

ANNUAL REPORT 2023

Fraport Slovenija, d.o.o.

April 2024

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A WORD FROM THE MANAGING DIRECTOR

Ljubljana Airport 2023 Recap: A Year of Remarkable Recovery, Paving the Way for Continued Growth, Sustainability, and Innovation in 2024

Dear Stakeholders, Shareholders, and Valued Partners,

As we reflect upon the remarkable achievements and challenges overcome in 2023, it is with great pleasure and optimism that I address you in this Annual Report. Ljubljana Airport has emerged from the turbulence of the past year stronger, more resilient, and with a renewed promise to excellence.

In 2023, our airport experienced a notable 31% growth in passenger numbers, reaching nearly 1.3 million travellers. This achievement was made possible through collaborative efforts with 21 scheduled airlines, expanding our European footprint by adding destinations such as Helsinki, Skopje, Pristina, Athens, and Luxembourg. Equally remarkable was the strengthening of our traffic to hubs, such as Frankfurt, London, Istanbul, Dubai, Zurich and Munich that establish a bridge to connect Slovenia to the world and providing reliable and expanded travel options. Our dedication to year-round travel options was reaffirmed with the upgrade of London-Heathrow connection that provides our passengers with seamless travel options throughout the year.

Noteworthy is our recovery of 12 of the top 15 performing routes in 2019, with several surpassing pre-pandemic numbers that clearly indicates sustainable passenger recovery and enhanced connectivity. These include connections to Istanbul, Warsaw, Zurich, Tel Aviv, Belgrade, Paris, and Nis. We introduced together with our esteemed travel agencies 39 additional destinations in the charter traffic sector, demonstrating exceptional resilience and standing essentially at par with pre-pandemic levels. Our efforts have positioned us well for 2024, with new destinations, and additional flights enabling steady traffic progress and strategic plans for its expansion.

As we step into 2024 with enhanced optimism, we are pleased to announce three new routes under the summer flight timetable: Copenhagen, Riga, and Madrid, bringing the total number of airlines serving Ljubljana airport to 21, flying to 26 destinations altogether. We expect a strong growth in both traffic and connectivity throughout 2024, steadily approaching pre-pandemic levels with each successive month.

Beyond passenger growth and connectivity, our focus in 2024 is on advancing infrastructure. Since 2014 we have invested significantly in airport infrastructure, IT, and equipment with plans to invest nearly the same amount by 2030, reaching a total of around 130 million euros by 2030. The forthcoming investment phase will prioritize the modernization and enlargement of airport manoeuvring areas. The goal is to achieve a green transition, making Ljubljana Airport a carbon-free airport by 2045.

In 2024, our obligation to digitalization remains unwavering. Key projects in this area contribute to our comprehensive vision of the "Digital Airport." Our dedication to innovation is showcased through ongoing tests involving the Advanced Visual Docking Guidance System, Airline Independent Check-in App, and Turn-around Control Tool, promising exciting developments in the years ahead.

We embark on this journey with a new strategy, one that envisions Ljubljana Airport as the airport of choice for the region. Airport of choice for passengers, airlines and our employees. And for the region meaning not only for Slovenes but also beyond borders.

Our success is driven by the dedication and hard work of our employees. They are the heart of our organization, the generators of our success. I extend my heartfelt gratitude to each member of the Ljubljana Airport team for their unwavering commitment, resilience, and passion. Their contributions have been instrumental in the achievements of 2023, and I am confident that together, we will continue to reach new heights.

In conclusion, as we embrace the future with anticipation and determination, I invite you to join us on this exciting journey. Ljubljana Airport is not just an airport; it is a hub of innovation, sustainability, and connectivity. Together, we will create a seamless and advanced travel experience, contributing to a sustainable and eco-friendly aviation landscape.

Thank you for your continued trust and support.

Sincerely,



Dr Babett Stapel

Managing Director

BUSINESS REPORT

1. Introduction

1.1 Performance highlights

	2023	2022	Index 23 / 22	Change 23 / 22
TRAFFIC				
Number of passengers	1.276.857	977.316	130,6	30,6%
Aircraft movements	22.749	21.571	105,5	5,5%
Cargo (in tonnes)	26.927	29.573	91,1	-8,9%
ANALYSIS OF PERFORMANCE in thousand euros				
Operating revenues	43.926	34.190	128,5	28,5%
Net sales revenue	43.361	33.913	127,9	27,9%
Operating expenses	37.214	32.673	113,9	13,9%
EBITDA	12.802	7.635	167,7	67,7%
EBIT – operating profit	6.713	1.517	442,4	342,4%
Net finance income/expenses	-239	-411	58,1	41,9%
Pre-tax profit	6.474	1.106	585,4	485,4%
Net profit	5.834	889	656,0	556,0%
Total comprehensive income of the period	5.485	1.073	510,9	410,9%
Value added (operating revenues – costs of materials and services – other operating expenses excluding revaluation operating expenses and provisions)	31.001	23.034	134,6	34,6%
BALANCE SHEET in thousand euros				
Assets as at 31.12.	134.643	127.869	105,3	5,3%
Equity as at 31.12.	114.985	109.501	105,0	5,0%
EMPLOYEES				
Number of employees 31.12.	436	405	107,7	7,7%
Average number of employees	414,6	381,3	108,7	8,7%
INDICATORS				
EBITDA margin	0,29	0,22	130,5	30,5%
EBIT margin	0,15	0,04	344,4	244,4%
Net ROE – in % (net profit/average equity excluding net profit/loss from current period)	5,34%	0,82%	648,0	548,0%
Net ROA – in % (net profit/average assets)	4,44%	0,70%	637,2	537,2%

1.2 Significant events

1.2.1 Significant events of 2023

January

On January 26, Združenje Manager awarded the Artemida award to the managing director of Fraport Slovenija, Dr Babett Stapel. The association recognizes successful business women who have taken the first and most responsible position in their organisation, breaking through the glass ceiling, that invisible barrier that may be holding them back from their dreams.

February

Fraport Slovenija installed a modern body scanner at the passenger security check point at Ljubljana Airport. The technological innovation enables greater security, higher flow of passengers during the security check and improves the user experience.

In February 2023, a contract was signed with DHL Express for the lease of more than 26.000 m² of land in the airport area for a period of 30 years, on which the construction of a new logistics center measuring 5.800 m² will begin in 2023. The new DHL Express logistics center will be three times larger than the existing one and will meet all ecological standards and fully automate shipment management with robotic techniques.

March

On March 26, the summer timetable came into effect in air traffic. It brought a more diverse range of flights to Ljubljana Airport, with some new features and more frequent flights, especially to important hubs through which connectivity with the whole world is guaranteed. 18 scheduled carriers offered more than 130 flights per week to 21 destinations in the high season. The offer of charter flights connecting the airport with popular holiday destinations, especially around the Mediterranean, was also richer.

On March 26, after the winter break, British Airways and Transavia returned to Ljubljana airport with flights to London Heathrow and Amsterdam, and on March 31, the carrier GP Aviation established regular flights to Pristina.

April

After a three-year suspension of flights, Finnair returned to Ljubljana Jože Pučnik Airport on April 10 and re-established flights to Helsinki. The carrier connected Slovenia and Finland four times a week.

Due to the increasing demand for the supply of ULD cargo handling system, the company decided to invest in upgrading the facilities for the supply of cargo and inaugurated them on April 19. A facility measuring almost 700 m² was built, and new technological equipment was installed in it for more efficient reception and dispatch of goods. With the new acquisition, we double the capacity of supplying ULD cargo handling system, additional storage space in the cargo terminal is also provided.

On April 24, the International Association of Airports ACI (Airport Council International) awarded the Ljubljana Airport a Public Health & Safety Readiness certificate. Our airport has a proven track record of implementing proactive management practices and ensuring a safe airport experience for all passengers. The certification recognizes the airport's commitment to prioritizing health and safety measures in line with the recommendations of the ICAO Council's Aviation Restart Task Force (CART) and in accordance with the ACI Aviation Business Restart and Recovery guidelines with industry best practices.

On April 26, 2023, the investor's committee adopted a decision that the company's financial statements will be audited from 2023 onwards by the audit company Deloitte revizija d.o.o.

May

On May 26, the main charter season opened with this year's first charter flight to Greece. During the summer season, charter flights were organized to 39 destinations in 20 countries. Organized trips were available to Greece, Spain, Egypt, Turkey, Tunisia, Porto, Palermo, Morocco, Lourdes, Split, Tivat, Jordan, Manchester, Cologne, Rotterdam, Riga, Rovaniemi and Malta, Madeira, Azores, Cape Verde and Iceland. Eight charter carriers operated the flights: Trade Air, Aegean Airlines, Nouvelair, Freebird, Fly Egypt, Air Malta, Red Sea Airlines, Corendon.

June

Aegean Airlines established flights to Athens on June 6, flying to Greece twice a week. Israir Airlines re-established flights to Tel Aviv, flying there five times a week, Air Montenegro returned a seasonal connection to Tivat. Two new connections have been announced for the summer schedule - Wizz Air flights to Skopje and Luxair flights to Luxembourg.

On June 3, Fraport Slovenia organized the sixth Fun Airport festival for all airport employees and their families. The day was marked by exciting insights into the behind-the-scenes of the airport and the opportunity to get to know the work of companies and organizations that are part of the airport world. More than 600 participants visited the event.

September

On September 14, the carrier Luxair established a connection between Ljubljana Airport and Luxembourg, where it flew twice a week. A total of 23 direct connections with 19 regular carriers were available from Brnik in the summer timetable.

On September 27, Wizz Air established a connection to Skopje, where it will offer flights twice a week, every Wednesday and Sunday.

October

On Friday, October 6, we served the millionth passenger at Ljubljana Airport. He arrived from Istanbul, on a morning flight of Turkish Airlines.

On October 6, the Petrol Group and Fraport Slovenia opened a charging park with four e-chargers at jmarjanathe Ljubljana airport in the immediate vicinity of the passenger terminal, which can simultaneously provide energy for eight electric vehicles. The charging stations were installed within the framework of the MULTI-E European project, the main objective of which is, among other things, the development of mobility services and charging infrastructure for electric vehicles. With this project, Petrol and Fraport Slovenia demonstrate the fulfilment of their own vision and mission to decarbonize society and a green future.

On Sunday, October 29, air traffic switched to the winter schedule. By the end of March 2024, it will be possible to travel directly to 18 destinations from Ljubljana Airport with 15 scheduled airlines. Compared to last year, connections to Luxembourg, Skopje and Pristina have been added, and for the first time in the winter season British Airways flights to London Heathrow are available. The frequency of flights to Istanbul, Dubai, Zurich and Belgrade has also been increased.

December

On December 24, 60 years have passed since the first landing and take-off of a passenger plane at Brnik Airport - the Douglas DC 6B plane landed at the then newly built airport the day before Christmas in 1963. The event represented the culmination of Slovenian efforts for a new, modern airport.

1.2.2 Significant events after the end of 2023

The management of the company, together with the Investor's Committee, made the decision to stop conducting Aviation Academy training for external customers and to close the Aviation Academy department as of January 1, 2024. Due to the closure of the Aviation Academy and the departure of operational director Oliver Weiss from 1 February 2024, the following organizational changes took place from 15 February 2024:

- The Infrastructure sector was established, which includes the Information Technology, Procurement and Central Warehouse department and the Central Infrastructure Management department. The Central Infrastructure Management department was separated from the Operations sector. The Infrastructure sector is headed by the Infrastructure director and procurator Boštjan Šijanec.
- the Operations sector is headed by the Operations director and procurator Matic Perovic from 15 February 2024. This sector no longer includes the Central Infrastructure Management service.
- within the Airport Rescue department & Aviation Academy department, the Aviation Academy department was discontinued and renamed to Airport Rescue and Fire fighting & Emergency operations.

1.3 Basic information about Fraport Slovenija d.o.o.

Fraport Slovenija d.o.o. is the operator of Ljubljana Jože Pučnik Airport (hereinafter: Ljubljana Airport or the airport), Slovenia's main international airport, which handles at least 97% of all air passenger traffic in the country. We are a successful, environmentally and socially responsible company with a history going back almost 60 years. The company's principal line of business encompasses the operation and management of the airport, the development of airport infrastructure, the provision of ground handling services, and the provision of various commercial services.

The location of the airport is ideal for developing air connections and businesses related to the airline industry, as it is situated at the crossroads of traffic flows between the Pannonian Basin and the Po Valley, and the corridor from the Middle East to the European Union running through the Istanbul gateway. The airport's catchment area encompasses Slovenia, the southern part of Austria, the north-eastern part of Italy and part of Croatia, with approximately four million inhabitants in the aforementioned region. With a 3.300 meters runway and advanced equipment, the airport accommodates Category ICAO IIIB approaches in conditions of reduced visibility. The company also has sufficient land at its disposal for further expansion of the airport, and the development of various complementary business activities.

1.3.1 Components of the company's strategy and strategic priorities

Components of the company's strategy

Fraport Slovenija's strategy is composed of the following components:

- **Vision:** We want to be the airport of choice for the region.
- **Mission:** We provide sustainable airport management to connect Slovenia with other European countries and beyond by offering fast and efficient quality services to our customers besides strengthening and growing our non-aeronautical business.
- **Values:** Competence, Trust, Commitment, Openness, Courage, Reliability.
- **Strategic Priorities:** Traffic Performance, Value Contribution, Customer Centricity, Attractive Employer, Climate Protection, and Digitalisation and Automation.
- **Business Pillars:** Aviation, Ground Handling, and Non-Aeronautical Services.

