comprises maritime throughput, stuffing/unstuffing of containers and land throughput.

## 14.6 Water

The company pays a great attention to the water as a vital good and for this reason numerous safety and treatment actions are implemented. Since the water is used mainly for sanitary purposes and for supply of vessels, the concern for an adequate purity of water is important. The water consumption is not directly reliant on the throughput and it is to a certain extent attributable to water leakages, and therefore it is difficult to manage. The repairs are constantly carried out in order to reduce water leakages. In the first nine months of 2020, the company did not achieve the target value of specific water consumption.

### 14.6.1 Potable water

A number of measurements were carried out within a branched system of the water supply network in the Port. In certain locations, elevated concentrations of micro-organisms were recorded and which were sanitized with additional disinfection of the water supply network (shock chlorination) and rinsing operations of the latter.

### 14.6.2 Waste waters

In the port, mostly urban waste waters are generated and to a lower extent, industrial waste waters. Generated industrial waste waters are prior to the discharge adequately treated in own waste water treatment plants, urban waste waters are mainly treated in the Koper central waste treatment plant.

The authorised operator has carried out the sampling of waste waters on two interceptor sludges and the results were adequate. Other samplings at outflows from treatment plants will be carried out by the end of the year.

## 14.7 Effect of lighting

The lighting in the port area is in line with regulations and in a way that a light is not directed upwards. The lighting plan is published on Luka Koper, d. d., website.

## 14.8 Marine protection

Pursuant to the provisions of the Concession Agreement for the performance of port activity, management, development and regular maintenance of port's infrastructure in the Koper's cargo port area, Luka Koper, d. d., regularly takes care to prevent and remove the consequences of the sea pollution. To carry out such activities we need

In exceptional events at sea, Luka Koper, d. d., takes measures in compliance with the valid Protection and rescuing plan of Luka Koper, d. d., in case of industrial accidents.

In the third quarter of 2020, 10 incidents were recorded in the port's aquatorium. In all cases of pollution at sea measures were taken in accordance to the activation scheme of forces and resources for minor onesnaženj accident, and the consequences of pollution were successfully dealt with within the concession area. The polluters who were tracked down reimbursed the costs.

Number of recorded events in the concession area is attributable to the consistent implementation of workshops on the environmental protection, where the employees are informed about the significance of all recorded events and consequently an efficient intervention.

Table 13: Statistical data on intervention at sea

	1 – 9 2020	1 – 9 2019	Index 2020/2019
Number of accidents at sea	37	35	106
Number of interventions in the Port's aquatorium	34	31	110
Number of incidents not requiring intervention	3	4	75
Number of pollution incidents outside the Port's aquatorium	0	0	-

The results of measurements from the modern measuring station REBEKA for monitoring of the sea quality, which is installed at the entrance into the Port Basin III are published on the website <http://www.zivetispristaniscem.si/>

## 15 Commitment to the community

The port's activity affects the life of local residents, therefore the activity of Luka Koper is sustainability-oriented and socially responsible. Accordingly, seeking the balance between the company's interests and social and natural environment is in the centre of attention. An important step in this direction is the agreement concluded in 2019 with the Municipality of Koper on mitigating measures aiming to reduce the impacts of the port's activity on the environment resp. inhabitants, residing in the close vicinity of the Port who are mostly affected by its operations. On the basis of this agreement, Luka Koper, d. d., allocated a total amount of EUR 400,000 (for the period of two years) for the implementation of mitigating measures for the reduction of emissions arising from the Port's activity. In February this year, the Municipality of Koper published public call, and 250 applications were received in due course. The funds will be distributed among approximately 59 beneficiaries who have to complete the works by the end of the year.

One of goals of the Luka Koper, d. d., strategy in the field of sponsorships and donations is also the corporate social responsibility. From January - September 2020, Luka Koper, d. d., allocated EUR 1 million for sponsorships and donations, including the subsidy for mitigating measures. The fund Living with the Port is dedicated to local projects and associations. The funds are allocated through a tender, which was not carried out this year due to the coronavirus epidemic. Therefore, Luka Koper, d. d., will allocate these funds to humanitarian purposes resp. for the mitigation of consequences to persons affected by the epidemic.

Good neighbourhood relationship is based on correct and transparent communication with the community. Koper Luka Koper communicates its socially responsible activities on its sustainable website Living with the port [www.zivetispristaniscem.si](http://www.zivetispristaniscem.si) and the corporate website [www.luka-kp.si](http://www.luka-kp.si) and on social network Facebook, with almost 10,000 followers. Besides that, more than 15,000 households in the Municipality of Koper and Ankaran received the annual issue of the sustainable magazine Port's knots, which presents the activities, achievements and challenges in the field of the sustainable development.

Active communication with the environment is reflected in the results of the annual opinion poll about that how the Port's nearby residents perceive Luka Koper, d. d., from the business and environmental aspect. The results showed that the majority of population (between 84 and 90 percent) considers Luka Koper, d. d., as successful, reputable and socially responsible business. More than three quarters of interviewees recognize the Company's relevant contribution to the country's economic development. 80 percent of interviewees were familiar with development plans and 78 percent of them agrees with plans. As for the environmental protection of Luka Koper, d. d., the interviewees assessed its activities with evaluation score of 3.6 on a scale from 1 to 5.

# ACCOUNTING REPORT

## 16 Financial statements of Luka Koper, d. d., and Luka Koper Group

### 16.1 Income statement

(in EUR)	Luka Koper, d. d.		Luka Koper Group	
	1-9 2020	1-9 2019	1-9 2020	1-9 2019
Revenue	151,980,632	170,822,838	154,858,140	173,820,118
Capitalised own products and services	120,811	69,629	120,818	74,414
Other income	3,691,063	2,227,421	4,992,522	3,449,558
Cost of material	-11,897,706	-12,672,018	-12,158,880	-12,820,995
Cost of services	-41,034,407	-42,505,329	-38,864,940	-40,174,531
Employee benefits expense	-54,868,228	-52,799,763	-59,895,741	-57,181,647
Amortisation and depreciation expense	-20,366,765	-21,698,873	-20,954,784	-22,250,442
Other operating expenses	-6,419,049	-6,389,068	-6,442,539	-6,396,182
<b>Operating profit</b>	<b>21,206,351</b>	<b>37,054,837</b>	<b>21,654,596</b>	<b>38,520,293</b>
Finance income	3,155,177	3,300,688	2,026,395	1,768,945
Finance expenses	-482,428	-657,813	-384,544	-557,645
<b>Profit or loss from financing activity</b>	<b>2,672,749</b>	<b>2,642,875</b>	<b>1,641,851</b>	<b>1,211,300</b>
Profit or loss of associates	0	0	1,073,166	1,137,850
<b>Profit before tax</b>	<b>23,879,100</b>	<b>39,697,712</b>	<b>24,369,613</b>	<b>40,869,443</b>
Income tax expense	-2,498,503	-6,127,350	-2,540,781	-6,360,528
Deferred taxes	-45,886	27,812	-45,886	27,812
<b>Net profit for the period</b>	<b>21,334,711</b>	<b>33,598,174</b>	<b>21,782,947</b>	<b>34,536,727</b>
<b>Net profit attributable to owners of the company</b>	<b>0</b>	<b>0</b>	<b>21,784,789</b>	<b>34,519,162</b>
<b>Net profit attributable to non-controlling interests</b>	<b>0</b>	<b>0</b>	<b>-1,842</b>	<b>17,565</b>
<b>Net earnings per share</b>	<b>1.52</b>	<b>2.40</b>	<b>1.56</b>	<b>2.47</b>

Notes to the financial statements are their integral part and shall be read in their conjunction.

## 16.2 Statement of other comprehensive income

(in EUR)	Luka Koper, d. d.		Luka Koper Group	
	1-9 2020	1-9 2019	1-9 2020	1-9 2019
<b>Profit for the period</b>	<b>21,334,711</b>	<b>33,598,174</b>	<b>21,782,947</b>	<b>34,536,727</b>
Change of actuarial gains and losses in transferred profit or loss	0	-333,880	0	-333,881
Items not to be reclassified into profit/loss and future periods	3,326,651	600,190	3,215,820	-126,371
Change and revaluation surplus of available-for-sale financial assets	-632,064	-114,461	-611,006	23,585
<b>Deferred tax on revaluation of available-for-sale financial assets</b>	<b>2,694,587</b>	<b>151,849</b>	<b>2,604,814</b>	<b>-436,667</b>
<b>Total comprehensive income for the period</b>	<b>24,029,298</b>	<b>33,750,023</b>	<b>24,387,761</b>	<b>34,100,061</b>

### 16.3 Statement of financial position

(in EUR)	Luka Koper, d. d.		Luka Koper Group	
	30.09.2020	31 Dec 2019	30.09.2020	31 Dec 2019
<b>ASSETS</b>				
Property, plant and equipment	394,318,137	364,056,975	408,201,340	378,579,903
Investment property	23,862,915	24,283,283	14,905,532	15,087,221
Intangible assets	1,898,500	2,053,785	2,089,772	2,286,740
Other assets	909,470	17,752,840	909,601	17,853,040
Shares and interests in the Group	4,533,063	4,533,063	0	0
Shares and interests and associates	6,737,709	6,737,709	14,141,536	13,800,193
Other non-current investments	40,135,512	36,808,861	43,390,950	40,175,130
Loans given and deposits	3,726	5,078	9,247	10,594
Non-current operating receivables	41,052	41,122	41,052	41,122
Deferred tax assets	6,378,604	7,056,554	6,428,642	7,085,534
<b>Non-current assets</b>	<b>478,818,688</b>	<b>463,329,270</b>	<b>490,117,672</b>	<b>474,919,477</b>
Inventories	1,338,575	1,422,498	1,338,575	1,422,498
Deposits and loans given	3,405	8,798	74,444	79,850
Trade and other receivables	45,429,462	43,342,836	45,933,911	43,828,727
Assets from contracts with customer	0	0	0	0
Income tax asset	984,678	4,165,130	1,016,357	4,129,542
Cash and cash equivalents	61,439,254	65,846,592	69,281,474	73,030,320
<b>Current assets</b>	<b>109,195,374</b>	<b>114,785,854</b>	<b>117,644,761</b>	<b>122,490,937</b>
<b>TOTAL ASSETS</b>	<b>588,014,062</b>	<b>578,115,124</b>	<b>607,762,433</b>	<b>597,410,414</b>
<b>EQUITY AND LIABILITIES</b>				
Share capital	58,420,965	58,420,965	58,420,965	58,420,965
Capital surplus (share premium)	89,562,703	89,562,703	89,562,703	89,562,703
Revenue reserves	194,311,159	194,311,159	194,311,159	194,311,159
Reserves arising from valuation at fair value	17,276,056	14,581,468	17,553,129	14,948,315
Retained earnings	36,368,375	30,013,664	68,412,102	61,607,313
<b>Equity of owners of the parent</b>	<b>0</b>	<b>0</b>	<b>428,260,058</b>	<b>418,850,455</b>
<b>Non-controlling interests</b>	<b>0</b>	<b>0</b>	<b>233,872</b>	<b>238,901</b>
<b>Equity</b>	<b>395,939,258</b>	<b>386,889,959</b>	<b>428,493,930</b>	<b>419,089,356</b>
Provisions	20,077,895	21,211,774	20,594,663	21,728,542
Deferred income	23,407,656	24,422,250	24,882,542	26,051,821
Loans and borrowings	89,839,991	97,730,871	73,839,991	81,730,871
Other non-current financial liabilities	275,684	185,627	281,868	237,955
Non-current operating liabilities	133,029	933,707	163,773	965,934
<b>Non-current liabilities</b>	<b>133,734,255</b>	<b>144,484,229</b>	<b>119,762,837</b>	<b>130,715,123</b>
Loans and borrowings	10,521,175	10,521,175	10,521,175	10,521,175
Other current financial liabilities	439,439	406,608	480,533	511,715
Trade and other payables	47,379,935	35,813,153	48,503,958	36,573,045
<b>Current liabilities</b>	<b>58,340,549</b>	<b>46,740,936</b>	<b>59,505,666</b>	<b>47,605,935</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>588,014,062</b>	<b>578,115,124</b>	<b>607,762,433</b>	<b>597,410,414</b>

## 16.4 Statement of Cash Flows

(in EUR)	Luka Koper, d. d.		Luka Koper Group	
	1-9 2020	1-9 2019	1-9 2020	1-9 2019
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Profit for the period</b>	<b>21,334,711</b>	<b>33,598,174</b>	<b>21,782,947</b>	<b>34,536,727</b>
<b>Adjustments for:</b>				
Amortisation/Depreciation	20,366,765	21,698,873	20,954,784	22,250,442
Reversal and impairment losses on property, plant and equipment, and intangible assets	6,882	65	7,100	65
Gain on sale of property, plant and equipment, intangible assets and investment property	-8,101	-1,200	-8,536	-17,939
Allowances for receivables	261,051	278,070	269,596	278,199
Collected written-off receivables and liabilities	-502,556	-182,012	-504,917	-182,012
Reversal of provisions	0	-266,565	0	-266,565
Finance income	-3,155,177	-3,300,688	-2,026,395	-1,768,945
Finance expenses	482,428	657,813	384,544	557,645
Recognised results of subsidiaries under equity method	0	0	-1,073,166	-1,137,850
Income tax expense and income (expenses) from deferred taxes	2,544,389	6,099,538	2,586,667	6,332,716
<b>Profit before change and net current operating assets and taxes</b>	<b>41,330,392</b>	<b>58,582,068</b>	<b>42,372,623</b>	<b>60,582,483</b>
Change and other assets	16,843,370	-7,087,724	16,943,439	-6,949,956
Change and operating receivables	-1,841,259	-5,568,710	-1,844,057	-5,465,227
Change and inventories	83,923	-22,901	83,923	-22,901
Change and operating liabilities	4,120,444	7,094,900	4,436,357	6,846,141
Change and provision	-1,133,879	-303,298	-1,133,879	-303,934
Change and non-current deferred income	-1,014,594	1,340,685	-1,169,279	1,165,887
<b>Cash generated and operating activities</b>	<b>58,388,397</b>	<b>54,035,020</b>	<b>59,689,127</b>	<b>55,852,492</b>
Interest expenses	-490,614	-648,584	-392,481	-548,186
Tax expenses	681,949	-17,350,013	572,404	-17,388,498
<b>Net cash from operating activities</b>	<b>58,579,732</b>	<b>36,036,423</b>	<b>59,869,050</b>	<b>37,915,808</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest received	135,468	164,562	140,154	171,326
Dividends received and profit sharing - subsidiaries	422,442	195,214	0	0
Dividends received and profit sharing - associates	731,823	1,330,171	731,823	1,330,171
Dividends received and share of profits – other companies	1,865,444	1,574,471	1,865,444	1,597,619
Proceeds from sale of property, plant and equipment, and intangible assets	8,683	1,200	8,900	17,940
Proceeds from sale, less investments and loans given	6,745	6,508	6,745	6,688
Acquisition of property, plant and equipment, and intangible assets	-43,015,553	-20,698,306	-43,186,268	-21,586,036
<b>Net cash used and investing activities</b>	<b>-39,844,948</b>	<b>-17,426,180</b>	<b>-40,433,202</b>	<b>-18,462,292</b>
<b>CASH FLOWS FROM FINANCIAL ACTIVITIES</b>				
Repayment of non-current borrowings	0	-27,714,285	0	-27,714,285
Repayment of current borrowings	-7,890,880	-11,136,787	-7,890,880	-11,136,787
Payment of the leased asset	-271,242	-233,696	-313,815	-245,331
Dividends paid	-14,980,000	-18,626,672	-14,980,000	-18,626,672
<b>Net cash used and financing activities</b>	<b>-23,142,122</b>	<b>-13,995,084</b>	<b>-23,184,695</b>	<b>-14,006,719</b>
<b>Net increase and cash and cash equivalents</b>	<b>-4,407,338</b>	<b>4,615,159</b>	<b>-3,748,846</b>	<b>5,446,798</b>
Opening balance of cash and cash equivalents	65,846,592	73,376,306	73,030,320	79,583,293
<b>Closing balance of cash and cash equivalents</b>	<b>61,439,254</b>	<b>77,991,465</b>	<b>69,281,474</b>	<b>85,030,091</b>

## 16.5 Statement of changes in Equity of Luka Koper, d. d.

(in EUR)	Reserves arising on valuation at fair value							Total equity
	Share capital	Capital surplus	Legal reserves	Other revenue reserves	Retained earnings	Investments	Actuarial gains/losses	
<b>Balance at 31 Dec 2018</b>	<b>58,420,965</b>	<b>89,562,703</b>	<b>18,765,115</b>	<b>156,136,738</b>	<b>29,252,443</b>	<b>11,653,397</b>	<b>-1,146,395</b>	<b>362,644,966</b>
<b>Changes of equity – transactions with owners</b>								
Dividends paid	0	0	0	0	-18,620,000	0	0	-18,620,000
	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-18,620,000</b>	<b>0</b>	<b>0</b>	<b>-18,620,000</b>
<b>Total comprehensive income for the period</b>								
Profit for the period	0	0	0	0	33,598,174	0	0	33,598,174
Change and revaluation surplus of financial assets, less tax	0	0	0	0	0	485,729	0	485,729
Actuarial gains/losses, less tax	0	0	0	0	0	0	-333,880	-333,880
	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>33,598,174</b>	<b>485,729</b>	<b>-333,880</b>	<b>33,750,023</b>
<b>Changes within equity</b>								
Other changes within equity	0	0	0	0	-20,131	0	20,131	0
	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-20,131</b>	<b>0</b>	<b>20,131</b>	<b>0</b>
<b>Balance at 30 Sep 2019</b>	<b>58,420,965</b>	<b>89,562,703</b>	<b>18,765,115</b>	<b>156,136,738</b>	<b>44,210,486</b>	<b>12,139,126</b>	<b>-1,460,144</b>	<b>377,774,989</b>
<b>Balance at 31 Dec 2019</b>	<b>58,420,965</b>	<b>89,562,703</b>	<b>18,765,115</b>	<b>175,546,044</b>	<b>30,013,664</b>	<b>16,010,857</b>	<b>-1,429,389</b>	<b>386,889,959</b>
<b>Changes of equity – transactions with owners</b>								
Dividends paid	0	0	0	0	-14,980,000	0	0	-14,980,000
	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-14,980,000</b>	<b>0</b>	<b>0</b>	<b>-14,980,000</b>
<b>Total comprehensive income for the period</b>								
Profit for the period	0	0	0	0	21,334,711	0	0	21,334,711
Change and revaluation surplus of financial assets, less tax	0	0	0	0	0	2,694,587	0	2,694,587
	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>21,334,711</b>	<b>2,694,587</b>	<b>0</b>	<b>24,029,298</b>
<b>Changes within equity</b>								
<b>Balance at 30 Sep 2020</b>	<b>58,420,965</b>	<b>89,562,703</b>	<b>18,765,115</b>	<b>175,546,044</b>	<b>36,368,375</b>	<b>18,705,445</b>	<b>-1,429,389</b>	<b>395,939,258</b>