- **Supporting Activities:** Information Technology, Maintenance & Energy, Human Resources, and Corporate Communication.
- **Governance Systems:** Quality, Environment, Occupational Health and Safety, Airport Safety, Compliance, and Data Protection.
- **Integrated Risk Management System.**



Figure 1: Components of the company's strategy

The company's strategic priorities

Fraport Slovenia has defined six strategic priorities:

1. **Traffic performance:** Proactively increase frequencies and destinations of our scheduled and charter offer to achieve medium-term passenger traffic recovery and long-term traffic growth.
2. **Value contribution:** Proactively increase revenues, execute strict cost management, and invest smartly to achieve medium-term economic recovery and long-term economic growth.
3. **Customer centricity:** Proactively raise the company's own quality through improving passenger experience along the travel process at Ljubljana Airport and provide an on-time service for our air carriers.
4. **Attractive employer:** Proactively improve work conditions to be an attractive and responsible employer that is able to gain and retain committed and qualified employees.
5. **Climate protection:** Proactively reduce CO₂ emissions and energy consumption to mitigate the effect the operation of an airport and air traffic have on the environment.
6. **Digitalisation & automation:** Proactively digitalize and automatize administration and operations processes to increase efficiency and productivity as well as expand our IT landscape to enhance and fasten data-driven decision-making.

For each of the strategic priorities, key performance indicators and target values for the period up to 2030 are determined at the company level, for business pillars and for supporting activities and the management system.

Company name	Fraport Slovenija, upravljanje letališč, d.o.o.
Business address	Zg. Brnik 130A, 4210 Brnik - Aerodrom, Slovenija Tel.: +386 (0)4 206 10 00 email: info@fraport-slovenija.si, http://www.fraport-slovenija.si
Activity code	52.230 – other auxiliary activities in air transport
Company size	Large company according to Companies Act
Management of the company	Babett Stapel, Managing director
Procurators of company	Matic Perovic, Operations Director Andrej Svetina, Head of Planning & Controlling Boštjan Šijanec, Infrastructure Director
Number and date of entry of conversion to limited liability company in companies register	Entry: 2015/15628 on 14.4.2015
Registration number	5142768000
VAT ID number	SI12574856
Nominal capital as at 31.12.2023	EUR 15.842.626,44
Sole member	Fraport AG Frankfurt Airport Services Worldwide
Subsidiaries	The company has no subsidiaries.
Transaction accounts	UniCredit Banka Slovenija d. d.: SI56 2900 0000 3291 455 Nova ljubljanska banka, d. d. Ljubljana: SI56 0292 1001 4174 945 HypoVereinsbank Member of Unicredit, München: DE35 7002 0270 0015 7308 74
Financial year	Calendar year
Number of employees as at 31.12.2023	436

1.3.2 Organisational Structure

Organisational structure of Fraport Slovenia d.o.o. as at 15.2.2024

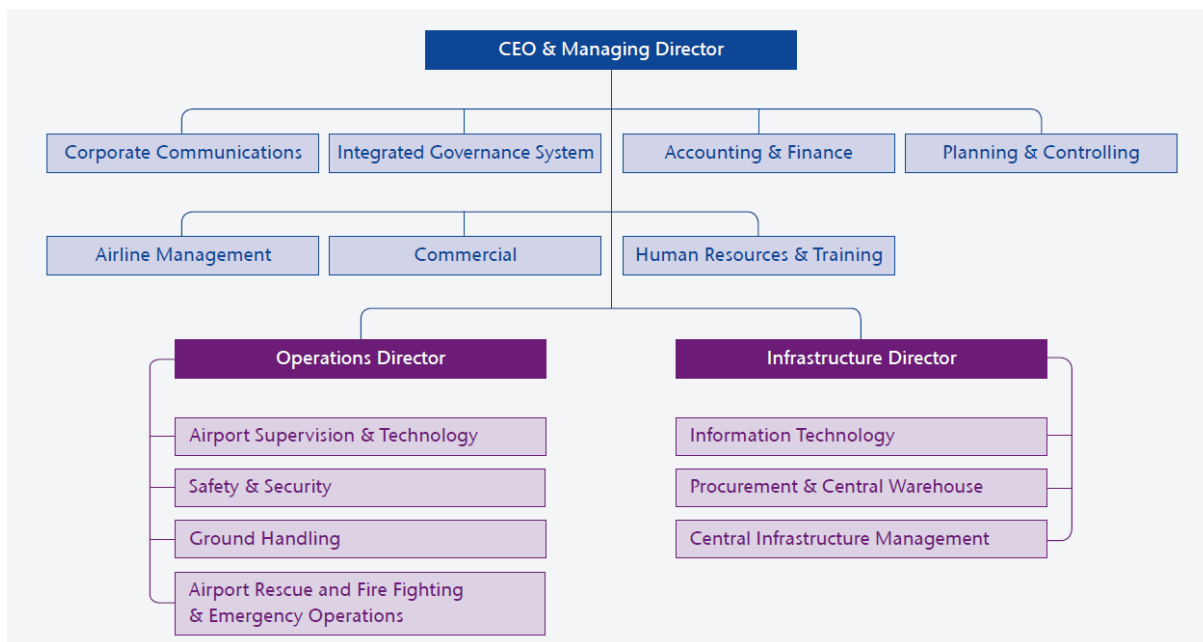


Figure 2: Organisational structure

1.3.3 International activities

Fraport Slovenia is part of Fraport AG, an international group. The group's core business consists of the expertise and technological know-how that distinguishes the individual companies under the Fraport AG brand. Fraport AG's overall portfolio of subsidiaries and other assets includes 30 airports worldwide.

We are a member of numerous professional associations, where we take the opportunity to network with our colleagues and to exchange best practice. Through our professional connections within the framework of ACI Europe, we actively monitor developments affecting the airport industry, and play an active role in promoting the economic and social development of the industry in the region, and in dealing with the challenges facing civil aviation in Europe.

1.4 Corporate Governance Statement

Pursuant to the provisions of the fifth paragraph of Article 70 of the Companies Act (ZGD-1), the senior management of Fraport Slovenia d.o.o. hereby provides the following corporate governance statement for the period of 1 January to 31 December 2023.

Fraport Slovenia, d.o.o. is solely owned by Fraport AG Germany. It therefore implements the recommendations of the German Corporate Governance Code (<https://www.dcgk.de/en/home.html>).

Fraport Slovenia is incorporated as a limited liability company. It has just one owner and the organisational structure does not include a supervisory board. Bodies of the company are both management and sole owner, exercising their functions and powers in accordance with the provisions

of the Companies Act-1. The ongoing tasks of the sole owner in accordance with the Deed of establishment are performed by an authorized body, namely the Investor's Committee. These facts result in certain departures from the recommendations of the German Corporate Governance Code namely, mainly in the part governing supervision, composition of the supervisory board and procedures of the supervisory board, which will be further explained below:

A. Management and supervision

- Fraport Slovenija does not implement the provisions of chapter A in the part which pertains to the supervisory board, as it is not established

B. Appointments to the Management Board

- Fraport Slovenija does not implement the first time appointment time limitation for the members of the Management (Recommendation B.3). The implementation is not done as the nomination of the management is the full jurisdiction and responsibility of the sole owner.
- Fraport Slovenija does not implement the age limitation for the members of the Management (Recommendation B.5). The implementation is not done as the nomination of the management is the full jurisdiction and responsibility of the sole owner.

C. Composition of the Supervisory Board

- Fraport Slovenija does not implement the provisions of chapter C as the Supervisory board is not established

D. Supervisory Board Procedures

- Fraport Slovenija does not implement the provisions of chapter D as the Supervisory board is not established

Fraport Slovenija does not uphold the national corporate governance recommendations in its operations. As a limited liability company under the 100% ownership of the sole owner, in its operations the company follows the requirements of the sole owner, which sets out the company's governance and business policies in the form of joint policies at the level of all the affiliates in the group. In particular, the company is required to apply the policy relating to internal controls and the management of conflicts of interest.

The company does not pursue a specific diversity policy in terms of representation in management or control bodies regarding aspects such as gender, age or education.



Dr Babett Stapel

Managing Director

Zg. Brnik, 2 April 2024

1.4.1 Internal Control System and Risk Management

Fraport Slovenia has a diverse mechanism of internal controls and risk management in connection with the financial reporting process. The aim of the system of internal controls is to comply with applicable legislation and regulations, to meet the company's strategic objectives and to implement its strategy, to reduce risks in connection with the company's operations, and to ensure the accuracy, completeness and reliability of financial reporting. The system is tailored to the internal control system of the Fraport Group.

Each business process has its contacts with other business processes identified, and comes with reference documentation citing the person responsible for each individual activity. The comprehensive management of business processes also extends to the inherent risks and internal controls. We set out efficiency and performance indicators, and methods for controlling and measuring the effectiveness of individual processes. A systemic approach is taken to identifying the risks that can arise in individual activities within business processes, and to putting in place the internal controls for managing these risks. Integrated business continuity plan and risk management at the strategic and operational levels gives us a comprehensive view for identifying critical areas and drawing up various measures to ensure stable operations.

As an operator of critical infrastructure (the airport), Fraport Slovenia is required under the Critical Infrastructure Act to draw up a risk assessment for the functioning of this critical infrastructure.

The risk assessment forms the basis for assessing measures to protect critical infrastructure, and relies on the identification, analysis and evaluation of various sources of risk to the functioning of critical infrastructure.

As is the practice at group level, the internal controls take account of the COSO methodology for the purpose of identifying, measuring and managing the risks inherent in business processes.

Internal audit

In organisational terms, the internal audit function is directly accountable to the senior management, and is separate from other organisational units. Internal auditing has been conducted at the company since 2000. The basic area of work consists of the internal controls in connection with the management of all the business risks and other risks to which the company is exposed. When assessing whether the internal controls are adequate and fit for purpose, the permanence and reliability of their functioning are also examined. The internal audit department carries out its work on the basis of the work plan, and in line with the International Standards for the Professional Practice of Internal Auditing and the Code of Ethics.

The aim of the planned internal auditing tasks is to help the company accomplish its objectives by bringing a systematic, disciplined approach to evaluating and improving the effectiveness and efficiency of corporate governance, risk management and control processes. Assessments of the possibility of errors and fraud and of compliance with rules are also components of audits, and are considered when each audit is planned and executed. The internal audit department reports on its work directly to the senior management.

In 2023, internal audit reviews were carried out in the following areas: investments in fixed assets, provision of continuous energy supply, implementation of aircraft de-icing, procurement procedures, safety assurance system, work schedule planning, emergency response procedures, lost and found baggage.

Recommendations were made on the basis of the internal audits, for which deadlines were set, together with the persons responsible for implementation. There is regular follow-up of recommendations, and corresponding reporting. All recommendations with a deadline in 2023 were realised.

External auditing

On the basis of a resolution passed by Investor's Committee on 26 April 2023, the company's financial statements for 2023 were audited by Deloitte revizija d.o.o.

1.4.2 Composition and functioning of management and supervisory bodies

The governance and management of Fraport Slovenija d.o.o. is based on the law, the company's Deed of establishment and the company's governance policy.

The company is controlled by the sole owner, who has final responsibility for issues relating to the company's business.

The sole owner exercises its powers via resolutions passed by its authorised representatives or, when the sole owner so decides, by the Investor's Committee, which acts on behalf of the sole owner.

The sole owner passes resolutions whenever necessary, although in any case at least once a year it adopts an annual report, and makes a final decision on the distribution or reinvestment of the company's earnings for the financial year and a final decision in connection with the appointment of an auditor.

Investor's Committee

Via the resolution establishing an investor's committee, the sole member may authorise the Investor's Committee to exercise powers in connection with the company on its behalf.

The Investor's Committee consists of three members appointed by the sole member. In 2023 the members of the committee were as follows: Holger Schaeffers (president), Alexander Laukenman (deputy-president), Tamara Weyer (member). All members of the committee are from Fraport AG Frankfurt Airport Services Worldwide.

The Investor's Committee holds the authorisations set out by the sole member's resolution establishing an investor's committee, or by the company's bylaws when the bylaws are adopted by means of a resolution by the sole member.

Management of the company

The everyday business of the company is directed by its senior management.

The senior management directs the business, is authorised to act as statutory representative for the company and to act on its behalf in legal transactions with third parties, and holds other authorisations set out by the Deed of establishment or via resolutions by the sole member.

The senior management consists of the managing director. In 2023 the position of managing director was held by Dr Babett Stapel.

Dr Stapel has 23 years of experience in airport management, with 12 years in senior executive positions. In addition to the parent company in Frankfurt, she has also worked at airports in Varna, Bulgaria and Lima, Peru. She is a graduate of the University of Hamburg in Germany, and holds an MBA from the University of Nottingham in the UK.

The company's outward statutory representation is undertaken by the managing director and one procurator.

1.5 Declaration in accordance with article 545 of the Companies Act (ZGD-1)

In the circumstances known to us at the moment when each legal transaction was executed, Fraport Slovenija d.o.o. obtained appropriate consideration in all legal transactions with the controlling company Fraport AG and its affiliates, and did not suffer any deprivation. Neither was any act committed or omitted whereby Fraport Slovenija d.o.o. would incur any damage that would be the result of the influence of the controlling company Fraport AG over Fraport Slovenija d.o.o.



Dr Babett Stapel

Managing Director

Zg. Brnik, 2 April 2024

2. Performance in 2023 and plans for 2024

2.1 Situation in European aviation

Strong demand for air travel continued to fuel the recovery of air traffic in 2023 as well. According to data from the International Air Transport Association (IATA), the number of passengers in the world increased by as much as 36,9% compared to the previous year.

Despite the strong demand for air traffic, which stimulated the recovery of passenger markets, the recovery of traffic across Europe was far from uniform. One of the key features of 2023 was the large difference in the speed of traffic recovery achieved by airports across Europe. Although many exceeded their previous annual records, the Airports Association International (ACI) organization stated in its report that as many as 57% of airports still lag behind the pre-pandemic level. These differences are the result of several factors that have affected air traffic, of which we could highlight mainly geopolitical conflicts and structural shifts in aviation caused by the COVID-19 pandemic.

Geopolitical conflicts played an important role in shaping the uneven recovery of European airports. In regions involved in conflicts such as Russia, Ukraine, Israel or countries geographically connected to these regions, demand for travel has decreased. Increased instability and security concerns have discouraged people from traveling, resulting in a decrease in passenger traffic.

In addition, aviation has undergone major changes since the pandemic. Structural shifts, including changes in people's travel patterns and preferences, have reshaped market dynamics. Namely, the demand for tourist trips and trips to visit friends and relatives increased, while on the other hand, the demand for business trips fell, as they were replaced by virtual meetings. Due to changing preferences, both airlines and airports have had to adapt and focus on meeting the changing needs of consumers. The changed demand patterns and market conditions were best taken advantage of by low-cost carriers that strategically expanded their presence in selected markets. In contrast, traditional airlines have consolidated their operations around their central hubs.