## 16.6 Consolidated Statement of Changes in Equity of Luka Koper Group

(in EUR)	Reserves arising on valuation at fair value							Total equity of owners of the parent company	Non-controlling interests	Total equity
	Share capital	Capital surplus	Legal reserves	Other revenue reserves	Retained earnings	Investments	Actuarial gains/losses			
<b>Balance at 31 Dec 2018</b>	<b>58,420,965</b>	<b>89,562,703</b>	<b>18,765,115</b>	<b>156,136,738</b>	<b>59,274,576</b>	<b>12,730,680</b>	<b>-1,222,788</b>	<b>393,667,989</b>	<b>210,816</b>	<b>393,878,802</b>
<b>Equity changes - transactions with owners</b>										
Dividends paid	0	0	0	0	-18,620,000	0	0	-18,620,000	0	-18,620,000
	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-18,620,000</b>	<b>0</b>	<b>0</b>	<b>-18,620,000</b>	<b>0</b>	<b>-18,620,000</b>
<b>Total comprehensive income for the period</b>										
Profit for the period	0	0	0	0	34,519,162	0	0	34,519,162	17,565	34,536,727
Change and revaluation surplus of financial assets, less tax	0	0	0	0	0	-102,786	0	-102,786	0	-102,786
Actuarial gains/losses, less tax	0	0	0	0	0	0	-333,881	-333,881	0	-333,881
	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>34,519,162</b>	<b>-102,786</b>	<b>-333,881</b>	<b>34,082,496</b>	<b>17,565</b>	<b>34,100,061</b>
<b>Changes within equity</b>										
Other changes in equity	0	0	0	0	-20,131	0	20,131	0	0	0
	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-20,131</b>	<b>0</b>	<b>20,131</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Balance at 30 Sep 2019</b>	<b>58,420,965</b>	<b>89,562,703</b>	<b>18,765,115</b>	<b>156,136,738</b>	<b>75,153,607</b>	<b>12,627,894</b>	<b>-1,536,538</b>	<b>409,130,485</b>	<b>228,381</b>	<b>409,358,866</b>
<b>Balance at 31 Dec 2019</b>	<b>58,420,965</b>	<b>89,562,703</b>	<b>18,765,115</b>	<b>175,546,044</b>	<b>61,607,313</b>	<b>16,504,609</b>	<b>-1,556,294</b>	<b>418,850,456</b>	<b>238,899</b>	<b>419,089,355</b>
<b>Equity changes - transactions with owners</b>										
Dividends paid	0	0	0	0	-14,980,000	0	0	-14,980,000	-3,187	-14,983,187
	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-14,980,000</b>	<b>0</b>	<b>0</b>	<b>-14,980,000</b>	<b>-3,187</b>	<b>-14,983,187</b>
<b>Total comprehensive income for the period</b>										
Profit for the period	0	0	0	0	21,784,789	0	0	21,784,789	-1,842	21,782,947
Change and revaluation surplus of financial assets, less tax	0	0	0	0	0	2,604,814	0	2,604,814	0	2,604,814
	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>21,784,789</b>	<b>2,604,814</b>	<b>0</b>	<b>24,389,603</b>	<b>-1,842</b>	<b>24,387,761</b>
<b>Balance at 30 Sep 2020</b>	<b>58,420,965</b>	<b>89,562,703</b>	<b>18,765,115</b>	<b>175,546,044</b>	<b>68,412,101</b>	<b>19,109,424</b>	<b>-1,556,295</b>	<b>428,260,058</b>	<b>233,871</b>	<b>428,493,929</b>

# 17 Notes to the separate Financial statements

Luka Koper, d. d., a port operator and logistic provider (hereinafter: Company), with registered office at Vojkovo nabrežje 38, Koper, in Slovenia, is the controlling company of the Luka Koper Group (hereinafter Group. Non-audited separate financial statements of Luka Koper, d. d. and non-audited consolidated financial statements of Luka Koper Group, for January – September 2020 resp. as at 30 September 2020 are presented hereinafter. Consolidated financial statements refer to the financial statements of the controlling company, its subsidiaries and corresponding results of associates.

Subsidiaries included in the consolidated financial statements:

- Luka Koper ANDPO, d. o. o., 100 %
- Adria Terminali, d. o. o., 100 %
- Luka Koper Pristan, d. o. o., 100 %
- TOC, d. o. o., 68,13 %

Associates included in the consolidated financial statements:

- Adria Transport, d. o. o., 50 %
- Adria-Tow, d. o. o., 50 %
- Adriaфин, d. o. o., 50 %
- Avtoservis, d. o. o., 49 %

Companies excluded from the consolidated financial statements as at 30 September 2020:

- Logis-Nova, d. o. o., 100 %
- Adria Andvesticije, d. o. o., 100 %

The companies Adria Investicije, d. o. o., and Logis-Nova, d. o. o., were not included in the consolidated financial statements as they are not considered significant for a fair presentation on the Group's financial position. They operate in a limited scope and without employees. If operations of the companies should change considerably, they would be included in the Group's consolidated statements.

## Statement of compliance

The interim Report has been compiled in accordance with the International Accounting standards 34 – Interim Financial Reporting. The company's financial statements have been compiled in accordance with International Reporting Standards as adopted by the International Accounting Standards (IASB) and European Union and in compliance with Companies Act RS.

## Basis for the compilation of financial statements

The financial statements are compiled in euros (EUR), rounded to the nearest unit. Financial statements provide useful information on the performance in January – September 2020, compared with the comparable data for the previous year and the Company's financial situation as at 30 September 2020 in comparison with the balance as at 31 December 2019, to the widest share of users.

Financial statements of Luka Koper, d. d. and consolidated financial statements of Luka Koper Group, for the reporting period January – September 2020 and as at 30 September 2020 are not audited, whilst they were audited for the comparable period as at 31 December 2019.

In light of the uncertainties regarding further developments of COVID-19 outbreak, the Management Board closely examines the current situation by establishing that Luka Koper, d. d./the Luka Koper Group will dispose with enough liquidity assets to ensure the continuity of business performance.

## Use of estimates and judgements

Preparation of financial statements in conformity with International Financial Reporting Standards (IFRS) requires the management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Estimates are formed based on past experience and expectations in the accounting period. Formation of estimates and the related assumptions and uncertainties are disclosed in the notes to individual items.

Estimates, judgements and assumptions are reviewed on a regular basis. Actual results may differ from these situations, hence estimates and underlying assumptions are reviewed on a regular basis. Changes in accounting estimates are recognised in the period for which the estimates are modified, or in the coming periods that are impacted by respective changes.

## 18 Additional Notes to Income Statement

### Net revenue from sale

(in EUR)	Luka Koper, d. d.		Luka Koper Group	
	1-9 2020	1-9 2019	1-9 2020	1-9 2019
<b>Revenue from sales with domestic customers based on contract with customer</b>	<b>46,467,398</b>	<b>54,916,858</b>	<b>48,854,727</b>	<b>57,445,981</b>
- services	46,464,892	54,875,394	48,852,221	57,404,517
- goods and material	2,506	41,464	2,506	41,464
<b>Revenue from sales with foreign customers based on contract with customer</b>	<b>104,141,798</b>	<b>114,666,892</b>	<b>104,735,317</b>	<b>115,274,058</b>
- services	104,141,798	114,666,892	104,735,317	115,274,058
<b>Revenue from sales with domestic customers from rentals</b>	<b>1,368,487</b>	<b>1,235,905</b>	<b>1,265,147</b>	<b>1,096,896</b>
<b>Revenue from sales with foreign customers from rentals</b>	<b>2,949</b>	<b>3,183</b>	<b>2,949</b>	<b>3,183</b>
<b>Total</b>	<b>151,980,632</b>	<b>170,822,838</b>	<b>154,858,140</b>	<b>173,820,118</b>

### Other revenue

(in EUR)	Luka Koper, d. d.		Luka Koper Group	
	1-9 2020	1-9 2019	1-9 2020	1-9 2019
<b>Other operating income</b>	<b>510,657</b>	<b>449,777</b>	<b>1,714,348</b>	<b>1,662,214</b>
<b>Reversal of provisions</b>	<b>0</b>	<b>266,565</b>	<b>0</b>	<b>266,565</b>
<b>Subsidies, grants and similar income</b>	<b>0</b>	<b>0</b>	<b>1,200,895</b>	<b>1,195,698</b>
<b>Revaluation operating income</b>	<b>510,657</b>	<b>183,212</b>	<b>513,453</b>	<b>199,951</b>
Income on sale of property, plant and equipment and investment property	8,101	1,200	8,536	17,939
Collected written-off receivables and written-off liabilities	502,556	182,012	504,917	182,012
<b>Other income</b>	<b>3,180,406</b>	<b>1,777,644</b>	<b>3,278,174</b>	<b>1,787,344</b>
Compensations and damages	552,323	1,201,241	552,657	1,203,070
Subsidies and other income not related to services	435,959	371,269	435,959	371,269
Other income	2,192,124	205,134	2,289,558	213,005
<b>Total</b>	<b>3,691,063</b>	<b>2,227,421</b>	<b>4,992,522</b>	<b>3,449,558</b>

Subsidies, grants and similar revenue in Luka Koper Group mostly account for retained contributions on salaries of employees in the amount of earmarked in the subsidiary Luka Koper INPO, d. o. o.

Revaluation operating income comprises revenue from sale of, plant and equipment and investment property and from reversal of impairment of receivables. The increase of collected written-off receivables and written-off liabilities account mainly for reversal of impairment of receivables of one customer in controlling company, who settled its liabilities in the beginning of the business year.

Received compensations and damages of Luka Koper, d. d. are mostly related to the received compensation for damages, which decreased mainly due to the deferral of the received compensation for the damaged crane completed in the previous year. Other revenue were higher mostly due to the exemption from the payment of pension and disability insurance contributions in compliance with the provisions of the Act Determining the Intervention Measures to Contain the COVID-19 Epidemic and mitigate its consequences for citizens and the economy and the Decree on the methodology for assessing the damage, conditions and procedure for the allocation of public funds referred to the second paragraph in point b Article 20 a of the same Act.

## Cost of material

(in EUR)	Luka Koper, d. d.		Luka Koper Group	
	1-9 2020	1-9 2019	1-9 2020	1-9 2019
Cost of material	0	0	544	1,419
Cost of auxiliary material	1,901,906	1,969,349	1,989,009	2,051,598
Cost of spare parts	4,835,512	4,661,071	4,829,908	4,541,327
Cost of energy	4,648,544	5,540,329	4,795,358	5,693,627
Cost of office stationary	144,543	168,782	155,336	178,428
Other cost of material	367,201	332,487	388,725	354,596
<b>Total</b>	<b>11,897,706</b>	<b>12,672,018</b>	<b>12,158,880</b>	<b>12,820,995</b>

## Cost of services

(in EUR)	Luka Koper, d. d.		Luka Koper Group	
	1-9 2020	1-9 2019	1-9 2020	1-9 2019
Port services	18,794,325	18,282,463	17,264,244	16,458,297
Cost of transportation	112,775	223,820	132,411	190,574
Cost of maintenance	5,371,168	6,525,693	5,109,200	6,317,704
Rentals	77,018	82,968	120,458	135,622
Reimbursement of labour-related costs	146,910	281,917	155,440	300,277
Costs of payment processing, bank charges and insurance premiums	824,170	850,332	887,076	897,321
Cost of intellectual and personal services	724,414	1,104,202	751,565	1,127,046
Advertising, trade fairs and hospitality	884,278	1,110,020	887,499	1,114,616
Costs of services provided by individuals not performing business activities	194,166	237,173	197,008	247,720
Sewage and disposal services	1,073,915	797,295	576,081	453,472
Information support	2,266,071	2,056,680	2,379,192	2,163,137
Concession-related costs	5,176,897	5,815,448	5,176,897	5,815,448
Transshipment fee	3,482,293	3,481,889	3,482,293	3,481,889
Costs of other services	1,906,007	1,655,429	1,745,576	1,471,408
<b>Total</b>	<b>41,034,407</b>	<b>42,505,329</b>	<b>38,864,940</b>	<b>40,174,531</b>

Within the cost of services, a major share represented cost of port services of the controlling company.