In the coming years, the road to the recovery of European airports is still full of challenges, but at the same time full of opportunities. As the aviation sector continues to grapple with the complexities of geopolitical turmoil, changing consumer behaviour and evolving market dynamics, flexibility and readiness for change will be critical. According to ACI data, passenger traffic is expected to grow by 7,2% in Europe in 2024 compared to 2023, which is expected to lead to passenger volumes surpassing the level seen before the 2019 pandemic.

2.2 Economic situation in Slovenia ¹

Economic trends in Slovenia in 2023 were marked by challenges related to high inflation, deteriorating export competitiveness and uncertainty in the domestic and geopolitical environment. The aforementioned factors had an impact on the significant reduction of foreign exchange and the cooling of domestic consumption, which, after a strong post-pandemic recovery, led to a slowdown in this year's GDP growth in Slovenia to 1,3%. This is confirmed in particular by lower consumption by households in the second and third quarters, which coincides with the cooling of activity in service activities (retail, catering, transport, manufacturing industry) and commerce. The sharper drop in GDP was limited in particular by encouraging state investment activity, also supported by the use of funds from the expiring

¹ The text is taken from the material of the Bank of Slovenia Overview of macroeconomic trends with forecasts, December 2023

EU financial perspective, robust housing investments and the positive contribution of the foreign trade surplus. This is the result of a relatively stronger year-on-year decrease in imports compared to exports, as well as the resulting surplus on the current account of the balance of payments.

In 2023, similar trends also affected the economic activity in Slovenia's main trading partners, which was reflected in the decline in export orders and exports, along with the worsening price competitiveness of domestic exporters. Despite this, the contribution of net foreign trade to GDP growth remained positive during the year due to an even greater contraction of imports as a result of weaker household demand and reduced inventories.

In the third quarter of 2023, employment reached a new high of 1,1 million persons, yet year-on-year employment growth slowed further to 1,0%. The slowdown in employment growth is most noticeable in manufacturing, while growth in services remains relatively robust. In November 2023, 47.175 persons were registered as unemployed, which, according to seasonally adjusted data, is the lowest so far. The low number of unemployed persons is reflected in the registered unemployment rate, which reached a historic low of 4,7% in September.

Nominal wage growth, measured by assets per employee, will reach 11,5% in 2023, which is the highest since 1997. The high growth is primarily a result of the tightness of the labour market, past price growth and the increase in the minimum wage at the beginning of the year. High real wage growth (3%) in 2023 will contribute to compensating for the loss of purchasing power that employees suffered due to last year's high inflation, as the level of real wages will exceed the level of 2021. At the same time, real wage growth in 2023 will significantly outpace growth productivity, by about 3 percentage points.

The annual growth of retail prices was 4,2% in 2023 (10,3% in the previous year), and the average annual price growth was 7,4%. The prices of services were on average higher by 6,0%, and the prices of goods by 3,3%. Daily consumption goods rose in price by 4,5% and semi-durable goods by 2,1%, while durable goods fell by 0,3%.

A re-strengthening of economic activity will follow in the first half of 2024 with the easing of inflationary pressures, robust wage growth and the recovery of external demand. Growth will also be gradually strengthened by the fading effects of the tightening of monetary policy and unfavourable bank credit conditions. Under the influence of these factors, Eurosystem experts expect economic growth in the euro zone to be 0,6% this year.

Economic growth will be higher in 2024 at 2,2% and, with the recovery of external demand and real disposable income, will be based on the renewed strengthening of the growth of export activity and private consumption (robust conditions on the labour market and gradual reduction of uncertainty, which will lower the rate savings of households and triggered the consumption of said funds). At the same time, growth will also be supported by the reconstruction after the August floods. Higher growth will be limited by investments, which, after the strong investment cycle after the pandemic, will grow below the long-term average in the following years.

Next year, exports will (partially) recover, in line with the growth of foreign demand, as a result of the fading of supply pressures (especially in the automotive industry) and relatively higher demand for goods, which represent the majority of international trade. The recovery of exports, together with the gradual growth of domestic demand, will increase imports by 3,8%.

The decrease in unemployment in 2024 (estimated at 3,5% unemployment rate) will be relatively limited in view of employment growth, which we attribute mainly to the depleted pool of the domestic labour force. Thus, employment growth in the forecast period will come primarily from the employment of foreign workers and only to a lesser extent from unemployed persons.

In 2024, the low level of unemployment will maintain pressure on wage growth, which will be relatively high over the entire forecast period and will amount to 6,2% according to the forecasts.

Inflation is forecasted to stabilize at 3,0% this year. The reduction of inflation will contribute to the moderation of the prices of other goods and food, as well as the prices of energy products (extension of government measures to moderate the prices of energy products in 2024). As global factors fade away, the trend of inflation in the forecast period will be increasingly conditioned by domestic factors, especially wage growth, which will be most visibly reflected in the growth of service prices.

2.3 Market position and marketing activities

2.3.1 Market position

In 2023, we recorded an increase in passenger traffic compared to 2022 at all airports in our wider region. While traffic at Ljubljana Airport grew to 1.276.857 passengers (+31%), the number of passengers also increased at surrounding airports, namely at Trieste airport to 930.000 (+34%), and at Zagreb airport to 3.724.000 (+19%), in Venice to 11.311.000 (+22%), in Graz to 733.000 (+31%), and in Klagenfurt to 153.000 (+85%).

In 2023, the state announced a call for tenders to increase Slovenia's air connectivity. The tender was submitted by the carrier Luxair, which in September started to provide regular services between Ljubljana and Luxembourg. Air Baltic, Iberia and Norwegian carriers also successfully applied in later iterations of the tender, but they will start flying to Ljubljana in 2024.

Fraport Slovenia's marketing communication efforts to promote air connections also provided support to airlines in 2023 to promote the sale of airline tickets on their flights from Ljubljana Airport. Fraport Slovenia contributed to the exposure of airline connections to raise awareness and stimulate passenger demand in target markets. Funds for these purposes were allocated individually, with communication effects carefully considered, and mainly focused on digital media.

2.3.2 Traffic and airport services

The year 2023 was marked by high growth in the number of passengers. In 2023, we served 1.276.857 passengers at Ljubljana Airport, which represents a 31% increase compared to 2022. There were also more aircraft movements, which we recorded at 22.749. This represents a 5% increase compared to 2022. The biggest contribution to the increase in movements was the growth in public transport, where we recorded 15.362 movements, or a 20% increase. The total volume of air cargo at the Ljubljana airport was 9% lower than in the previous year.

The network of flights from Ljubljana airport was strengthened in the 2023 summer timetable - 20 carriers offered connections to 23 destinations, and in the peak season more than 130 flights per week were available.

Connectivity is improved by more frequent flights to important hubs, and the range of destinations is enriched by returned connections. Aegean Airlines established flights to Athens in June, Wizz Air opened a new connection to Skopje in September. The new Wizz Air flights brought a welcome addition to the flight connections from Ljubljana airport to the Balkans, for all segments of passengers – tourist, business and ethnic traffic. The offer of flights from Ljubljana airport was complemented by the seasonal connection to Tel Aviv, which was provided up to five times a week by the carriers Israir Airlines, El Al and Sundor. Since April, low-cost Transavia France flights to Paris Orly have been available again. The easing of anti-covid measures in Asia has helped strengthen traffic flows between Europe and Asia.

Thus, the connection between Ljubljana and Helsinki, which offers excellent connections with Asia, was revived. Air Montenegro returned seasonal flights to Tivat in June.

With more frequent flights to important hubs, the flight options and thus the connectivity of the airport have improved. Lufthansa increased its flights to Frankfurt, where it flew three times a day, also in the early hours of the morning. More frequent flights were also available to Istanbul, Paris, Warsaw and Brussels.

During the summer months, a rich offer of charter flights to holiday destinations, especially around the Mediterranean, also contributed to the varied traffic. Among them, the most popular destinations were the nine Greek islands, Egypt, Turkey and Spain. In 2023, organized trips under the auspices of travel agencies also served flights to Malta, Madeira, the Azores and Porto, Iceland, the Cape Verde Islands, Barcelona, Seville, Malaga, Palma de Mallorca, Lourdes, Split, Tivat, Tenerife, to Tunisia, Jordan, the Netherlands, Riga, Palermo, Morocco, Manchester, Cologne and Rovaniemi.

	Actuals		Change	Breakdown, %	
	2023	2022	2023 / 2022	2023	2022
PASSENGER NUMBERS	1.276.857	977.316	30,6%	100,0	100
PUBLIC TRANSPORT	1.270.382	970.152	30,9%	99,5	99,3
Domestic airlines	0	0	-	0,0	0,0
Foreign airlines	1.270.382	970.152	30,9%	99,5	99,3
GENERAL AVIATION	6.241	6.655	-6,2%	0,5	0,7
OTHER	234	509	-54,0%	0,0	0,1
AIRCRAFT MOVEMENTS	22.749	21.571	5,5%	100,0	100
PUBLIC TRANSPORT	15.362	12.854	19,5%	67,5	59,6
Domestic airlines	497	504	-1,4%	2,2	2,3
Foreign airlines	14.865	12.350	20,4%	65,3	57,3
GENERAL AVIATION	6.639	7.860	-15,5%	29,2	36,4
OTHER	748	857	-12,7%	3,3	4,0
MAXIMUM TAKEOFF WEIGHT (in tonnes)	930.600	792.035	17,5%	100,0	100
PUBLIC TRANSPORT	843.169	699.806	20,5%	90,6	88,4
Domestic airlines	6.463	6.552	-1,4%	0,7	0,8
Foreign airlines	836.706	693.254	20,7%	89,9	87,5
GENERAL AVIATION	45.378	46.655	-2,7%	4,9	5,9
OTHER	42.053	45.574	-7,7%	4,5	5,8
CARGO TONNAGE (in tonnes)	26.927	29.573	-8,9%	100,0	100
Aircraft - goods	11.144	12.241	-9,0%	41,4	41,4
Aircraft - mail	299	239	25,2%	1,1	0,8
Truck	14.344	15.327	-6,4%	53,3	51,8
Other	1.140	1.767	-35,5%	4,2	6,0

Commercial activities

Fraport Slovenia promotes commercial activities that are not related to aviation and represent an opportunity for growth and diversification. In 2023, revenues from commercial services accounted for 23% (EUR 10.155 thousand) of the company's total revenues, bringing us closer to commercial revenues in 2019. The areas of rental of business premises and parking lots, commercial activity and advertising contributed to the good results.

By signing medium-term contracts, we further strengthened the pillar of leasing commercial real estate to logistics companies and aircraft maintenance providers and acquired some smaller tenants. Despite the active marketing of communally equipped plots, apart from the DHL company, we were unable to acquire new long-term partners to whom we would grant building rights for the development of logistics facilities. The proactive search for partners from both the field of logistics and other industries that can be located in the airport area will continue. In the field of aircraft servicing, negotiations for a new MRO hangar of the Solinair company have been completed, and the other MRO partners are already announcing future growth and the need for larger hangar spaces in the near future.

Parking revenues were at the level of planned values (+26% compared to 2022). Increased revenues were recorded both in the passenger segment (short-term and holiday parking) and in the business segment (rent-a-car and shuttle service providers). Electric charging stations have not yet experienced the expected use by passengers and partners, a slight reversal of the trend was only noticeable with the implementation of a faster charging station in October. At the end of the year, a license plate reading system was introduced as part of the digital airport measures, and the tender for the online parking reservation project was completed. The launch of the online reservation solution is planned before the summer season of 2024. A new pricing policy and products are being prepared that will appeal to price-sensitive travellers. In 2024, we will also pay more attention to arranging parking in the service area.

The well-received offer of catering and retail section has proven itself both in good ratings of passenger satisfaction and in better revenues, especially in the field of commercial work.

In the retail section, the largest part of purchases is made by travellers from countries outside the EU and represent a 63% share in sales, which has decreased by 2 percentage points compared to the previous year. Among the key sales categories or the majority of sales (63% in 2023, 67% in 2022) are cosmetics and perfumery, gift programs and alcoholic beverages. Higher growth is recorded in fashion accessories, which are new in 2023. The largest consumption is achieved by passengers flying to Istanbul, Zurich, Belgrade, London (Gatwick), Dubai (38% share). Catering spending per departing passenger was above the reference year of 2019, but the share of passengers who would purchase a catering service in the public part of the airport upon departure or arrival is below expectations. Further sales promotion measures in the future will certainly address precisely this shortcoming.

Advertising revenues were above expectations (+20% above budget, comparable to 2019), which speaks in favour of a meaningful investment in digital media on the air side and targeted marketing with a pricing policy that adapts to passenger growth.

2.4 Performance analysis

2.4.1 Operating result

in thousand EUR	Realization		Change 2023/2022	Proportion	
	2023	2022		2023	2022
Operating revenues	43.926	34.190	28,5%	100,0	100,0
Net sales revenue	43.361	33.913	27,9%	98,7	99,2
Capitalized own services	86	131	-34,4%	0,2	0,4
Other operating revenues	480	147	227,5%	1,1	0,4
Operating expenses	37.214	32.673	13,9%	100,0	100,0
Costs of materials and services	12.124	10.510	15,4%	32,6	32,2
Costs of materials	2.982	2.446	21,9%	8,0	7,5
Costs of services	9.142	8.064	13,4%	24,6	24,7
Labour costs	18.184	15.333	18,6%	48,9	46,9
Depreciation/amortisation	6.089	6.118	-0,5%	16,4	18,7
Other operating expenses	817	712	14,7%	2,2	2,2
Operating profit before interest, taxes and depreciation/amortization - EBITDA	12.802	7.635	67,7%	29,1	22,3
Operating profit - EBIT	6.713	1.517	342,4%	15,3	4,4
Net finance income/expenses	-239	-411	41,9%		
Finance income	178	8	2177,1%		
Finance expenses	417	419	-0,5%		
Profit (or loss) before tax	6.474	1.106	485,4%		
Income tax expense	-475	0			
Deferred tax	-165	-217	23,7%		
Net profit	5.834	889	556,0%		

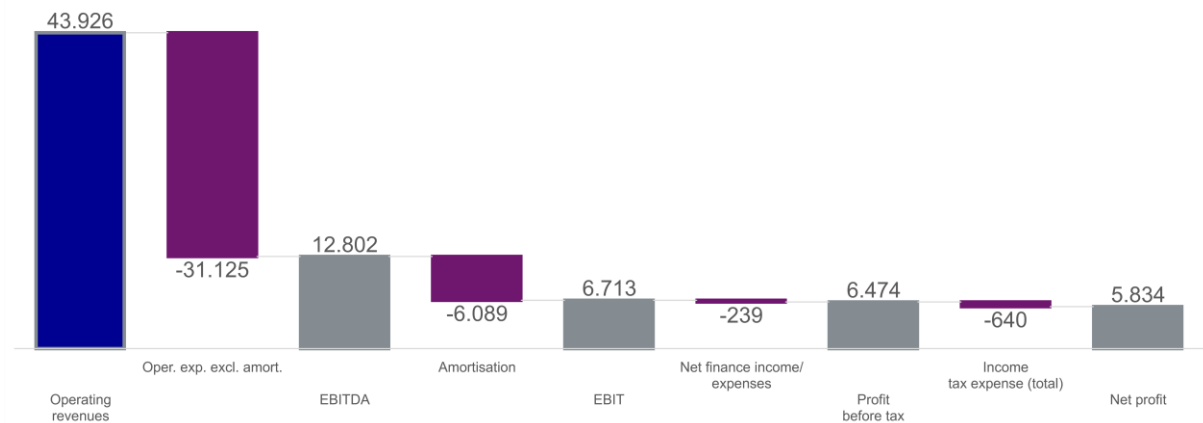
For Fraport Slovenia, the year 2023 was a year of high growth in passenger traffic (31%), which is a result of the recovery after the pandemic. The high turnover growth also affected the performance of the business.

Fraport Slovenia closed the year 2023 with operating profit before interest, taxes and depreciation (EBITDA) in the amount of EUR 12.802 thousand, which is 68% more compared to 2022. Due to the nature of fixed costs, the growth of EBITDA compared to 2022 was higher than the growth of operating revenues (29%). As a result, Fraport Slovenia generated a net profit of EUR 5.834 thousand, which is 4.945 EUR thousand more than in 2022.

Operating revenues of EUR 43.926 thousand were 28,5% higher than in 2022, which is primarily the result of an increase in the number of passengers and, in part, an increase in the prices of airport and commercial services due to high inflation and growth in operating expenses.

Operating expenses were up 13,9% on 2022 at EUR 37.214 thousand. Higher energy prices, higher costs of services and higher labour costs (due to an increase in wages and additional employment (increase in passenger traffic at the airport)) had the greatest impact on the increase in expenses.

Net finance income in 2023 increased by EUR 172 thousand or 41,9% relative to the previous year due to income from interest from bank deposits.



Graph 1: Operating result (in EUR thousand)

Operating revenues

in thousand EUR	Operating revenues		Change
	2023	2022	2023/2022
Airport services	22,205	16,407	35,3%
Ground handling services	10,946	8,982	21,9%
Commercial services	10,202	8,502	20,0%
Other operating revenues	574	300	91,4%
OPERATING REVENUES	43,926	34,190	28,5%

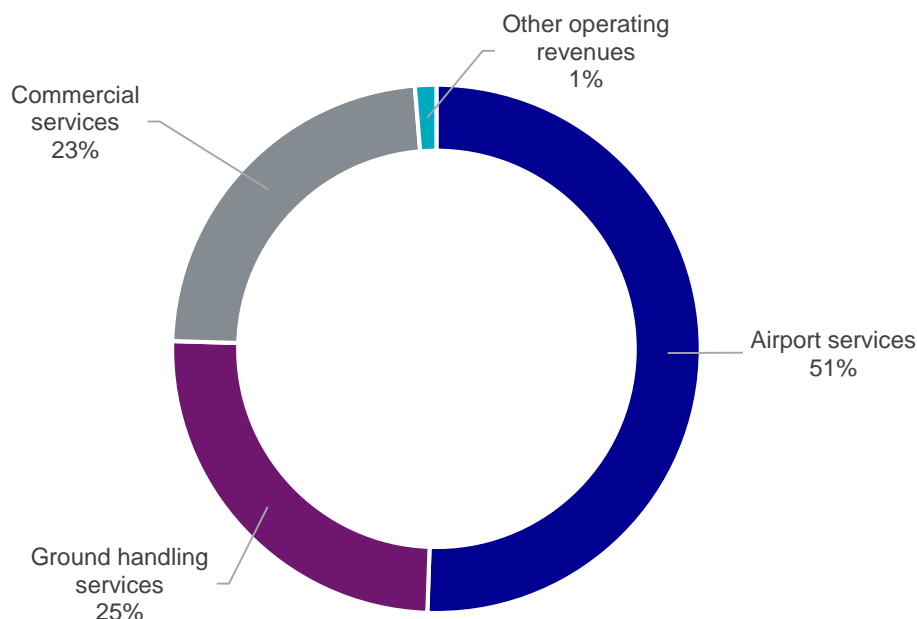
Operating revenues amounted to EUR 43,926 thousand in 2023, up 28,5% on 2022. We increased our operating revenues in all business segments, with the largest increase in the Airport Services.

The increase in revenues from airport services was driven by the rise in traffic, which is a result of the recovery of the aviation sector and, to a lesser extent, an increase in the prices of airport services due to high inflation, which had an impact on increases in the prices of services, material and labour costs, as well as an increase in the price of investments (prices of equipment, construction works and materials). The largest part of the increase in the segment of airport services falls on passenger and security taxes.

In the commercial area, the increase in revenues is also linked to the recovery of air traffic mainly in retail, parking and advertising services.

The increase in revenues from ground handling services is also a result of traffic growth and, to a lesser extent, an increase in the prices of ground handling services due to high inflation, which influenced the increase in operating expense, service prices, material and labour costs. Due to less transported cargo and an increase in service prices, revenues from cargo handling increased only minimally (2%) compared to 2022.

The reason for the increase in other operating revenues compared to 2022 is the profit from the sale of land in 2023.



Graph 2: Breakdown of operating revenues

The structure of operating revenues has changed slightly with respect to 2022, namely the segment of airport services has increased its share from 49% to 51% at the expense of a decrease in the segment of commercial services from 25% to 23%.

Operating expenses

in thousand EUR	Operating expenses		Index
	2023	2022	2023/2022
Labour costs	18.184	15.333	18,6%
Costs of services	9.142	8.064	13,4%
Depreciation/ amortisation	6.089	6.118	-0,5%
Costs of materials	2.982	2.446	21,9%
Other operating expenses	817	712	14,7%
OPERATING EXPENSES	37.214	32.673	13,9%

Operating expenses amounted to EUR 37.214 thousand in 2023, up 13,9% on 2022.

Operating expenses increased in all categories, only depreciation/amortisation costs were lower than in 2022.

Higher labour costs were influenced by the growth of basic wages (6,4%) and additional seasonal employment in the field of passenger and aircraft handling. In 2023, there were also higher costs for the payment of business performance and provisions for jubilee awards.

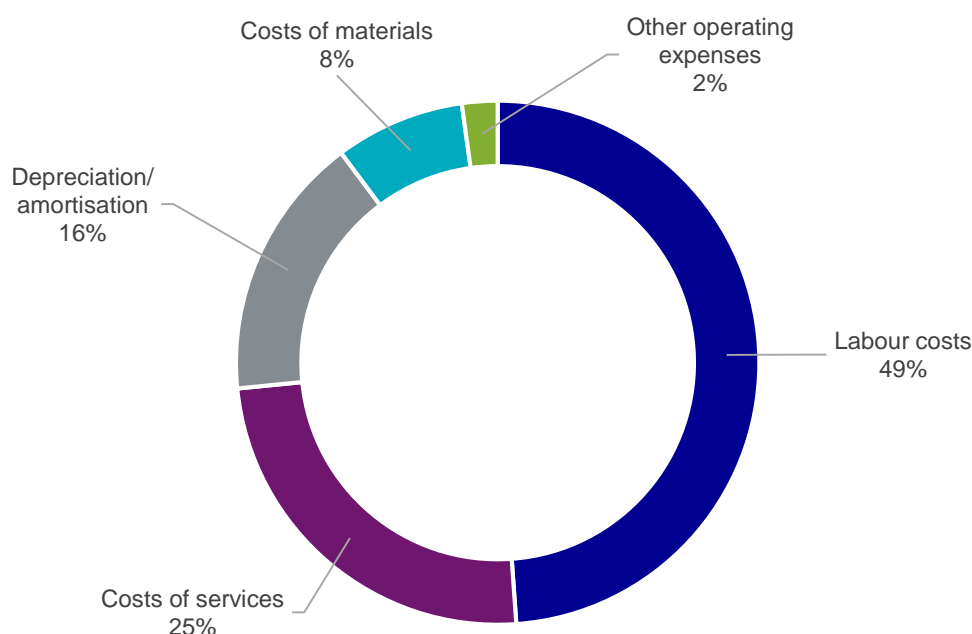
The increase in service expenses was influenced by increased service prices as a result of high inflation in 2022 and also because of higher passenger traffic. The biggest increase was in the costs of hired

seasonal labour and students, infrastructure and equipment maintenance, security and consulting services, education and business travel expenses, and the business lounge.

The increase in costs of materials was largely influenced by the increase in turnover and the rise in the prices of energy products, especially electricity. With the expiration of the leased electricity in August 2022, the price of electricity increased by more than five times. The increase in the price of electricity was somewhat moderated by a state subsidy in the amount of EUR 360 thousand. Consumption of runway and apron maintenance materials, aircraft maintenance vehicles, terminal maintenance materials, and de-icing material for aircraft also increased.

Operating expenses are disclosed in greater detail in point 5.2.2 of the Financial Report.

The structure of operating expenses is dominated by labour costs, followed by costs of services, amortisation/depreciation costs, costs of materials and other operating expenses. In the expenses structure, labour costs have increased compared to 2022 (from 47% to 51%), mainly due to a decrease in the share of depreciation and amortisation costs.

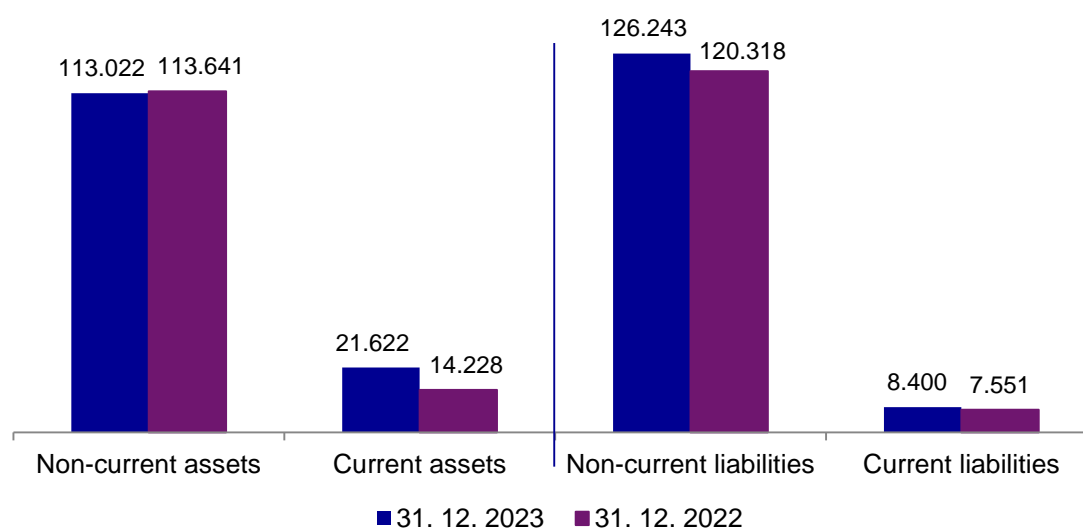


Graph 3: Breakdown of operating expenses

Energy costs (electricity, heating fuel and motor fuel) accounted for more than 60% of all costs of materials, while other major items included non-durables, materials for current maintenance, and cleaning materials. Security services accounted 25% costs of services, while the other major items were maintenance services, intellectual services, advertising costs, aircraft landing and parking services, Civil Aviation Agency services, and insurance premiums.