As of March 2019, the controlling company started the payment of the transshipment fee pursuant to the Act regulating the construction, operation and management of Divača–Koper railway line. In January – September 2020, the transshipment fee was invoiced for all nine months, whilst in the same period in 2019, it was invoiced only for the period of seven months (March – September).

## Cost of labour

(in EUR)	Luka Koper, d. d.		Luka Koper Group	
	1-9 2020	1-9 2019	1-9 2020	1-9 2019
Wages and salaries	35,552,372	34,739,287	38,771,119	37,556,348
Wage compensations	5,437,652	5,003,199	5,925,100	5,462,171
Costs of additional pension insurance	1,538,634	1,395,951	1,697,827	1,536,730
Employer's contributions on employee benefits	6,759,585	6,610,989	7,345,003	7,136,349
Annual holiday pay, reimbursements and other costs	5,579,985	5,050,337	6,156,692	5,490,049
<b>Total</b>	<b>54,868,228</b>	<b>52,799,763</b>	<b>59,895,741</b>	<b>57,181,647</b>

In the first nine months of 2020, labour costs increased in comparison with the same period in the preceding year, primarily because of additional recruitments within the framework of the implementation of the port service provision strategy taking place during 2019, and due to the payment of the crisis supplement to the employees in

compliance with the provisions of the Act determining the intervention measures to contain the COVID-19 epidemic and mitigate its consequences for citizens and the economy.

### Amortisation and depreciation expense

(in EUR)	Luka Koper, d. d.		Luka Koper Group	
	1-9 2020	1-9 2019	1-9 2020	1-9 2019
Depreciation of buildings	9,759,616	9,804,489	10,122,306	10,166,049
Depreciation of equipment and spare parts	9,311,290	10,695,828	9,695,513	11,074,144
Depreciation of small tools	14,363	12,109	14,655	12,664
Depreciation of investment property	429,034	428,348	181,690	181,789
Amortisation of intangible assets	576,075	515,676	617,758	557,320
Depreciation of investment into foreign-owned assets	8,735	8,727	13,157	13,145
Depreciation of right-of-use	267,652	233,696	309,705	245,331
<b>Total</b>	<b>20,366,765</b>	<b>21,698,873</b>	<b>20,954,784</b>	<b>22,250,442</b>

### Other expenses

(in EUR)	Luka Koper, d. d.		Luka Koper Group	
	1-9 2020	1-9 2019	1-9 2020	1-9 2019
Provisions	6,215	41,436	6,215	41,436
Impairment costs, write-offs and losses on property, plant and equipment, and investment property	6,882	65	7,100	65
Expenses for allowances for receivables	261,051	278,070	269,596	278,199
Levies that are not contingent upon employee benefits expense and other types of cost	5,051,256	5,112,657	5,075,106	5,117,020
Donations	290,528	164,600	290,878	167,900
Environmental levies	118,183	98,227	105,036	85,728
Awards and scholarship to students inclusive of tax	8,006	11,920	8,006	11,920
Awards and scholarship to students	1,400	2,200	1,400	2,200
Other costs and expenses	675,528	679,893	679,202	691,714
<b>Total</b>	<b>6,419,049</b>	<b>6,389,068</b>	<b>6,442,539</b>	<b>6,396,182</b>

Levies that are not contingent upon labour costs and other types of costs the Company/Group mostly related for the use of the construction land.

Other costs and expenses mainly consist of compensations for damage to assets owned by third persons.

Damages occurred during cargo handling operations in the port.

## Finance income and finance expenses

(in EUR)	Luka Koper, d. d.		Luka Koper Group	
	1-9 2020	1-9 2019	1-9 2020	1-9 2019
<b>Finance income from shares and interests</b>	<b>3,019,709</b>	<b>3,136,156</b>	<b>1,886,241</b>	<b>1,597,619</b>
Finance income from shares and interests in Group companies	422,442	231,514	20,797	0
Finance income from shares and interests in associated companies	731,823	1,330,171	0	0
Finance income from shares and interests in other companies	1,865,444	1,574,471	1,865,444	1,597,619
<b>Finance income - interest</b>	<b>377</b>	<b>614</b>	<b>493</b>	<b>745</b>
Interest income - other	377	614	493	745
<b>Finance income from operating receivables</b>	<b>135,091</b>	<b>163,918</b>	<b>139,661</b>	<b>170,581</b>
Finance income from operating receivables due from others	135,091	163,918	139,661	170,581
<b>Total finance income</b>	<b>3,155,177</b>	<b>3,300,688</b>	<b>2,026,395</b>	<b>1,768,945</b>
<b>Finance expenses – interest</b>	<b>-406,734</b>	<b>-629,425</b>	<b>-306,689</b>	<b>-529,239</b>
Interest expenses – Group companies	-100,565	-100,508	0	0
Interest expenses – banks	-302,579	-525,274	-302,579	-525,274
Financial expenses arising from lease liabilities to others	-3,371	-3,379	-4,110	-3,965
Financial expenses arising from lease liabilities to Group companies	-219	-264	0	0
<b>Finance expenses for financial liabilities</b>	<b>-75,694</b>	<b>-28,388</b>	<b>-77,855</b>	<b>-28,406</b>
Finance expenses for trade payables	-87	-470	-140	-470
Finance expenses for other operating liabilities	-75,607	-27,918	-7,082	-27,936
Exchange differences	0	0	-70,633	0
<b>Total finance expenses</b>	<b>-482,428</b>	<b>-657,813</b>	<b>-384,544</b>	<b>-557,645</b>
<b>Net financial result</b>	<b>2,672,749</b>	<b>2,642,875</b>	<b>1,641,851</b>	<b>1,211,300</b>

Finance income from shares refers to profits of Group companies in 2019, and which were realised in the current year.

In January – September 2020, finance expenses arising on interests decreased due to the rescheduling of part of loans and were implemented by the controlling company in the beginning of 2019.

## Profit

### Luka Koper, d. d.

In January – September 2020, the company generated the operating profit in the amount of EUR 21,206,351, whilst in the comparable period in the previous year EUR 37,054,837. The financial result was positive and amounted to EUR 2,672,749, likewise it was positive in the same period last year, when it amounted to EUR 2,642,875. The profit before tax amounted to EUR 23,879,100, whilst in the same period last year EUR 39,679,712. The corporate income tax in the amount of EUR 2,498,503 and deferred taxes were calculated. In the first nine months of 2020, Luka Koper, d. d. generated the net profit in the amount of EUR 21,334,711, whilst the net profit in the comparable period of the previous year amounted to EUR 33,598,174.

### Luka Koper Group

In January – September 2020, Luka Koper Group generated the operating profit in the amount of EUR 21,654,596, in the equivalent period last year EUR 38,520,293. The financial result was positive and amounted to EUR 1,641,851, likewise it was positive in the same period last year when it amounted to 1,211,300. The attributed result of associated companies amounted to EUR 1,073,166, whilst in the same period last year it amounted to EUR 1,137,850. The profit before tax amounted to EUR 24,369,613, in the comparable period last year to EUR 40,869,443. In the first nine months of 2020, Luka Koper Group generated the net profit in the amount of EUR 21,782,947 (in the comparable period of the previous year EUR 34,536,727), whereof EUR 21,784,789 (in the comparable period of the previous year EUR 34,519,162) is attributable to the owner of the controlling company, to owners of non-controlling

interests EUR -1,842 (in the comparable period last year EUR 17,565). The non-controlling interest pertains to the co-owner of the subsidiary TOC, d. o. o.

(in EUR)	Luka Koper, d. d.		Luka Koper Group	
	30 Sep 2020	31 Sep 2019	30 Sep 2020	31 Sep 2019
Net profit for the period	21,334,711	33,598,174	21,784,789	34,519,162
Total number of shares	14,000,000	14,000,000	14,000,000	14,000,000
<b>Basic and diluted earnings per share</b>	<b>1.52</b>	<b>2.40</b>	<b>1.56</b>	<b>2.47</b>



## 19 Additional Notes to the Statement of Financial position

### Property, plant and equipment

(in EUR)	Luka Koper, d. d.		Luka Koper Group	
	31 Sep 2019	31 Dec 2019	31 Sep 2019	31 Dec 2019
Land	18,687,442	15,165,920	21,937,666	18,416,144
Buildings	233,065,377	236,619,770	241,333,795	245,246,634
Plant and machinery	87,272,686	87,434,051	89,563,131	89,891,722
Property, plant and equipment being acquired and advances given	54,723,051	24,398,527	54,734,901	24,410,377
Right-of-use	569,581	438,707	631,847	615,026
<b>Total</b>	<b>394,318,137</b>	<b>364,056,975</b>	<b>408,201,340</b>	<b>378,579,903</b>

In January - September 2020, Luka Koper, d. d. invested in property, plant and equipment in the amount of EUR 49,596,590, whilst Luka Koper Group invested EUR 49,636,908.

The largest investments were the following:

- Continuation of the construction of the parking garage for cars,
- Construction of a new RO-RO berth in Basin III and arrangement of the surfaces,
- Purchase of the E-RTG crane for the needs of the Container terminal,
- Construction of the group VI of the railway tracks,
- Start of the extension of the Pier I,
- Continuation of the construction of the additional entrance to the Port (Bertoki entrance),
- Purchase of a new fire-fighting vehicle,
- Purchase of a new RMG for the needs of the bulk cargoes terminal,
- Purchase of the RMG crane for the needs of the Container terminal.