STATEMENT OF FINANCIAL POSITION

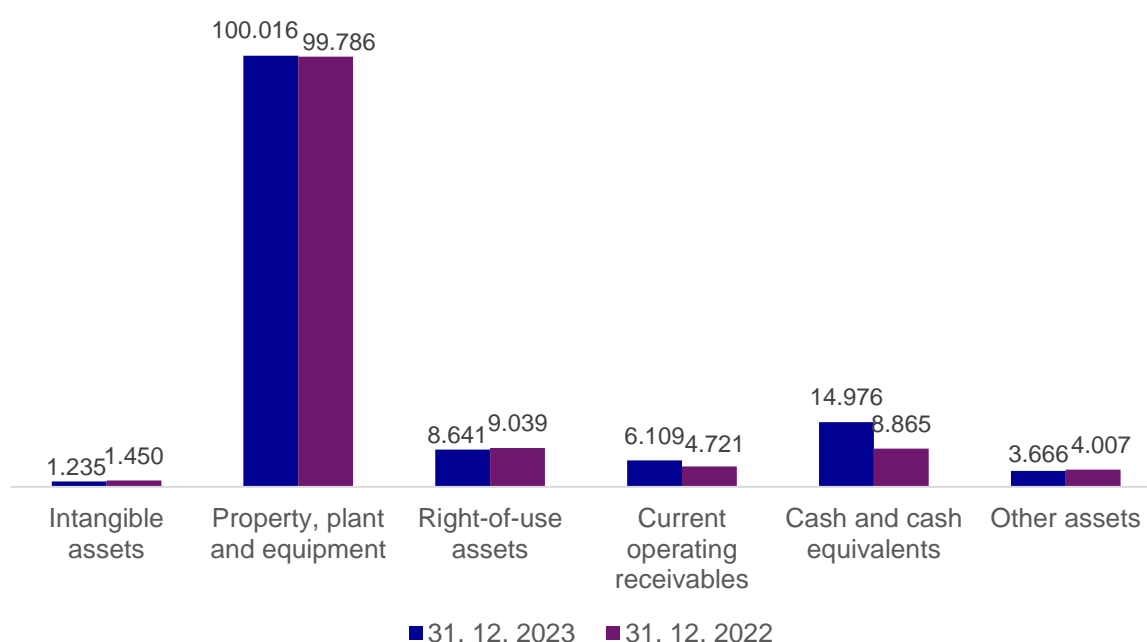
in thousand EUR	31. 12. 2023	31. 12. 2022	Change 23/22	Proportion 2023	Proportion 2022
ASSETS	134.643	127.869	5,3%	100,0	100,0
Non-current assets (total)	113.022	113.641	-0,5%	83,9	88,9
Intangible assets	1.235	1.450	-14,8%	0,9	1,1
Tangible assets	108.657	108.826	-0,2%	80,7	85,1
Other non-current assets	3.129	3.365	-7,0%	2,3	2,6
Current assets (total)	21.622	14.228	52,0%	16,1	11,1
Cash and cash equivalents	14.976	8.865	68,9%	11,1	6,9
Current operating receivables	6.109	4.721	29,4%	4,5	3,7
Other current assets	537	642	-16,4%	0,4	0,5
EQUITY AND LIABILITIES	134.643	127.869	5,3%	100,0	100,0
Equity	114.985	109.501	5,0%	85,4	85,6
Non-current liabilities (total)	11.258	10.817	4,1%	8,4	8,5
Provisions and non-current accruals and deferred income	1.934	1.461	32,4%	1,4	1,1
Non-current operating liabilities	1.035	796	30,0%	0,8	0,6
Non-current lease liabilities	8.289	8.561	-3,2%	6,2	6,7
Current liabilities (total)	8.400	7.551	11,2%	6,2	5,9
Current operating liabilities	5.189	4.860	6,8%	3,9	3,8
Current lease liabilities	599	596	0,6%	0,4	0,5
Current accruals and deferred income	2.612	2.095	24,6%	1,9	1,6



Graph 4: Assets and liabilities by maturity (in EUR thousand)

The **asset** structure is dominated by non-current assets with a share of 83,9%. Compared to 2022, all non-current assets decreased, other than property, plant and equipment, which are on 31.12.2023 shown in the value of EUR 100.016 thousand, an increase of 0,2% compared to 31.12.2022.

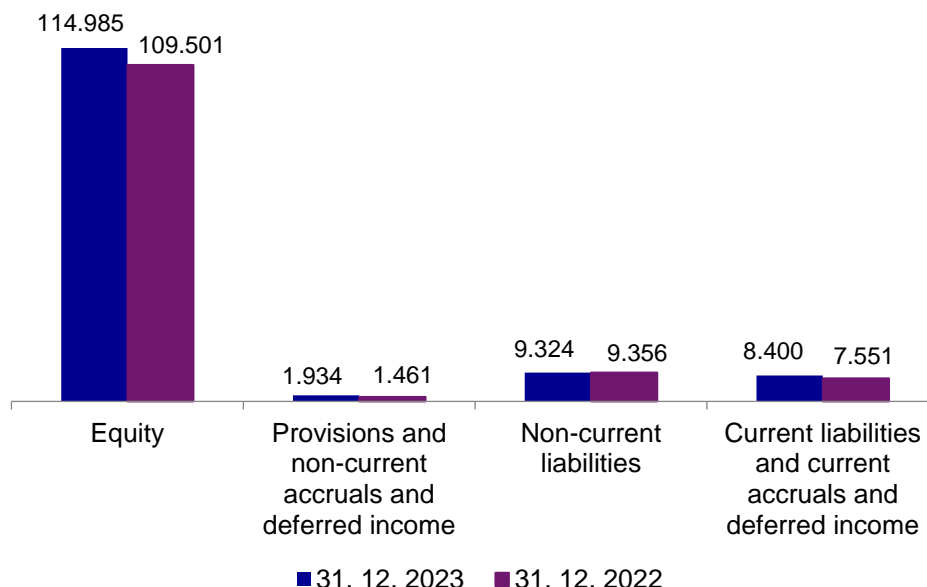
Current assets, which on 31.12.2023 represent 16,1 percent of the balance sheet total, are 52 percent higher compared to the balance on 31.12.2022. The increase is the result of higher cash and cash equivalents and higher current operating receivables due to increase in traffic and consequently revenues. Cash and cash equivalents amounted to EUR 14.976 thousand on 31.12.2023, which is EUR 6.111 thousand or 68,9 percent more compared to the balance on 31.12.2022. Current operating receivables on 31.12.2023 amount to EUR 6.109 thousand and by 29,4 percent, or EUR 1.387 thousand, they exceed those shown on 31.12.2022.



Graph 5: Assets (in EUR thousand)

Non-current liabilities in the amount of EUR 126.243 thousand accounted for 93,8% of **total equity and liabilities**, and are used to finance all of the company's non-current assets and a significant proportion of its current assets. Equity in the amount of EUR 114.985 thousand accounted for the majority of non-current liabilities, and 85,4% of total equity and liabilities, while other non-current liabilities accounted for 8,4% of total equity and liabilities. The equity increased mainly at the expense of retained net profit.

Current liabilities accounted for 6,2% of total equity and liabilities, and primarily comprised current operating liabilities in the amount of EUR 5.189 thousand, or 3,9% of total equity and liabilities.



Graph 6: Equity and liabilities (in EUR thousand)

2.4.2 Financial management

The company's liquidity in 2023 was good, as the cash and cash equivalents balance at the end of 2023 increased from EUR 8,9 million to EUR 15 million compared to 2022. Due to increased air traffic, both inflows and outflows from operations increased, but outflows for investments were significantly higher (EUR 2,4 million) compared to 2022.

The company is primarily financed via equity. The investments made in 2023 and the previous years were financed in full by internal resources, and the company thus has no non-current financial liabilities. Non-current operating liabilities disclosed on the balance sheet as at 31.12.2023 primarily relate to liabilities for the general superficies fee.

2.5 Development of a digital airport

Digitization and automation are defined as one of the company's six strategic priorities. Key projects in this area will contribute to the comprehensive vision of a "digital airport". With the key projects listed below, we will provide our users with even faster, more efficient and better quality services.

The implementation of a digital ground handling control tool will enable us to proactively manage aircraft delays and manage resource shortages associated with changes in flight schedules. The tool uses a camera system and artificial intelligence to automatically recognize the start and end of the aircraft's ground handling processes, all without human intervention in the process itself.

The guidance system for visual parking of aircraft, which is currently in the testing phase, guides the aircraft to the stopping point, which complies with the requirements of European aviation safety standards.

A system for contactless flight check-in and baggage drop-off, which will enable these services to be provided 24/7.

With the program for daily planning and scheduling of employees in operational departments, we will ensure more accurate employee planning and, in parallel, greater productivity and responsiveness.

At the same time, we are introducing paperless operations in the operational departments as well as in the administration.

2.6 Investments

A total of EUR 6.319 thousand was invested in infrastructure and equipment in 2023, of which EUR 3.782 thousand was earmarked for infrastructure and related equipment, while the remainder was spent on airport equipment (EUR 1.948 thousand), software (EUR 187 thousand) and computer equipment (EUR 401 thousand).

in thousand EUR	2023	2022	Change 2023/2022
Intangible assets	187	201	-7%
Infrastructure, related equipment and land	3.782	2.678	41%
Building rights – IFRS 16 assets	0	20	-100%
IT equipment (hardware)	401	205	95%
Airport equipment	1.948	570	242%
Total	6.319	3.675	72%

In 2023, two important projects were completed, i.e. the replacement of the approach lights and the replacement of the vertical signalling tables and the expansion of the air cargo warehouse.

The replacement of the approach lights was carried out as part of the regular replacement of lights with the latest LED technology, which enables savings in electricity consumption.

The replacement and modification of the vertical signalling tables was necessary to ensure compliance with certification requirements and European regulations and international recommendations (EASA, ICAO). Adequate vertical signalling tables enable the pilot to guide the aircraft along the manoeuvring surfaces in accordance with the instructions of the tower.

In cargo warehouse, which is of key importance for the growth of cargo traffic supply at the airport, we replaced the existing tent with a covered steel structure and installed a new ULD lifting platform. With this, we will increase the capacity for cargo traffic by approximately 12%.

In 2023, the project of regular renovation of the northwestern part of the taxiway and the construction of a new taxiway, which will connect the northwestern part of the taxiway with the runway, began. In the second half of 2024, all construction work and the installation of lights will be completed.

Investments were made in the purchase of larger vehicles crucial for the implementation of operations: a lifting platform, a heavy fire truck and a brush truck for removing snow on the track. In 2023, the project to upgrade the parking system with the function of reading license plates began and was completed in January 2024. The next step in the upgrade of the parking system, planned for 2024, is the connection of the system for reading license plates with the online reservation of a parking space.

In the field of information infrastructure, the server infrastructure was replaced and upgraded. This increased the reliability and availability of information systems.

2.7 Employees

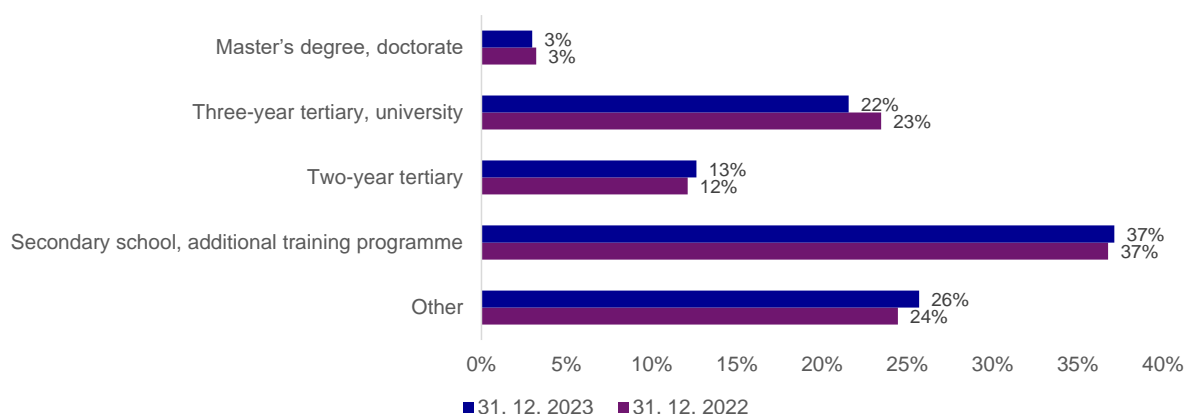
The company had a headcount of 436 as at 31.12.2023, 3 of whom were temporary employees. The workforce is predominantly male (301 employees or 69% of the total), 31 percent (135 employees) are female. The headcount as at 31.12.2023 was up 31 on 2022 based on the growth of air traffic. During the summer season, the team of operational employees is additionally strengthened with regular employment as well as agency workers and students.

Age breakdown of workforce

The average age of the workforce was 44,29 at the end of 2023.

63,5 percent of all employees are between 41 and 60 years old (277 employees). 14,2 percent of employees are between 19 and 30 years old (62 employees), 20,9 percent of employees are between 31 and 40 years old (91 employees) and 6 employees are over 61 years old.

Qualifications breakdown



Graph 7: Qualifications breakdown

Cooperation with educational institutions and practical training

Practical training was provided in 2023 for four university students and six school students. A total of 2.698 hours of training was provided, 1.600 more than last year. The students received the largest proportion of their practical training in the Central Infrastructure Management department.

We cooperated very actively and successfully with educational institutions. The purpose of our cooperation was to present the variety of career opportunities to students and to strengthen the brand and visibility of Fraport Slovenia. In January, we took part in the "Career Market", organized by the School Center for Post, Economics and Telecommunications in Ljubljana. We brought the possibility of creating a career path in our company to high school students, both in the form of employment as well as student work and practical training. In February, as part of the Professional Education Center Ljubljana, we participated in an information day, where we presented students and their parents in more detail about the employment opportunities at Fraport Slovenia and thereby try to help them choose their further education program. In the second half of 2023, at the invitation of the Škofja Loka School Center,

we attended the business breakfast of the Škofja Loka School Center Consortium and strived for even closer cooperation between our company and the School Center. We also participated in the "Career Day" of the Naklo Biotechnical Center and the "Employment Cafe" organized by the Kranj School Center. At the events intended for students in the last year of secondary school programs and students of a higher professional school, we introduced the participants to the possibilities of employment in our company.

Our cooperation has already yielded results: our team of colleagues has received reinforcements from the aforementioned schools, both in the ranks of full-time employees as well as students and on practical training.

In 2024, we will verify teaching positions for the apprenticeship program in order to train the future staff ourselves.

Staff training

In the company, we are aware of the importance of continuous education and training of employees, as well-trained employees increase the productivity and competitiveness of the company. Through the development of internal lecturers and instructors and cooperation with educational institutions in Slovenia and abroad, we enable employees to acquire new and upgrade existing specific knowledge and competences.

Rapid technological progress, changes in work processes and stricter requirements in aviation dictate the constant modification and upgrading of educational programs that enable employees to learn the knowledge and skills they need for work. Employees equipped with knowledge are more confident, successful, motivated in their work and help create a positive work culture.

Most of the education and training in 2023 was carried out by license training, training in the field of information systems and professional training at the workplace.

2.8 Plans for 2024

In 2024, it is planned to continue the recovery of passenger traffic with the aim of achieving the results of 2019 and increasing connectivity with additional flights to new and existing destinations.

Ljubljana airport is forecasting in 2024 the passenger number at the level of 1,4 million, equivalent to 80% of the pre-pandemic figure. The increased traffic will also be followed by the hiring of additional personnel for the handling of aircraft and passengers.

With an expected 10% increase in passenger traffic at the airport, the company will operate with a profit in 2024 and increase it compared to 2023.

The company's liquidity is not at risk in 2024, despite investments in the amount of EUR 18 million mainly in the renovation of the airport infrastructure, because at the end of 2023 the company had EUR 15 million cash and cash equivalents.

3. Risk Management

The entire risk management of Fraport Slovenia is integrated into a unified risk management system. The company is otherwise involved in Fraport Group risk management system which allows risk identification and analysis at an early stage, and risk management by means of adequate measures. More on risk management at the Fraport Group can be found in the group's most recent annual report, which is available online at <https://www.fraport.com/en/investors/publications-events.html>.

The company's management is responsible for risk management. However, all employees, in accordance with their authorities and responsibilities, take over risk management for specific professional fields. We regularly implement measures to reduce any risks associated with the reduction of air traffic hazards caused by birds, security actions and weather conditions. Currently, a plan of continuous operations is in force, which involves response measures in emergency for employees or individual business-related critical functions. The plan also determines alternative procedures of how to get the operations back to normal conditions. Risk management is supported by internal controls. The objectives of the internal control system are harmonisation with the applicable legislation and regulations, achieving strategic objectives and implementing the company's strategy. As it is the practice at group level, COSO methodology is taken into account in internal controls for the purpose of identifying, measuring and managing the risks arising in business processes. In accordance with the Critical Infrastructure Act, Fraport Slovenia as operator of critical infrastructure, is also obliged to prepare a risk assessment for the operation of critical infrastructure. Company's risks are defined at the level of strategic goals and processes. In addition, the risks associated with the areas described hereinafter, are monitored separately.

The risk management process encompasses risk identification and assessment, measures to avoid or mitigate risks, and control and reporting. Risk assessment provides the basis for classifying risks into four different categories, and involves the determination of the probability of the risk, and an assessment of the scale of damage that the risk might cause, as illustrated in the table below.



Graph 8: Classification of risks

At the level of Fraport group, the company reports quarterly on any significant and high risks and measures in order to manage such risks and changes that have appeared in the last reporting period. Risk management is supported by a diverse mechanism of internal controls and internal audits.

Business continuity management plan and risk management scheme



Financial risks

For the stable operation of the company, it is necessary to manage the financial risks that we encounter on a daily basis. Fraport Slovenia manages credit risk by monitoring business partners by obtaining credit ratings, using external information, managing receivables, consistently charging late interest and reminders. In addition, the company has part of its receivables insured by its insurance company. Liquidity risk is low due to the implementation of appropriate measures and available credit lines. Fraport Slovenia is not exposed to interest rate risk, as the company has neither interest-bearing liabilities nor financial investments (except term deposits) whose interest would be tied to the interest rate. The company is not exposed to currency risk, as its transactions in foreign currency are insignificant.

Financial risks are disclosed in quantitative terms in point 5.4 of the Financial Report.

GDPR risks

The company is well aware of data protection. For this reason, it has adopted and issued its Personal Data Protection Act, on the basis of the Regulation (ES) 2016/679 on the protection of individuals with regard to the processing of personal data and on the free movement of such data (General Data Protection Regulation), and the Personal Data Protection Act. In the event of a greater risk in the field of personal data processing associated with new projects, new IT solutions or new contractors, Fraport Slovenia carries out a so-called data protection impact assessment (DPIA). Within the framework of the DPIA, a description of the scope, context and purposes of the processing is carried out; assess necessity, proportionality and compliance measures; identify and assess the risk to individuals; and identify any additional measures to mitigate these risks.

Compliance risks

Fraport Slovenia's compliance guidelines are based on the Fraport Group's compliance system, the Compliance Management System Guidelines, the Code of Ethics and employee conduct standards, and the Conflict of Interest Prevention Manual. In the event of an increased risk in the area of business compliance, a unit from Fraport AG is also involved in handling the situation. Companies that do business with Fraport Slovenia are obliged to accept and respect relevant national laws and

internationally recognized standards, guidelines and principles. Based on the Code of Ethics for business partners, Fraport Slovenia regularly checks its main business partners through the so-called business partner due diligence.

Human resources risks

Risks in the field of human resources are all linked to an eventually insufficient number of employees, mainly for the implementation of mandatory airport services, and also to inadequate employee qualification. We ensure continuous operations by careful monitoring and compliance with legislative requirements in all the areas of our operation, and also by enabling regular employee training and development.

IT risks

The method of managing information and information systems of the company Fraport Slovenia is regulated by the Main Security Policy, which defines the fundamental starting points for the creation and processing of data, the method of use, protection and security of information resources.

Occupational health and safety risks

With its prescribed Safety Statement with Risk Assessment, the company addresses identified risks and hazards for all jobs within the company and all associated measures to reduce such risks.

The company has the authorised representative for occupational health and safety, who was appointed by the company's management and is responsible for the system and risk management of occupational health and safety.

The effectiveness of occupational safety and health data protection system is checked annually as part of the management review by the company's management.

Environmental risks

The company identifies external and internal factors that impact the environment and may pose a risk to it. The company has the authorised representative for environmental protection, who was appointed by the company's management and is responsible for the system and risk management of environmental management. The effectiveness of the environmental management system is checked annually as part of the management review by the company's management.

Safety and security risks

As a European airport we are committed to complying with the EU safety regulations, as it is essential in aviation industry. Therefore, our company obtained an international certificate in this field in 2018, the so-called EASA certificate, which proved that our airport operation met all the requirements for the safety of people in the airport and that we managed all the risks related to the airport operation. The company also has the authorised safety manager, appointed by the company's management, who is responsible for the system and management of safety risks.

The effectiveness of the safety system is checked annually as part of the management review by the company's management.

The company obtains the data on individual risks in the field of civil aviation protection from the Civil Aviation Agency (CAA) and the competent Ministry of Infrastructure. Protective measures in civil aviation are at the airport executed in accordance with the applicable legislation, and are immediately adapted to the needs of emergency situations.

Compliance and violations reporting

The company is now integrated into the Fraport Group compliance system. The company has a compliance officer, who is appointed by the company's management.

Compliance Manual for employees and Code of Conduct for employees set out the fundamental principles and rules that company employees and other persons working at Fraport Slovenia are required to uphold. They include the principles and rules that the company applies to protect staff and the company itself from the risk of breaches of, non-performance of or non-compliance with contractual and other obligations in connection with employment, and to protect the reputation of the company and every single member of staff.

In addition, in accordance with the Act on the Protection of Whistleblowers and the German Law on Due Diligence of the Supply Chain (Lieferkettensorgfaltspflichtengesetz - LkSG), the management of the company has appointed an "Internal Ombudsman" and established a number of channels (also anonymous) for reporting violations aimed at both Fraport employees Slovenia as external partners.

A compliance committee monitors and improve the entire compliance system. Its purpose is to discuss reports of compliance breaches, to prevent conflicts of interest on the part of employees by reviewing their family member declarations and competitive activities, and to assess what types of conflicts of interest have arisen and their consequences. The compliance committee had one breach to deal with in 2023, and the company took measures to prevent a recurrence.

The effectiveness of the business compliance system is checked twice a year with a compliance risk analysis, an instrument for identifying compliance risks, which is additionally discussed by the company's management during the management review and the company's owner at regular meetings of the investors' committee.

4. Sustainable development

Fraport Slovenija addresses the values and commitments of sustainable development as the central drivers of strategic planning and management, as the present and future of airport activity are closely related to the challenges and opportunities of decarbonizing the activity and with the risks of climate change. With sustainable development, we want to outline our future, so in the future we will as well do everything necessary to reduce CO₂ emissions, climate change mitigation and greener business with sustainable practices even more systematically in the future.

Years ago, the company adopted environmental commitments and strategic goals as part of the environmental policy, which are our guide in further activities and development of the company. The main goals of the decarbonization strategy are a 50% reduction by 2030 and an 80% reduction in CO₂ emissions by 2040 compared to the base year of 2015. We will continue to manage the environmental management system in a documented and structured manner, in accordance with the ISO 14001 standard. Regarding ambient noise, we will make every effort to ensure that it does not exceed the permitted values. With various measures and activities, we take care of circular waste management and wastewater protection. We improve our energy efficiency by switching to more ecologically acceptable (renewable) energy sources and by searching for low-carbon technological solutions in the field of heating and cooling. We will also continue the planned socially responsible activities at the company level and involve the wider airport community in sustainable operations.

Climate change is one of the biggest challenges facing societies and economies around the world. The consequences of global warming, be it drought or extreme weather events, are visible all over the world. According to the International Energy Agency, widespread CO₂ emissions from the burning of fossil fuels and industrial processes increased by 6% to 36,3 billion metric tons in 2021, the highest level ever. This increase is due to the recovery of the global economy, adverse weather conditions and market conditions for various energy sources. The total amount of emissions thus exceeded the pre-crisis level of 2019, with emissions in the transport sector still well below the level of 2019.

If we want to leave a cleaner healthier planet to future generations, transitioning to clean energy is vital. The EU target of net zero carbon by 2050 is an ambitious plan. This is why the associations representing aircraft manufacturers, airlines, airports and air traffic controls in Europe have come together to set out a path to meeting the EU target, named Destination 2050. The aim of the plan is to set out measures to achieve the decarbonisation of aviation.

The measures encompass four areas: aircraft and engine technology (hybrid-electric engines, fuel cell technology, etc.), air traffic management and aircraft operations, sustainable aviation fuels, and smart economic measures.

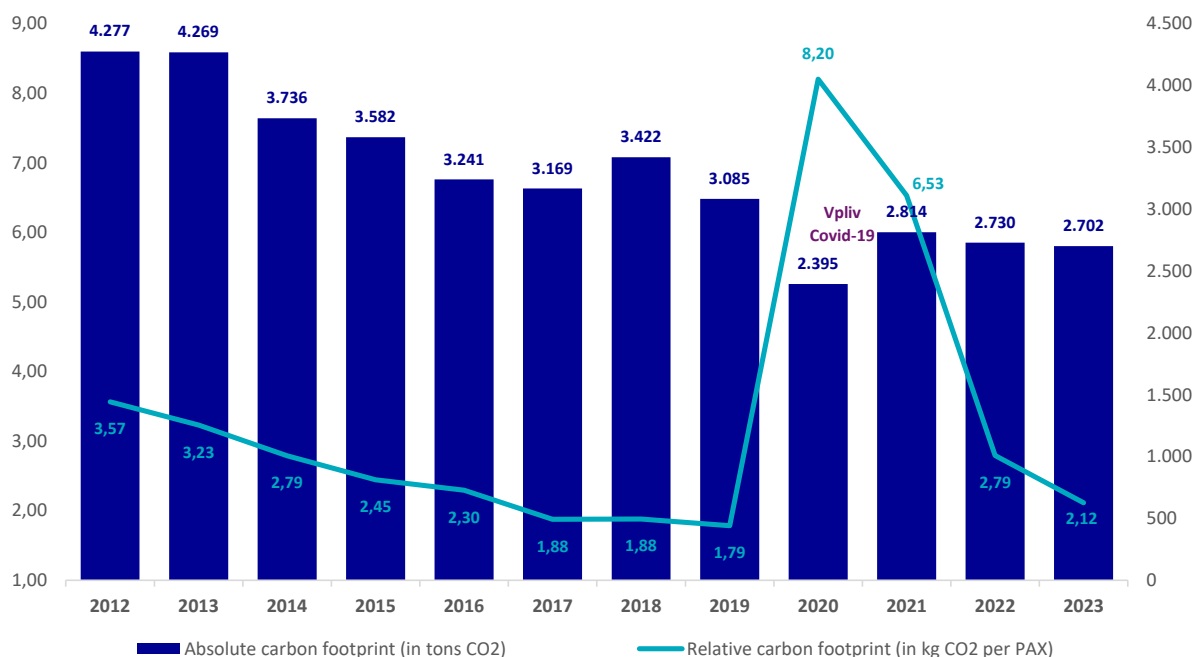
The implementation of these measures could reduce net CO₂ emissions by 45% compared to the hypothetical reference scenario as a result of continued fleet renewal, improvements in air traffic management and aircraft operations, and a substantial reliance on economic measures. It is nonetheless essential that the foundations for post-2030 reductions are laid in the coming years, to realise net zero CO₂ emissions by 2050 and reduce reliance on economic measures.

In June 2019, ACI Europe launched the Sustainability Strategy for Airports – a systematic approach to sustainability at airports and practical guidance on how to achieve it. As part of this sustainability strategy, European airports have committed through ACI Europe to achieve net zero CO₂ emissions for CO₂ emission sources under their control (i.e. direct emissions) by 2050 at the latest.

In response to this, Fraport Group prepared the main decarbonisation document, the Decarbonisation Master Plan. The document represents the basic framework for defining and describing the central measures that contribute to the decarbonisation of the Fraport Group and to the achievement of the goal of zero CO₂ emissions by 2045. With new investments in energy efficiency and renewables, in the

circular economy, and in a fleet of low-carbon vehicles, each year we are making progress towards meeting this ambitious target.

Ljubljana Airport has been participating in the Airport Carbon Accreditation (ACA) certification scheme since 2013, which stands for the standard for reporting and managing the carbon footprint of airports. For the airport operator, participation in the program is proof of its successful management of CO₂ emissions.



Graph 9: Carbon footprint for the period 2012 - 2023

The aviation sector also plays an important role in achieving the sustainability goals of the United Nations and the climate goals of the European Union, as it contributes to climate change and environmental noise pollution and affects the quality of air and water in the local environment. We want to pursue these goals ourselves, which is why we have defined the priority areas of the company's sustainable activities.