### Right-of-use assets

(in EUR)	Luka Koper, d. d.		Luka Koper Group	
	31 Sep 2019	31 Dec 2019	31 Sep 2019	31 Dec 2019
Land	494,575	359,534	498,443	359,534
Buildings	61,832	69,622	66,447	104,155
Plant and machinery	13,174	9,551	66,957	151,337
	<b>569,581</b>	<b>438,707</b>	<b>631,847</b>	<b>615,026</b>

### Investment property

(in EUR)	Luka Koper, d. d.		Luka Koper Group	
	31 Sep 2019	31 Dec 2019	31 Sep 2019	31 Dec 2019
Investment property - land	14,506,711	14,506,711	11,256,486	11,256,486
Investment property - buildings	9,356,204	9,776,572	3,649,046	3,830,735
<b>Total</b>	<b>23,862,915</b>	<b>24,283,283</b>	<b>14,905,532</b>	<b>15,087,221</b>

Among investment property are land and buildings under lease, and property which increases the value of non-current investment. Investment property is valued using the cost model.

## Intangible assets

(in EUR)	Luka Koper, d. d.		Luka Koper Group	
	31 Sep 2019	31 Dec 2019	31 Sep 2019	31 Dec 2019
Non-current property rights (concessions, patents, licences, trademarks and similar rights)	1,898,500	2,053,785	2,089,772	2,286,740
<b>Total</b>	<b>1,898,500</b>	<b>2,053,785</b>	<b>2,089,772</b>	<b>2,286,740</b>

## Other assets

(in EUR)	Luka Koper, d. d.		Luka Koper Group	
	31 Sep 2019	31 Dec 2019	31 Sep 2019	31 Dec 2019
Increase	1,975,111	19,561,694	1,975,862	19,663,194
Transfer between property, plant and equipment	-18,818,481	-6,351,477	-18,819,101	-6,590,745
Return	0	0	-100,200	0
<b>Reporting date</b>	<b>909,470</b>	<b>17,752,840</b>	<b>909,601</b>	<b>17,853,040</b>

Among other assets, Luka Koper, d. d./Group accounts for advances given for the purchase resp. for the construction property, plant, equipment, investment property and intangible assets, whereby these assets are still not in its possession.

## Shares and interests in Group companies

As at 30 September 2020, shares and interests in Group companies amounted to EUR 4,533 (there are no changes since the previous year).

Shares in subsidiaries, are eliminated in the consolidation procedure in Group's financial statements.

## Shares and interests in the associates

### Luka Koper, d. d.

As at 30 September 2020, shares and interests in associated companies amounted to EUR 6,737,709. In comparison with the situation as at 31 December 2019, their value stood at the same value.

### Luka Koper Group

(in EUR)	2020	2019
<b>Balance at 1 Jan</b>	<b>13,800,193</b>	<b>13,754,815</b>
<b>Attributed profits</b>	<b>1,073,166</b>	<b>1,375,549</b>
- Adria Transport, d. o. o.	136,370	287,178
- Adria-tow, d. o. o.	210,370	672,737
- Adria fand, d. o. o.	172,676	68,114
- Avtoservis, d. o. o.	553,750	347,519
<b>Profit distribution</b>	<b>-731,823</b>	<b>-1,330,171</b>
- Adria Transport, d. o. o.	0	-200,000
- Adria-tow, d. o. o.	-336,000	-350,000
- Adria fand, d. o. o.	-50,000	-100,000
- Avtoservis, d. o. o.	-345,823	-680,171
<b>Balance at 31 Sep</b>	<b>14,141,536</b>	<b>13,800,193</b>

**Other non-current investments**

(in EUR)	Luka Koper, d. d.		Luka Koper Group	
	31 Sep 2019	31 Dec 2019	31 Sep 2019	31 Dec 2019
Other investments measured at fair value through profit or loss	920,103	920,103	3,405,878	3,405,878
Other investments measured at fair value through comprehensive income	39,215,409	35,888,758	39,985,072	36,769,252
<b>Total</b>	<b>40,135,512</b>	<b>36,808,861</b>	<b>43,390,950</b>	<b>40,175,130</b>

## Deferred tax

(in EUR)	Luka Koper, d. d.				Luka Koper Group			
	Deferred tax assets		Deferred tax liabilities		Deferred tax assets		Deferred tax liabilities	
	31 Sep 2019	31 Dec 2019	31 Sep 2019	31 Dec 2019	31 Sep 2019	31 Dec 2019	31 Sep 2019	31 Dec 2019
<b>Deferred tax assets and liabilities relating to:</b>								
impairment of investments and subsidiaries	538,738	538,738	0	0	538,738	538,738	0	0
impairment of other investments and deductible temporary differences arising on securities	9,155,381	9,155,381	4,387,697	3,755,633	9,176,547	9,176,547	4,482,457	3,871,451
allowances for trade receivables	206,124	252,010	0	0	280,663	326,549	0	0
provisions for retirement benefits	348,268	348,268	0	0	392,450	392,450	0	0
provisions for jubilee premiums	63,807	63,807	0	0	68,718	68,718	0	0
long-term accrued costs and deferred income from public commercial services	453,983	453,983	0	0	453,983	453,983	0	0
<b>Total</b>	<b>10,766,301</b>	<b>10,812,187</b>	<b>4,387,697</b>	<b>3,755,633</b>	<b>10,911,099</b>	<b>10,956,985</b>	<b>4,482,457</b>	<b>3,871,451</b>
Off-set with deferred tax liabilities relating to impairment of other investments and deductible temporary differences arising on securities	-4,387,697	-3,755,633	-4,387,697	-3,755,633	-4,482,457	-3,871,451	-4,482,457	-3,871,451
<b>Total</b>	<b>6,378,604</b>	<b>7,056,554</b>	<b>0</b>	<b>0</b>	<b>6,428,642</b>	<b>7,085,534</b>	<b>0</b>	<b>0</b>

## Trade and other receivables

(in EUR)	Luka Koper, d. d.		Luka Koper Group	
	31 Sep 2019	31 Dec 2019	31 Sep 2019	31 Dec 2019
Current trade receivables:				
domestic costumers	16,472,844	19,133,717	17,070,574	19,612,271
foreign costumers	18,064,733	17,324,285	18,235,956	17,462,130
Current operating receivables due from Group companies	515,999	294,598	0	0
Current operating receivables due from associates	76,513	41,963	76,513	78,263
<b>Current trade receivables</b>	<b>35,130,088</b>	<b>36,794,562</b>	<b>35,383,043</b>	<b>37,152,665</b>
Current receivables from dividends	0	36,300	0	0
Advances and collaterals given	62,099	64,999	62,689	65,451
Receivables due from the state	2,057,544	2,340,993	2,163,469	2,471,790
Other current receivables	813,940	220,511	854,524	250,896
<b>Total trade receivables</b>	<b>38,063,671</b>	<b>39,457,365</b>	<b>38,463,725</b>	<b>39,940,802</b>
Short-term deferred costs and expenses	6,765,280	3,447,639	6,869,676	3,450,094
Accrued income	600,511	437,832	600,510	437,831
<b>Other receivables</b>	<b>7,365,791</b>	<b>3,885,471</b>	<b>7,470,186</b>	<b>3,887,925</b>
<b>Total</b>	<b>45,429,462</b>	<b>43,342,836</b>	<b>45,933,911</b>	<b>43,828,727</b>

Increase of short-term deferred costs mostly relate to the allocation of costs for annual holiday pay for 2020, overpayment of the concession fee for 2020 and deferred fees for the use of the construction land.

### Movement of trade receivables of Luka Koper, d. d.

(in EUR)	31 Sep 2019	Allowances 1 - 9 2020	31 Dec 2019	Allowances 1 - 12 2019
Outstanding and undue trade receivables	31,124,118	-52,181	31,369,533	-54,731
Past due receivables:				
up to 30 days	3,102,837	-31,028	3,749,175	-37,492
31 to 60 days overdue	640,523	-59,756	764,795	-76,480
61 to 90 days overdue	261,762	-52,352	494,431	-98,886
91 to 180 days overdue	226,983	-51,874	1,016,842	-296,350
more than 180 days overdue	690,260	-669,204	593,986	-593,961
<b>Total</b>	<b>36,046,483</b>	<b>-916,395</b>	<b>37,988,762</b>	<b>-1,157,900</b>

Note: the amount comprises trade receivables due from subsidiaries and associates.

## Movement of receivables of Luka Koper Group

(in EUR)	31 Sep 2019	Allowances 1 - 9 2020	31 Dec 2019	Allowances 1 - 12 2019
Outstanding and undue trade receivables	31,230,090	-54,075	31,436,955	-57,137
Past due receivables:				
up to 30 days	3,230,258	-32,303	3,945,120	-39,450
31 to 60 days overdue	633,284	-63,328	830,886	-83,089
61 to 90 days overdue	298,111	-58,772	496,075	-99,215
91 to 180 days overdue	235,286	-51,504	1,023,518	-298,619
more than 181 days overdue	1,070,904	-1,054,908	970,320	-972,700
<b>Total</b>	<b>36,697,933</b>	<b>-1,314,890</b>	<b>38,702,874</b>	<b>-1,550,210</b>

Note: the amount comprises trade receivables due from associates.