Priority areas in the company's sustainability activities in relation to the UN sustainable development goals

 <p>Occupational health and safety Air quality Noise reduction</p>	 <p>Air quality Noise reduction Sponsorships and donations in the local and national environment</p>
 <p>Attractive and responsible employer Value creation and cooperation in the region where we operate Fraport Aviation Academy</p>	 <p>Occupational health and safety Efficient use of energy Renewable energy sources Preserving the environment and protecting the nature</p>
 <p>Ensuring a work environment characterised by diversity, equal possibilities and respect Ensuring a balance between work and private life</p>	 <p>Efficient use of energy Renewable energy sources Sustainable mobility</p>
 <p>Preserving the environment and protecting the nature (also water resources)</p>	 <p>Preserving the environment and protecting the nature (particularly birds)</p>
 <p>Efficient use of energy Renewable energy sources Sustainable mobility</p>	 <p>Fraport Slovenia as a member of the international Fraport Group, is an active supporter and implementer of the internationally adopted standards, guidelines and principles, in particular UN Global Compact principles, the commitment to reducing air emissions from international aviation, guidelines for transition to a circular economy, General Declaration of Human Rights, UN Conventions and ILO fundamental labour standards, as well as OECD guidelines for multinational corporations.</p>
 <p>Economic efficiency Growth and development of Fraport Group Attractive and responsible employer Value creation and cooperation in the region where we operate</p>	
 <p>Customer satisfaction and quality of services Growth and development of Fraport Group</p>	

In 2023, we adopted three key sustainability strategies: a decarbonization strategy, an energy strategy and a general environmental strategy.

Fraport Slovenia defines three main drivers and three supporting activities for decarbonisation.

The main drivers are:

- Improving energy efficiency
- Introducing a new source of energy
- Increasing the share of emission-free energy produced on site

Supporting activities are:

- Synergistic effects of digitization
- Infrastructure for alternative drives
- Development of new technologies and innovations

The main measures in the area of energy efficiency are: introduction of energy management, replacement of lighting with LED technology, modernization and optimization of heating-cooling and ventilation systems in buildings and optimization of electricity consumption. Purchase of electricity from 100% renewable sources with a certificate of origin have been used in Fraport Slovenia since 2013. In

the last two years, the construction of photovoltaic systems was also completed, so it is estimated that around 20% of electricity consumption will be covered from solar sources.

One of the main measures to reduce CO₂ is the electrification of fossil fuel vehicles. Our goal by 2030 compared to 2022 is to reduce CO₂ emissions from vehicles by at least 50%. To achieve this goal, the infrastructure for alternative drives must be established. A prerequisite for this is the construction of an additional electrical transformer station and connection to the existing power grid. We also pay a lot of attention to sustainable mobility, which is why we enable our employees to use rented electric vehicles for business trips and company bicycles for moving around the airport area.

As the manager of the Ljubljana airport, we have been intensively dealing with the issue of aircraft noise and its impact on the surrounding residents for more than a decade. We have agreed with the local communities on the restriction of flying over populated areas at night, so the night noise indicators are not exceeded. Since we are aware that noise emissions as low as possible are essential for the quality of life of the surrounding residents, we recognized the establishment of the Airport Partnership Group for the Environment as an improvement in the field of noise protection. The main task of the partner group is to find solutions to mitigate the impact of noise on the lives of the surrounding residents.

One of our priorities is the protection of nature and biodiversity. In the area of the airport, the coexistence of both planes and birds must be controlled. The basic knowledge for coexistence with birds was obtained in a long-term ecological study. The study provided an insight into the state of biological populations, the presence of attraction factors, the preparation of measures to reduce the presence of birds and their monitoring. We are also constantly looking for and introducing new methods based on modern systems of monitoring and reducing the presence of birds. By intervening in the environment, we mainly want to reduce the availability of food. In accordance with the recommendations of the study, we have provided suitable technical resources and adequate personnel training. The company has its own apiary with 10 hives set up in the area of the airport. 100 kilograms of honey produced in 2023 were used for gifts to our employees. Bee products are also a good indicator of environmental pollution, which is why we determine the impact of our activity on the environment with the help of periodic analyses. Analyses so far show no discrepancies.

In accordance with the legislation, we are obliged to carry out, in addition to periodic measurements of noise emissions into the environment, regular measurements of flue gases from boiler rooms and other heating devices and industrial waste water at the fire station. We also regularly report on our handling of waste and ozone-harmful substances to the competent state institutions for the environment. In addition, we also measure all those environmental aspects that are not legally prescribed, but their evaluation is important because of the economic and environmental effects. These are the consumption of water, energy, propellant and hazardous materials.

Significant environmental aspects



Noise
Noise caused by air traffic



Air
Emissions caused by boiler rooms operation
Emissions caused by vehicle fleet
Emissions caused by diesel generation units
Cooling systems maintenance
Greenhouse gas emissions caused by firefighting trainin



Waste
Non-hazardous waste production
Hazardous waste production
Production of construction waste
Aircraft cabin waste production



Water
Generation of urban waste water
Generation of industrial waste water
Production of rainwater
Causing groundwater and soil pollution
Quality and consumption of drinking water



Hazardous substances
Storage and management of hazardous substances
Decanting of hazardous liquids



Consumption of energy products
Electricity consumption
Gas consumption for thermal energy
Motor fuel consumption for vehicle fleet



Consumption of materials
Consumption of spreading material
Aircraft de-icing material consumption
Hazardous material consumption
Office material consumption



Other impacts on the environment
Airport external lighting operation
Airport management and its impact on the nature
Electromagnetic radiation impact on the surroundings

With its activities, the airport is a complex network of multi-faceted inter-stakeholder relations at both local, national and international levels. It enables career and personal development for its own employees, as well as for many other activities. It is an important generator of economic development and enrichment of local communities. The airport has a strategic importance for the protection of lives, both from the point of view of airport traffic management, as well as broader national security. It affects several aspects of the natural environment, which is why careful management of the natural environment is extremely important.

Sustainability impacts and stakeholder relations



The challenges of climate change still demand stronger responses from world governments, so many environmental conferences and high-level events give hope that international cooperation and collective action will be more actively challenged. The current task is to find a balance between the desired economic opportunities and the potential environmental danger we are rushing into with too much indifference to the collective good.

In the development goals of Fraport Slovenia, a high-quality environment and its preservation for future generations are important for the continuity of the Ljubljana airport. We are committed and determined to keep sustainability at the heart of our work, with the conservation of natural resources and operational efficiency we are constantly improving. Our desire is to satisfy people's mobility needs without putting an additional burden on the environment.

Our achievements to date in the area of sustainability are examined in detail in our annual sustainability report.

The sustainability reports can be found on the following link:

<https://www.fraport-slovenija.si/content/fraport-company-slovenija/sl/trajnost/okolje.html>

FINANCIAL REPORT

1. Statement of management

As managing director of Fraport Slovenija, d.o.o., I hereby guarantee that the company's annual report is compiled and published in accordance with the Companies Act (hereinafter: ZGD-1) and the International Accounting Standards, as adopted by the European Union. In this regard, the company conducts itself in accordance with the competences, due diligence and responsibilities set out in ZGD-1 for a limited liability company.

I declare that to the best of my knowledge:

- the financial report of Fraport Slovenija, d.o.o. for 2023 was compiled in accordance with the International Financial Reporting Standards, as adopted by the European Union and that it provides a true and fair picture of the assets, liabilities, financial position, operating results and total comprehensive income of Fraport Slovenija, d.o.o., and
- the business report includes a fair presentation of the development and performance of the company's business and its financial position, including a description of the principal types of risks to which Fraport Slovenija, d.o.o. is exposed.

I affirm my responsibility for properly administering accounting, for taking appropriate measures to secure property and other assets, and for maintaining the value of assets and preventing and detecting fraud and other irregularities. I also confirm that the financial statements of Fraport Slovenija, d.o.o. were compiled on a going-concern basis, that the relevant accounting policies were consistently applied, and that accounting estimates were made according to the principle of prudence and the diligence of a good manager.

The tax authorities may inspect the company's operations within five years after the end of the year in which the tax was due, which may lead to additional tax liabilities. Management is not aware of any circumstances that could give rise to a potentially significant liability under this title.

I declare that I have been briefed on all substantive components of the annual report, I approve them, and I confirm this with my signature.



Dr Babett Stapel
Managing Director

Zg. Brnik, 2 April 2024

2. Independent auditor's report



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INDEPENDENT AUDITOR'S REPORT

to the owner of Fraport Slovenija, d.o.o.

Opinion

We have audited the financial statements of the company Fraport Slovenija, d.o.o. (hereinafter 'the Company'), which comprise the statement of financial position as at 31 December 2023, and the profit or loss statement, statement of other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2023, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU (hereinafter 'IFRS').

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in *the Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) of the International Ethics Standards Board for Accountants (IESBA Code) and other ethical requirements that are relevant to our audit of the financial statements in Slovenia, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



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Deloitte revizija d.o.o. - The company is registered with the Ljubljana District Court, registration no. 1647105 - VAT ID SI62560085 - Nominal capital EUR 74,214.30.

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Other matter

The financial statements of the Company for the year ended December 31, 2022, were audited by another auditor who expressed an unmodified opinion on those statements on April 3, 2023.

Other information

Management is responsible for the other information. The other information comprises the information included in Annual report, other than the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we express no assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, assess whether the other information is materially inconsistent with the financial statements, legal requirements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If based on our work performed we conclude that other information include material misstatement we need to report such circumstances. In relation to this and based on our procedures performed, we report that:

- Other information is, in all material respects, consistent with the audited financial statements;
- Other information is prepared in compliance with applicable law or regulation; and
- Based on our knowledge and understanding of the Company and its environment obtained in the audit, we did not identify any material misstatement of fact related to the other information.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

Deloitte.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the organization to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

DELOITTE REVIZIJA d.o.o.
Dunajska cesta 165
1000 Ljubljana

Tina Kolenc Praznik
Certified auditor

Deloitte.
DELOITTE REVIZIJA D.O.O.
Ljubljana, Slovenija 3

For signature please refer to the original Slovenian version.

Ljubljana, 2. April 2024

TRANSLATION ONLY, SLOVENE ORIGINAL PREVAILS

3. Financial statements

3.1 Balance sheet

in euros			
Balance sheet	Notes	31.12.2023	31.12.2022
ASSETS		134.643.313	127.869.054
Non-current assets (total)		113.021.689	113.640.593
Intangible assets	5.1.1	1.235.271	1.450.110
Property, plant and equipment	5.1.2	100.016.127	99.786.411
Right-of-use assets	5.1.3	8.640.926	9.039.392
Non-current loans given	5.1.4	550.377	620.423
Deferred tax assets	5.1.5	2.578.988	2.744.257
Current assets (total)		21.621.624	14.228.461
Current assets excluding prepayments and accrued income		21.572.482	14.103.998
Inventories		476.286	517.758
Current operating receivables	5.1.6	6.120.347	4.721.416
- of which receivables to affiliates		0	611
Cash and cash equivalents	5.1.7	14.975.849	8.864.824
Current deferred costs		49.142	124.463
EQUITY AND LIABILITIES		134.643.313	127.869.054
Equity	5.1.8	114.985.398	109.500.782
Nominal capital		15.842.626	15.842.626
Capital surplus		24.287.659	24.287.659
Profit reserves		43.933.874	43.933.874
Revaluation surplus		-348.549	959
Retained earnings		31.269.788	25.435.664
Liabilities (total)		19.657.915	18.368.272
Non-current liabilities (total)		11.258.095	10.817.420
Provisions and non-current accruals and deferred income	5.1.9	1.933.848	1.460.958
Provisions for jubilee benefits and termination benefits		1.732.023	1.209.227
Other provisions		50.000	50.000
Non-current accruals and deferred income		151.825	201.731
Non-current liabilities		9.324.247	9.356.462
Non-current operating liabilities	5.1.10	1.034.803	795.775
Non-current lease liabilities	5.1.11	8.289.444	8.560.687
Current liabilities (total)		8.399.820	7.550.852
Current liabilities		5.788.039	5.455.413
Current operating liabilities	5.1.12	5.189.061	4.859.771
- of which liabilities for income tax expense		474.631	0
- of which liabilities to affiliates		67.118	76.843
Current lease liabilities	5.1.13	598.978	595.642
Current accruals and deferred income	5.1.14	2.611.781	2.095.439

The notes are integral part of the financial statements, and the financial statements should be read in conjunction with them.

3.2 Income statement and statement of other comprehensive income

in euros			
Income statement	Notes	1.–12.2023	1.–12.2022
Operating revenues	5.2.1	43.926.390	34.190.283
Net sales revenue		43.360.592	33.912.893
Capitalised own services		85.836	130.823
Other operating revenues		479.962	146.567
Operating expenses	5.2.2	-37.213.504	-32.673.022
Costs of materials and services		-12.123.818	-10.510.140
Costs of materials		-2.982.127	-2.446.161
Costs of services		-9.141.691	-8.063.979
Labour costs		-18.183.788	-15.332.927
Depreciation/amortisation		-6.088.925	-6.117.591
Other operating expenses		-816.973	-712.364
Operating profit (EBIT)		6.712.886	1.517.262
Net finance income/expenses		-238.934	-411.289
Finance income	5.2.3	177.974	7.816
Finance expenses	5.2.4	-416.908	-419.105
Pre-tax profit		6.473.952	1.105.973
Income tax expense	5.2.5	-474.631	0
Deferred tax	5.2.5	-165.269	-216.667
Net profit/loss for the period		5.834.052	889.306

The notes are integral part of the financial statements, and the financial statements should be read in conjunction with them.

in euros			
Statement of other comprehensive income	Notes	1.–12.2023	1.–12.2022
Net profit for the period		5.834.052	889.306
Items that subsequently will not be reclassified to profit or loss		-349.508	184.156
Unrealised actuarial loss from post-employment benefits - elimination		-887	179.734
Unrealised actuarial profit from post-employment benefits - actuarial surplus in the year		-348.549	959
Realised actuarial loss (after payment of post-employment benefits)		-72	3.463
Total other comprehensive income for the period		-349.508	184.156
Total comprehensive income for the period		5.484.544	1.073.462

The notes are integral part of the financial statements, and the financial statements should be read in conjunction with them.