## Cash and cash equivalents

(in EUR)	Luka Koper, d. d.		Luka Koper Group	
	31 Sep 2019	31 Dec 2019	31 Sep 2019	31 Dec 2019
Cash and hand	6,229	140	30,160	11,397
Bank balances	11,433,025	15,846,452	17,271,314	21,038,923
Current deposits	50,000,000	50,000,000	51,980,000	51,980,000
<b>Total</b>	<b>61,439,254</b>	<b>65,846,592</b>	<b>69,281,474</b>	<b>73,030,320</b>

## Equity

(in EUR)	Luka Koper, d. d.		Luka Koper Group	
	30 Sep 2020	31 Dec 2019	30 Sep 2020	31 Dec 2019
Share capital	58,420,965	58,420,965	58,420,965	58,420,965
Capital surplus (share premium)	89,562,703	89,562,703	89,562,703	89,562,703
Revenue reserves	194,311,159	194,311,159	194,311,159	194,311,159
<i>Legal reserves</i>	<i>18,765,115</i>	<i>18,765,115</i>	<i>18,765,115</i>	<i>18,765,115</i>
<i>Other revenue reserves</i>	<i>175,546,044</i>	<i>175,546,044</i>	<i>175,546,044</i>	<i>175,546,044</i>
Reserves arising from valuation at fair value	17,276,056	14,581,468	17,553,129	14,948,315
Retained earnings	15,033,664	10,604,358	46,627,313	40,619,540
Net profit for the period	21,334,711	19,409,306	21,784,789	20,987,773
<b>Equity of owners of the parent</b>	<b>395,939,258</b>	<b>386,889,959</b>	<b>428,260,058</b>	<b>418,850,455</b>
<b>Non-controlling interests</b>	<b>0</b>	<b>0</b>	<b>233,872</b>	<b>238,901</b>
<b>Equity</b>	<b>395,939,258</b>	<b>386,889,959</b>	<b>428,493,930</b>	<b>419,089,356</b>

## Provisions

(in EUR)	Luka Koper, d. d.		Luka Koper Group	
	31 Sep 2019	31 Dec 2019	31 Sep 2019	31 Dec 2019
Provisions for retirement benefits and similar obligations	5,685,782	5,298,377	6,202,550	5,815,145
Provisions for legal disputes	14,392,113	15,913,397	14,392,113	15,913,397
<b>Total</b>	<b>20,077,895</b>	<b>21,211,774</b>	<b>20,594,663</b>	<b>21,728,542</b>

## Movement of provisions of Luka Koper, d. d.

(in EUR)	1. Termination benefits	2. Jubilee premiums	3. Contribution retirement benefit plan	Total benefits (1., 2. and 3.)	Claims and damages	Total
<b>Balance at 31 Dec 2018</b>	<b>3,000,217</b>	<b>572,352</b>	<b>632,262</b>	<b>4,204,831</b>	<b>15,255,961</b>	<b>19,460,792</b>
<b>Movement:</b>						
Formation	777,894	153,642	960,740	1,892,276	2,011,284	3,903,560
Transfer	0	0	-207,453	-207,453	0	-207,453
Use	-89,523	-52,982	-424,803	-567,308	-584,891	-1,152,199
Reversal	-22,613	-1,356	0	-23,969	-768,957	-792,926
<b>Balance at 31 Dec 2019</b>	<b>3,665,975</b>	<b>671,656</b>	<b>960,746</b>	<b>5,298,377</b>	<b>15,913,397</b>	<b>21,211,774</b>
<b>Movement:</b>						
Formation	0	0	760,375	760,375	0	760,375
Transfer	0	0	-17,720	-17,720	0	-17,720
Use	0	0	-355,250	-355,250	-1,521,284	-1,876,534
<b>Balance at 31 Sep 2020</b>	<b>3,665,975</b>	<b>671,656</b>	<b>1,348,151</b>	<b>5,685,782</b>	<b>14,392,113</b>	<b>20,077,895</b>

## Movement of provisions of Luka Koper Group

(in EUR)	1. Termination benefits	2. Jubilee premiums	3. Contribution retirement benefit plan	Total benefits (1., 2. and 3.)	Claims and damages	Total
<b>Balance at 31 Dec 2018</b>	<b>3,361,822</b>	<b>620,254</b>	<b>698,137</b>	<b>4,680,213</b>	<b>15,255,961</b>	<b>19,936,174</b>
<b>Movement:</b>						
Formation	899,477	170,525	960,740	2,030,742	2,011,284	4,042,026
Use	-107,632	-65,517	-698,131	-871,280	-584,891	-1,456,171
Reversal	-22,613	-1,917	0	-24,530	-768,957	-793,487
<b>Balance at 31 Dec 2019</b>	<b>4,131,054</b>	<b>723,345</b>	<b>960,746</b>	<b>5,815,145</b>	<b>15,913,397</b>	<b>21,728,542</b>
<b>Movement:</b>						
Formation	0	0	760,375	760,375	0	760,375
Use	0	0	-372,970	-372,970	-1,521,284	-1,894,254
<b>Balance at 31 Sep 2020</b>	<b>4,131,054</b>	<b>723,345</b>	<b>1,348,151</b>	<b>6,202,550</b>	<b>14,392,113</b>	<b>20,594,663</b>

The defined contribution plan relate to the liabilities from the post-employment benefits (one-off payment on retirement). In accordance with Article 92 of IAS 37 – Provisions, Contingent Liabilities and Contingent assets, the Company/Group does not disclose information on its legal obligations as such disclosure would result in a judgement on the position of the Company/group in disputes with other parties.

## Deferred income

(in EUR)	Luka Koper, d. d.		Luka Koper Group	
	31 Sep 2019	31 Dec 2019	31 Sep 2019	31 Dec 2019
Long-term deferred income for regular maintenance	19,258,396	20,154,593	19,258,396	20,154,593
Non-refundable grants received	4,149,260	4,267,657	4,351,592	4,539,574
Other non-current deferred income	0	0	1,272,554	1,357,654
<b>Total</b>	<b>23,407,656</b>	<b>24,422,250</b>	<b>24,882,542</b>	<b>26,051,821</b>

Pursuant to the Concession Agreement, Luka Koper, d. d. records deferred income on regular maintenance as non-current deferred income since it has the right and obligation to collect port dues, which serve as income intended to cover the costs of performing public utility service of regular maintenance of the port infrastructure intended for public transport. With respect to any annual surplus of revenue over costs, the Company forms non-current

deferred income for covering the costs of public utility service relating to regular maintenance of the port infrastructure in the coming years. In the event that costs exceeded the revenue, the Company would be utilizing non-current deferred income.

The grants received comprise non-refundable grants and advance payments received with respect to no-refundable funds for investments into EU development projects which are recorded by the controlling company and are utilized in accordance with their useful life. Under non-refundable funds received, the Group also records retained contributions on salaries of employees of the Luka Koper INPO, d. o. o., sheltered workshop, and namely contributions to insurance schemes for retirement pension, disability, sickness, and maternity. The funds were utilized in compliance with the Vocational rehabilitation and employment of persons with disabilities Act for covering 75 percent of salaries for disabled persons and labour costs for the staff who assist the disabled persons.

Group's other non-current deferred income comprises non-current deferred income earmarked to cover the costs of depreciation of fixed assets.

### Non-current borrowings

(in EUR)	Luka Koper, d. d.		Luka Koper Group	
	31 Sep 2019	31 Dec 2019	31 Sep 2019	31 Dec 2019
Non-current financial liabilities to Group companies	16,000,000	16,000,000	0	0
Non-current borrowings from domestic banks	50,889,171	57,058,740	50,889,171	57,058,740
Non-current borrowings from foreign banks	22,950,820	24,672,131	22,950,820	24,672,131
<b>Total</b>	<b>89,839,991</b>	<b>97,730,871</b>	<b>73,839,991</b>	<b>81,730,871</b>

Non-current financial liabilities to Group companies remained at the same level as 31 December 2019, whilst in the Luka Koper Group they were excluded in the consolidation process.

### Current borrowings

(in EUR)	Luka Koper, d. d.		Luka Koper Group	
	31 Sep 2019	31 Dec 2019	31 Sep 2019	31 Dec 2019
Current borrowings from domestic banks	8,226,093	8,226,093	8,226,093	8,226,093
Current borrowings from foreign banks	2,295,082	2,295,082	2,295,082	2,295,082
<b>Total</b>	<b>10,521,175</b>	<b>10,521,175</b>	<b>10,521,175</b>	<b>10,521,175</b>

### Trade and other payables

(in EUR)	Luka Koper, d. d.		Luka Koper Group	
	31 Sep 2019	31 Dec 2019	31 Sep 2019	31 Dec 2019
Current liabilities to:				
domestic suppliers	27,079,479	21,406,588	27,453,749	21,673,532
foreign suppliers	531,776	1,241,253	541,059	1,253,926
Current liabilities to Group companies	493,074	489,859	0	0
Current liabilities to associates	94,618	91,305	94,618	91,305
<b>Current trade payables</b>	<b>28,198,947</b>	<b>23,229,005</b>	<b>28,089,426</b>	<b>23,018,763</b>
Current liabilities from advances	1,831,877	3,496,747	1,987,825	3,665,707
Current liabilities to employees	5,619,459	5,280,131	5,972,780	5,640,827
Current liabilities to state and other institutions	-1,409	11,729	63,552	21,023
<b>Total operating liabilities</b>	<b>35,648,874</b>	<b>32,017,612</b>	<b>36,113,583</b>	<b>32,346,320</b>
Accrued costs	11,731,061	3,795,541	12,390,375	4,226,725
<b>Other operating liabilities</b>	<b>11,731,061</b>	<b>3,795,541</b>	<b>12,390,375</b>	<b>4,226,725</b>
<b>Total</b>	<b>47,379,935</b>	<b>35,813,153</b>	<b>48,503,958</b>	<b>36,573,045</b>



Accrued costs relate to the accrued costs for the concession, costs for the collective job performance, accrued interests for loans and borrowings, costs of performance bonuses for employees under individual contracts, costs of unused holidays and accrued costs for invoices to be received, which are accrued in the year and drawn up at the year-end.

## Contingent liabilities

(in EUR)	Luka Koper, d. d.		Luka Koper Group	
	31 Sep 2019	31 Dec 2019	31 Sep 2019	31 Dec 2019
Guarantees given	3,110,000	2,610,000	3,436,709	2,940,709
Securities given	2,482,710	2,832,122	2,482,710	2,832,122
Contingent liabilities under legal disputes	21,859,545	2,792,791	21,859,545	2,792,791
Commitments for the purchase of assets	55,305,551	25,082,672	55,305,551	25,316,472
<b>Total</b>	<b>82,757,807</b>	<b>33,317,586</b>	<b>83,084,516</b>	<b>33,882,095</b>

In accordance with Article 92 of IAS 37 – Provisions, Contingent Liabilities and Contingent assets, the Company/Group does not disclose information on its legal obligations as such disclosure would result in a judgement on the position of the Company/group in disputes with other parties.. Financial commitments for the acquisition of assets relate to concluded contracts for the purchase/construction of the assets in a future period.

## Related parties transactions

### Transactions with the Government of the Republic of Slovenia

Transactions between Luka Koper, d. d./the Luka Koper Group and the Government of the Republic of Slovenia

(in EUR)	Luka Koper, d. d.				Group Luka Koper			
	Payments	Costs/	Payments	Costs/	Payments	Costs/	Payments	Costs/
	and period 1-9 2020	expenses and period 1-9 2020	and period 1-9 2019	expenses and period 1-9 2019	and period 1-9 2020	expenses and period 1-9 2020	and period 1-9 2019	expenses and period 1-9 2019
Concessions and water fee	5,975,810	5,176,897	6,569,538	5,815,448	5,975,810	5,176,897	6,569,538	5,815,448
Transshipment tax	3,455,803	3,482,293	3,032,290	3,481,889	3,455,803	3,482,293	3,032,290	3,481,889
Dividends	7,639,800	0	9,496,200	0	7,639,800	0	9,496,200	0
Corporate income tax (taxes and advance payments)	681,949	2,498,503	17,350,013	6,127,350	572,404	2,540,781	17,410,793	6,360,528
Other taxes and contributions	6,396,174	6,759,585	6,302,231	6,610,989	6,545,183	7,345,003	6,824,446	7,136,349
<b>Total</b>	<b>24,149,536</b>	<b>17,917,278</b>	<b>42,750,272</b>	<b>22,035,676</b>	<b>24,189,000</b>	<b>18,544,974</b>	<b>43,333,267</b>	<b>22,794,214</b>

On the basis of the Act regulating the construction, operation and management of the second railway track of the Divača – Koper railway line, the controlling company started to pay the transshipment fee as from March 1, 2019.

The Company/Group did not have other transactions with the Government of the Republic of Slovenia.

### Transactions with companies in which the Republic of Slovenia has direct controlling influence

The share-holder related companies are those in which the Republic of Slovenia and SDH together directly holds at least 20 percent stake. The list of these companies is published on the Slovenian Sovereign Holding website (<https://www.sdh.si/sl-si/upravljanje-nalozb/seznam-nalozb>).

### Luka Koper, d. d.

In the first nine months of 2019, sales transactions conducted between Luka Koper, d. d., and entities in which the state has directly dominant influence were recorded at EUR 7,087,078 and purchasing transactions amounted to EUR 5,937,090. Most of sales referred to services in connection with the port activity, major purchases represent also cost of railway transport, purchase of energy and insurance costs. As at 30 September 2020, Luka Koper, d. d., recorded receivables in the amount of EUR 1,465,510 and liabilities in the amount of EUR 19,932,661. The largest

part of liabilities includes the loan given by SID – Slovenska izvozna in razvojna banka, d. d., which was raised under market terms

## Luka Koper Group

In first nine months, Luka Koper Group conducted transactions in the amount of EUR 7,103,238 referring to the sales to companies where the State has direct dominant influence, and transactions in the amount of EUR 6,015,921. Most of sales referred to services in connection with the port activity, major purchases represent also cost of railway transport, purchase of energy and insurance costs. As at 30 September 2020, Luka Koper Group recorded receivables in the amount of EUR 1,493,312 and liabilities in the amount of EUR 19,960,801. The largest part of liabilities includes the loan given by SID – Slovenska izvozna in razvojna banka, d. d., which was raised under market terms.

## Transactions with natural persons

In January -September 2020, no other transactions between the Company/Group and Members of the management Board resp. Members of the Supervisory Board were recorded

## Financial instruments and financial risk management

Financial risks to which the Company/Group is exposed to include:

1. Risk of change in fair value,
2. Interest rate risk
3. Liquidity risk,
4. Currency risk,
5. Credit risk, and
6. Risk of adequate capital structure.

In the Company/Group, management of financial risks has been organized within the finance and accounting department, since the accounting for subsidiaries is carried out within Luka Koper d. d. The existing economic environment makes forecasting future financial categories more demanding, introducing into the planned categories a higher degree of unpredictability and, consequently a higher degree of risk. The company /Group has consequently tightened the control over individual financial categories.

### 1. Risk management and change in fair value

#### Luka Koper, d. d.

As at 30 September 2020, 6.8 percent of the Company's assets were financial investments measured at fair value. (at the end of the previous year 6.4 percent).The fair value risk associated with investments in securities is demonstrated through changes in stock market prices that affect the value of these assets and, consequently the potential gain on their disposal, whereas with investments in shares of other companies there is a risk for the sales value not to equal the value of the market transaction. This type of risk has been recognised with regard to investments in market securities of Slovenian companies and to investments in shares and interests.

As at 30 September 2020, the value of non-current investments at fair value amounted to EUR 40,135,512.

#### *Sensitivity analysis of finance investments at fair value:*

Risk of change in fair value as at 30 September 2020

Luka Koper, d. d.	
Change of index and %	Impact on equity
-10%	-4,013,551
10%	4,013,551

Risk of change in fair value as at 31 December 2019

Luka Koper, d. d.	
Change of index and %	Impact on equity
-10%	-3,680,886
10%	3,680,886

The sensitivity analysis of investments at fair value was based on the assumption of a 10-percent increase in the value of the index and accordingly, such growth would result in an increase in the fair value of market securities portfolio by EUR 4,013,551. A 10 percent decrease in the comparable class would have the opposite effect, reducing the fair value of these investments by that same amount.

If this was the case, the amount of the difference in fair value would be recognised as either an increase or decrease in other comprehensive income within equity for investments into securities, and within profit or loss for investments into other companies.

#### *Fair value hierarchy*

(in EUR)	Luka Koper, d. d.			
	Valuation at fair value			
	Carrying amount at 30 Sep 2020	Direct stock market quotation (Level 1)	Value defined on the basis of comparable market inputs (Level 2)	No observable market inputs (Level 3)
<b>Assets measured at fair value</b>				
Other interests and shares	40,135,512	39,215,409	0	920,103

	Valuation at fair value			
	Carrying amount at 31 Dec 2019	Direct stock market quotation (Level 1)	Value defined on the basis of comparable market inputs (Level 2)	No observable market inputs (Level 3)
<b>Assets measured at fair value</b>				
Other interests and shares	36,808,861	35,888,758	0	920,103

Shares and interests measured at fair value were valued at publicly applicable exchange rates at the Ljubljana Stock Exchange and the list of mutual funds quotations.

#### *Luka Koper Group*

As at 30 September 2020, 7.1 percent of the Group's assets were financial investments measured at fair value (as 31 December 2019, 6.7 percent). The fair value risk associated with these investments is demonstrated through changes in stock market that affect the value of these assets and, consequently the potential gain on their disposal, whereas with investments in shares of other companies there is a risk for the sales value not to equal the value of the market transaction. This type of risk has been recognised with regard to investments in market securities of Slovenian companies and to investments in shares and interests.

As at 30 September 2020, the value of non-current investments at fair value amounted to EUR 43,390,950.

#### *Sensitivity analysis of financial investments at fair value*

Risk of change in fair value as at 30 September 2020

Change of Index and %	Luka Koper Group
	Impact on equity
-10%	-4,339,095
10%	4,339,095

Risk of change in fair value as at 31 December 2019

Luka Koper Group	
Change of index and %	Impact on equity
-10%	-4,017,513
10%	4,017,513

The sensitivity analysis of financial investments at fair value was based on the assumption of a 10-percent increase in the fair value of the index and accordingly such growth would result in an increase in the fair value of the market securities portfolio by EUR 4,339,095. A 10 percent decrease in the comparable class would have the opposite effect, reducing the fair value of these investments by that same amount.

If this was the case, the amount of the difference in fair value would be recognised as either an increase or decrease in other comprehensive income within equity for investments into securities, and within profit or loss for investments into other companies.

#### Fair value hierarchy

(in EUR)	Luka Koper Group			
	Valuation at fair value			
	Carrying amount at 30 Jun 2020	Direct stock market quotation (Level 1)	Value defined on the basis of comparable market inputs (Level 2)	No observable market inputs (Level 3)
<b>Assets measured at fair value</b>				
Other interests and shares	43,390,950	39,985,072	0	3,405,878

(in EUR)	Luka Koper Group			
	Valuation at fair value			
	Carrying amount at 30 Sep 2019	Direct stock market quotation (Level 1)	Value defined on the basis of comparable market inputs (Level 2)	No observable market inputs (Level 3)
<b>Assets measured at fair value</b>				
Other interests and shares	40,175,130	36,769,252	0	3,405,878

Shares and interests measured at fair value were valued at publicly applicable exchange rates at the Ljubljana Stock Exchange and the list of mutual funds quotations.

To calculate Level 3 value, the Company/Group uses the information available to it to compare the value of the investment that the Company/Group discloses in the books of account with relative value in the equity of the investment company at the balance sheet day.

## 2. Management of interest rate risk

With respect to its liabilities structure, the Company/Group also faces interest rate risk as an unexpected growth in variable interest rates can have an adverse effect on the planned results.

#### Luka Koper, d. d.

As at 30 September 2020, the share of financial liabilities (excluding other financial liabilities) decreased in the overall structure of the Company's liabilities from the initial 18.7 percent in 2019 to 17.1 percent. The effect of variable interest rate changes on future profit or loss after taxes is shown in the table below.

Possible interest rate fluctuations would consequently have an impact on 45.2 percent (as at 31 December 2019, 45.9 percent) of Company's total borrowings. The remaining 54.8 percent of borrowings were concluded with a fixed interest rate.

*Overview of exposure*

in EUR)	30 Sep 2020	Exposure 30 Sep 2020	31 Dec 2019	Exposure 31 Dec 2019
Borrowings received at variable interest rate (without interest rate hedge)	45,370,902	45.2%	49,717,213	45.9%
Borrowings received at nominal interest rate	54,990,264	54.8%	58,534,833	54.1%
<b>Total</b>	<b>100,361,166</b>	<b>100.0%</b>	<b>108,252,046</b>	<b>100.0%</b>

*Sensitivity analysis of borrowings from banks in view of the variable interest rate fluctuations:*

(and EUR)	Borrowings from banks under the variable interest rate	Increase by 15 bp	Increase by 25 bp	Increase by 50 bp
<b>Balance at 30 Sep 2020</b>				
3M EURIBOR	45,370,902	37,689	63,115	164,870
<b>Total effect on interests expenses</b>	<b>45,370,902</b>	<b>37,689</b>	<b>63,115</b>	<b>164,870</b>
<b>Balance at 31 Dec 2019</b>				
3M EURIBOR	49,717,213	40,451	67,418	174,876
<b>Total effect on interests expenses</b>	<b>49,717,213</b>	<b>40,451</b>	<b>67,418</b>	<b>174,876</b>

The analysis of financial liabilities' sensitivity to changes in variable interest rates was based on the assumption of potential growth of interest rates of 15, 25 and base 50 points. As at 30 September 2020, the Company's borrowings not hedged against interest rate were subject to the movement of 3M Euribor.

*Luka Koper Group*

As at 30 September 2020, the share of financial liabilities (excluding other financial liabilities) in the overall structure of Group's liabilities from the initial 15.4 percent to 13.9 percent. The effect of variable interest rates changes on future profit and losses after taxes is shown in the table below.

Possible interest rate fluctuations would consequently have an impact on 53.8 percent (as at 31 December 2019 58.9 percent). The remaining 46.2 percent of borrowings were concluded with a fixed interest rate.

*Overview of exposure*

(in EUR)	30 Sep 2020	Exposure 30 Sep 2020	31 Dec 2019	Exposure 31 Dec 2019
Borrowings received at variable interest rate (without in interest rate hedge)	45,370,902	53.8%	49,717,213	53.9%
Borrowings received at nominal interest rate	38,990,264	46.2%	42,534,833	46.1%
<b>Total</b>	<b>84,361,166</b>	<b>100.0%</b>	<b>92,252,046</b>	<b>100.0%</b>

*Sensitivity analysis of borrowings from banks in view of the variable interest rate fluctuations:*

(in EUR)	Borrowings from banks under the variable interest rate	Increase by 15 bp	Increase by 25 bp	Increase by 50 bp
<b>Balance at 30 Sep 2020</b>				
3M EURIBOR	45,370,902	37,869	63,115	164,870
<b>Total effect on interests expenses</b>	<b>45,370,902</b>	<b>37,869</b>	<b>63,115</b>	<b>164,870</b>
<b>Balance at 31 Dec 2019</b>				
3M EURIBOR	49,717,213	40,451	67,418	174,876
<b>Total effect on interests expenses</b>	<b>49,717,213</b>	<b>40,451</b>	<b>67,418</b>	<b>174,876</b>

The analysis of financial liabilities' sensitivity to changes in variable interest rates was based on the assumption of potential growth of interest rates of 15, 25 and base 50 points. As at 30 September 2020, the Group's the Group's borrowings not hedged against interest rate risk were subject to the movement of the 3M Euribor.

### 3. Management of liquidity risk

The liquidity risk is the risk that the company/Group will fail to settle its liabilities at maturity. The company/Group manages liquidity risk by regular planning of cash flows with diverse maturity. Additional measures for preventing from delays in receivable collection include regular monitoring of payments and immediate response to any delay and charging penalty interest in accordance with the uniform policy of receivable management.

(in EUR)	Luka Koper, d. d.					
	Up to 3 months	3 to 12 months	1 to 2 years	3 to 5 years	Over 5 years	Total
<b>30 Sep 2020</b>						
Loans and borrowings *	2,630,294	7,890,881	26,521,175	31,563,524	31,755,293	100,361,165
Accrued interest maturing and the next calendar year	167,907	462,566	458,254	859,573	333,882	2,282,182
Other financial liabilities	235,018	204,422	75,229	200,455	0	715,123
Payables to suppliers	28,198,947	0	0	0	0	28,198,947
Other operating liabilities	7,449,927	0	0	0	0	7,449,927
<b>Total</b>	<b>38,682,093</b>	<b>8,557,868</b>	<b>27,054,657</b>	<b>32,623,552</b>	<b>32,089,174</b>	<b>139,007,344</b>
<b>31 Dec 2019</b>						
Loans and borrowings*	2,630,294	7,890,881	26,521,175	31,563,524	39,646,174	108,252,046
Accrued interest maturing and the next calendar year	181,866	525,920	636,777	1,083,896	547,761	2,976,220
Other financial liabilities	592,235	0	0	0	0	592,235
Payables to suppliers	23,229,005	0	0	0	0	23,229,005
Other operating liabilities	8,788,607	0	0	0	0	8,788,607
<b>Total</b>	<b>35,422,006</b>	<b>8,416,801</b>	<b>27,157,952</b>	<b>32,647,420</b>	<b>40,193,935</b>	<b>143,838,113</b>

\*The item also includes borrowings from subsidiaries

(in EUR)	Luka Koper Group					
	Up to 3 months	3 to 12 months	1 to 2 years	3 to 5 years	Over 5 years	Total
<b>30 Sep 2020</b>						
Loans and borrowings	2,630,294	7,890,881	10,521,175	31,563,524	31,755,293	84,361,165
Accrued interest maturing and the next calendar year	134,233	362,058	424,521	859,573	333,882	2,114,267
Other financial liabilities	228,086	252,447	81,413	200,455	0	762,401
Payables to suppliers	28,089,426	0	0	0	0	28,089,426
Other operating liabilities	8,024,157	0	0	0	0	8,024,157
<b>Total</b>	<b>39,106,196</b>	<b>8,505,386</b>	<b>11,027,109</b>	<b>32,623,552</b>	<b>32,089,174</b>	<b>123,351,417</b>
<b>31 Dec 2019</b>						
Loans and borrowings	2,630,294	7,890,881	10,521,175	31,563,524	39,646,174	92,252,046
Accrued interest maturing and the next calendar year	148,420	425,126	502,537	1,083,896	547,761	2,707,740
Other financial liabilities	749,670	0	0	0	0	749,670
Payables to suppliers	23,018,763	0	0	0	0	23,018,763
Other operating liabilities	9,327,557	0	0	0	0	9,327,557
<b>Total</b>	<b>35,874,704</b>	<b>8,316,007</b>	<b>11,023,712</b>	<b>32,647,420</b>	<b>40,193,935</b>	<b>128,055,776</b>

#### 4. Management of currency risk

The risk of changes in foreign exchange rates arises from trade receivables denominated in US dollars (USD). In recent years, the Company/Group has succeeded in achieving significantly lower accrued income in US dollars to the extent that US dollars denominated receivables are negligible, based on which the Company/Group has opted not to hedge this item.

#### 5. Management of credit risk

Management of the risk of default on the side of the counterparty or the credit risk has gained in importance in recent years. Customer defaults are being passed on to economic entities, much like a chain reaction, which significantly reduces the assessed probability of timely inflows and increases additional costs of financing the operation. Accordingly, the Company/ the Group has accelerated collection-related activities in the past years and more consistently monitored trade receivables past due. In case of customers, regarding whom the Company/Group detects late payments and inconsistency in observing adopted business agreements, and advance payment system is set up for all ordered services with the aim of avoiding the late payments. This area is positively impacted by the specific structure of the Company's/Group's customers, who are predominantly major companies, freight forwarders and forwarding agents that have been the Company's/Group's business partners for a number of years.

Certain Company's/Group's receivables have been secured with collaterals, which are returned to the customers once all obligations have been settled or cooperation has been terminated. Investments include loans, which are secured with blank bills of exchange and other movable and immovable property.

(in EUR)	Luka Koper, d. d.		Luka Koper Group	
	30 Sep 2020	31 Dec 2019	30 Sep 2020	31 Dec 2019
Non-current loans	3,726	5,078	9,247	10,594
Non-current operating liabilities	41,052	41,122	41,052	41,122
Current deposits	0	0	71,039	71,052
Current loans	3,405	8,798	3,405	8,798
Current trade receivables	35,130,088	36,794,562	35,383,043	37,152,665
Other current receivables	2,933,583	2,662,803	3,080,682	2,788,137
Cash and cash equivalents	61,439,254	65,846,592	69,281,474	73,030,320
Guarantees and collaterals granted	5,592,710	5,442,122	5,919,420	5,772,831
<b>Total</b>	<b>105,143,819</b>	<b>110,801,077</b>	<b>113,789,362</b>	<b>118,875,519</b>

## 6. Management of risk relating to adequate capital structure

Having identified the optimal capital structure, the Company/Group has set a non-current strategic goal of maintaining the debtors' share within the liabilities side below 50 percent. As at 30 September 2020, the percentage in the Company was at 32., which was a decrease by 0.4 percent compared to 31 December 2019, whereas in the in Group the share is 29.5 percent, a decrease of 0.4 percent from the preceding year.

	Luka Koper, d. d.				Luka Koper Group			
	30 Sep 2020		31 Dec 2019		30 Sep 2020		31 Dec 2019	
	in EUR	share (in %)	in EUR	share (in %)	in EUR	share (in %)	in EUR	share (in %)
Equity	395,939,258	67.3%	386,889,959	66.9%	428,493,930	70.5%	419,089,356	70.2%
Non-current liabilities	133,734,255	22.7%	144,484,229	25.0%	119,762,837	19.7%	130,715,123	21.9%
Current liabilities	58,340,549	9.9%	46,740,936	8.1%	59,505,666	9.8%	47,605,935	8.0%
<b>Total accumulated profit</b>	<b>588,014,062</b>	<b>100.0%</b>	<b>578,115,124</b>	<b>100.0%</b>	<b>607,762,433</b>	<b>100.0%</b>	<b>597,410,414</b>	<b>100.0%</b>



## 20 **Statement** on the Management Board responsibility

The Management Board of Luka Koper, d. d., herein declares that the non-audited condensed financial statements of Luka Koper, d. d., and non-audited condensed consolidated statements of Luka Koper Group for the period ending 30 September 2020, have been compiled in order that they shall provide true and fair disclosure of Luka Koper, d. d., and Luka Koper Group. The condensed financial statements. The condensed financial statements January – September 2020, have been compiled in accordance with the same accounting policies and principles applicable in Luka Koper, d. d., and Luka Koper Group annual reports 2019.

These condensed interim statements for the period ending 30 September 2020, were compiled in accordance to the International accounting Standards 34 – Interim Financial Statement, and should be considered in relation to the annual financial statement for fiscal year ending 31 December 2019. Financial statements for 2019 are audited.

The Management Board shall be held responsible for the implementation of measures guaranteeing the preservation and growth of assets of Luka Koper, d. d., and Luka Koper Group assets and detection of fraud and other irregularities and their elimination.

The Management Board declares that the associated companies of Luka Koper Group made mutual transactions on the basis of concluded agreements in which market prices for products and services were applied, namely, no business was conducted under unusual terms and conditions.

Members of the Management Board:



Dimitrij Zadel

President of the Management Board



Metod Podkrižnik, M.Sc.

Member of the Management Board



Irma Gubanec, M.Sc.

Member of the Management Board



Vojko Rotar

Member of the Management Board  
– Labour Director

Koper, 18 November 2020