3.3 Cash flow statement

in euros

Cash flow statement	Note 5.3	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES			
Net profit corrected for deferred tax		5.999.321	1.105.972
Adjustment for:		7.692.407	7.184.612
- income tax expense recognised in the income statement		474.631	0
- amortisation/depreciation of intangible assets and property, plant and equipment		6.088.925	6.117.590
- gain/loss on disposal/elimination of intangible assets and property, plant and equipment		214.022	8.281
- impairment of receivables		7.300	63.357
- creation/reversal of provisions		241.440	4.490
- other non-cash transactions		643.244	607.216
- finance income		-392.914	-202
- finance expenses		415.759	394.790
- income tax expense paid		0	-10.910
Cash flow from operating activities, excluding working capital		13.691.728	8.290.584
Change in operating receivables		-2.926.963	-1.499.373
Change in current deferred costs		75.321	-43.433
Change in inventories		41.472	-160.255
Change in operating liabilities		1.572.301	462.834
Change in accruals and deferred income		-260.801	-14.886
Net cash flow from operating activities		12.193.058	7.035.471
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from investing activities		850.615	30.890
Proceeds from interest and profit participation from investing		381.038	0
Proceeds from disposal of property, plant and equipment		399.531	30.890
Proceeds from disposal of non-current loans given		70.046	0
Finance expenses for investing		-6.292.031	-3.602.158
Payments for intangible assets and property, plant and equipment		-6.292.031	-3.602.158
Net cash flow from investing activities		-5.441.416	-3.571.268
CASH FLOWS FROM FINANCING ACTIVITIES			
Outflows from financing activities		-640.847	-631.682
Payments for decrease of lease liabilities		-640.847	-631.682
Net cash flow from financing activities		-640.847	-631.682
Net increase in cash and cash equivalents		6.110.795	2.832.521
Opening balance of cash and cash equivalents		8.864.824	6.032.101
Effect of foreign exchange differences on cash and cash equivalents		230	202
Cash and cash equivalents at the end of the period		14.975.849	8.864.824

The notes are integral part of the financial statements, and the financial statements should be read in conjunction with them.

3.4 Statement of changes in equity

in euros

Statement of changes in equity	Nominal capital	Capital surplus	Legal reserves	Reserves under Articles of Association	Other profit reserves	Revaluation surplus	Retained earnings from previous years	Net profit for the financial year	Total equity
1.1.2022	15.842.626	24.287.659	4.013.029	12.039.085	27.881.760	-183.197	23.618.467	931.355	108.430.784
Net profit from the previous year	0	0	0	0	0	0	931.355	-931.355	0
Net profit for the period	0	0	0	0	0	0	0	889.305	889.305
Other components of comprehensive income in the reporting period	0	0	0	0	0	184.156	-3.463	0	180.693
31.12.2022	15.842.626	24.287.659	4.013.029	12.039.085	27.881.760	959	24.546.359	889.305	109.500.782
1.1.2023	15.842.626	24.287.659	4.013.029	12.039.085	27.881.760	959	24.546.359	889.305	109.500.782
Net profit from the previous year	0	0	0	0	0	0	889.305	-889.305	0
Net profit for the period	0	0	0	0	0	0	0	5.834.052	5.834.052
Other components of comprehensive income in the reporting period	0	0	0	0	0	-349.508	72	0	-349.436
31.12.2023	15.842.626	24.287.659	4.013.029	12.039.085	27.881.760	-698.056	25.435.808	5.834.052	114.635.963

The notes are integral part of the financial statements, and the financial statements should be read in conjunction with them.

4. Significant accounting policy information

4.1 Reporting company

Fraport Slovenija, d.o.o. (hereinafter: the company) is registered as a legal person domiciled in Slovenia; its registered address is Zgornji Brnik 130a, 4210 Brnik-aerodrom.

At its 9th general meeting of shareholders on 30 June 2005 a resolution was passed stating that from 1 January 2006, the company would compile the financial statements and reports required pursuant to the first paragraph of Article 60 of the Companies Act (ZGD-1) in accordance with the International Financial Reporting Standards, as adopted by the European Union (hereinafter: the IFRS).

The financial statements of Fraport Slovenija, d.o.o. are included in the consolidated financial statements of the Fraport Group, and are available on its website at www.fraport.com.

The financial statements were approved by the company's management on 2 April 2024.

4.2 Basis for compiling financial statements

Statement of compliance

The financial statements for 2023 and 2022 were compiled in accordance with the IFRS, as adopted by the European Union. The accounting and reporting requirements of the IFRS have been applied, as well as the requirements of the ZGD-1 and the company's accounting policies.

Basis of measurement

The financial statements have been compiled on an historical cost basis.

Functional and reporting currency

The financial statements are presented in euros, the company's functional and reporting currency. All financial information is rounded to the closest whole number.

Use of estimates and judgments

In compiling financial statements, the management must make estimates, judgments and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, revenues and expenses. The actual results may differ from these estimates.

The estimates and assumptions must be reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, and all future years affected by the revision.

Estimates and judgments were used in at least the following:

- Estimate of provisions (Point 5.1.9 of the Financial Report),
- Estimate of useful life of intangible assets and property, plant and equipment (Points 4.3.4, 4.3.5, 5.1.1 and 5.1.2 of the Financial Report),
- Estimate of recoverable value of receivables (Points 4.3.3 and 5.1.6 of the Financial Report),
- Judgment with regard to the possibility of claiming deferred tax assets (Points 4.3.15 and 5.1.5 of the Financial Report),
- Assessment of the net realizable value of inventories (point 4.3.6).

4.3 Significant accounting policy information

The accounting policies applied, and the nature and degree of importance are defined in the company's internal acts. For all material amounts presented in the financial statements, we also disclosed comparative information from the preceding period, which is stated in the numerical and descriptive information.

The accounting policies set out below were applied consistently in all periods presented in the attached financial statements.

4.3.1 Foreign currency

Transactions expressed in foreign currencies are converted at the European Central Bank (ECB) reference exchange rate on the day the transaction took place. Cash and cash equivalents and liabilities denominated in foreign currencies on the balance sheet date are converted to euros according to then valid reference rates of the ECB. Foreign exchange differences are recognised in the income statement. The company is not disclosing any receivables in foreign currencies on the reporting date.

4.3.2 Division of assets and liabilities into financial and non-financial categories

The company divides its assets and liabilities into financial and non-financial categories in accordance with IFRS 7.

in euros			
	Type of asset / liability	2023	2022
ASSETS			
Non-current loans given	Financial asset	550.377	620.423
Current operating receivables		6.120.347	4.721.416
- Current trade receivables	Financial asset	4.078.468	3.166.315
- Other operating receivables	Financial asset	43.114	226.297
- Other operating receivables	Non-financial asset	1.998.765	1.328.803
Cash and cash equivalents	Financial asset	14.975.849	8.864.824
Current deferred costs		49.142	124.463
- Current deferred costs	Non-financial asset	29.313	117.792
- Current deferred costs	Financial asset	19.829	6.672
EQUITY AND LIABILITIES			
Non-current operating liabilities		-1.034.803	-795.775
- Non-current operating liabilities	Financial liability	-74.664	-74.472
- Non-current operating liabilities	Non-financial liability	-960.139	-721.302
Non-current lease liabilities	Financial liability	-8.289.444	-8.560.687
Current operating liabilities		-5.189.061	-4.859.771
- Current trade payables	Financial liability	-2.320.171	-2.991.257
- Other current liabilities	Financial liability	-2.851.281	-1.781.087
- Other current liabilities	Non-financial liability	-17.609	-87.427
Current lease liabilities	Financial liability	-598.978	-595.642
Current accruals and deferred income		-2.611.781	-2.095.439
- Current accruals and deferred income	Financial liability	-2.580.240	-2.065.257
- Current accruals and deferred income	Non-financial liability	-31.542	-30.181

4.3.3 Operating receivables

a) Operating receivables

Operating receivables are financial instruments classified as held to maturity, where the objective is the realisation of the contractually agreed cash flows.

Non-current operating receivables are receivables whose repayment is envisaged within a period of more than 12 months, while current operating receivables are those whose repayment is envisaged within a period of less than 12 months.

Operating receivables are measured at amortised cost.

Impairments

The recoverable amount of operating receivables is estimated, on the reporting date at least, whereby the receivables are treated individually. For receivables regarding which a material increase in credit risk has been identified, the need to create impairments based on an assessment of the recoverable amount of the claim is assessed; the difference between this and the carrying amount represents the total expected loss, and an allowance is created in this amount.

The need to create impairments for future expected losses on receivables is additionally assessed. The company creates impairments for future expected losses using a simplified model taking account of credit risk and its increase across individual stages of operating receivables. In light of the current age

breakdown of trade receivables, which despite the current economic and political situation did not worsen, and given that the impairments created between 2013 and 2023 (with the exception of receivables from the domestic airline in bankruptcy) are immaterial, the company is not creating impairments for future expected credit losses.

4.3.4 Property, plant and equipment

Property on land for which the company has acquired superficies under the General Building Right Agreement concluded in 2014 with the Republic of Slovenia

The company acquired superficies for a part of the land with an area of 251 hectares on the territory of the Jože Pučnik Ljubljana Airport, where the company carries out its core airport activities, on the basis of the General Agreement on Mutual Relations and Establishment of the superficies concluded in 2014 with the Republic of Slovenia, Ministry of Infrastructure and Spatial Planning (Note 5.1.3). Superficies were granted for a period of 40 years.

The company owns buildings on part of the land for which it has acquired superficies. The undepreciated value of these buildings as at 31.12.2023 is EUR 60.489.253 and the company accounts for them as investments in foreign fixed assets in its books (note 5.1.2).

Recognition and measurement

Property, plant and equipment are disclosed at historical cost, reduced by the value adjustment for depreciation and any potential cumulative loss due to impairment. The historical cost includes costs directly related to purchase of the asset. Items of property, plant and equipment with different useful lives are treated as components.

In major investment projects, when calculating the historical cost of acquired real estate the company includes the direct costs of employee earnings deriving directly from the construction of the real estate that substantively relate to project management services for investment projects and supervisory services on construction sites.

In accordance with IFRS 40, we assessed whether any of the company's property could be considered investment property. It was established that no property meets the conditions for being classed as investment property.

Subsequent costs

Costs arising subsequently in relation to property, plant and equipment are disclosed as increases in the historical cost of assets, if their value is increased by future economic benefits. Replacement of individual components is recognised as increases in the historical cost of an item of property, plant and equipment, if recognition criteria are met. The carrying amount of replaced components is derecognised. All other costs in connection with property, plant and equipment (maintenance costs, periodic inspections and similar) are recognised in the income statement as they arise.

Depreciation

Depreciation is calculated using the straight-line method of depreciation, taking into account the useful life of property, plant and equipment individually, plant and equipment or its components. Land and subbase pavement structure of roads and manoeuvring areas are not subject to depreciation.

Property, plant and equipment becomes subject to depreciation when the asset is available and fit for use.

The estimated useful life falls within the following ranges:	2023
Manoeuvring areas (runway, taxiway, aprons)	20–40 years
Other infrastructure	16,7–60 years
Computer equipment	3–12.5 years
Motor vehicles	5–20 years
Other plant and equipment	3–20 years

The depreciable amount of assets is determined after deducting the residual value from the historical cost. It is assessed that the residual value of property, plant and equipment after the end of the useful life does not represent a significant proportion of the asset, and residual value is therefore not recognised. The estimated remaining useful lives of property, plant and equipment are reviewed at the end of each year, and if expectations differ from previous assessments, the change is treated as a change in accounting estimate.

4.3.5 Intangible assets

Recognition and measurement

Intangible assets are disclosed at their historical cost, reduced by the value adjustment for amortisation and any potential cumulative loss due to impairment.

Subsequent costs

Subsequent costs in connection with intangible assets are only capitalised when they increase the future economic benefits of the asset to which the costs relate. All other costs are recognised in the income statement as they arise.

Amortisation

The company holds no intangible assets of indeterminate useful life.

The amortisable amount of intangible assets is determined by deducting the residual value from the historical cost. It is estimated that the intangible assets will have no value after the end of their useful life, and a residual value is therefore not recognised. Amortisation is calculated using the straight-line method of amortisation, taking into account the useful life of intangible assets. The amortisation of intangible assets commences when the asset is available for use.

The estimated useful lives for licences and software are between 2 and 10 years.

The estimated useful lives of intangible assets are reviewed at the end of each year, and if expectations differ from previous assessments, the change is treated as a change in accounting estimates.

4.3.6 Inventories

Inventories include inventories of maintenance materials and inventories of material used for services.

The method of weighted average prices is used for the valuation of inventories consumed.

If the carrying amount of inventories exceeds their net realisable value, which is assessed by the company at least once a year, the value of inventories is reduced to the net realizable value; the amount of reduction in the value of inventories is shown by the company as operating expenses.

4.3.7 Equity

Distribution of net profit to the owner is executed on the basis of a resolution by the Investors Committee, which acts on behalf of the sole owner (see point 1.4.2 of the Business Report).

4.3.8 Employee benefits

a) Pension liabilities and post-employment benefits

Mandatory contributions to the pension fund are recorded as labour costs when they arise. The company does not have any other pension schemes, and consequently has no other liabilities in connection with employee pensions. In addition, the company is not required to provide any other kind of post-employment benefits.

b) Non-current employee benefits

In accordance with applicable legislation, the collective agreement and its internal bylaws, the company is committed to the payment of jubilee benefits to employees and termination benefits at retirement. Non-current provisions are created for this purpose. There are no other pension liabilities.

c) Provisions for termination benefits and jubilee benefits

The provisions are created in the amount of the estimated future payments for termination benefits and jubilee benefits, discounted to the end of the reporting period. A calculation is made for each employee by taking account of the cost of termination benefits at retirement and the cost of all expected jubilee benefits until retirement. The calculation is drawn up for each financial year by a certified actuary, using the projected unit method. Any actuarial gains and losses on termination benefits are recognised in other comprehensive income, while gains and losses on jubilee benefits are recognised in profit or loss during the period that they arise.

4.3.9 Leases

a) *Assets under lease*

In accordance with the IFRS 16 Leases, the company recognises assets that it holds under lease for a term longer than one year as a right-of-use asset and as non-current and current operating liabilities from leases, while amortisation/depreciation charges on right-of-use assets and interest expenses on lease liabilities are recorded in the income statement.

Upon initial recognition, the historical cost of a right-of-use asset includes the lease payments made at or prior to commencement of the lease (minus any incentives), the initial direct costs related to the lease, and the present value of future lease payments payable over the remainder of the lease term at commencement (the latter corresponds to the amount of the lease liability recognised by the lessee upon initial recognition of the lease). The discount rate used to determine the present value of future lease payments not paid as at the lease commencement date is the interest rate contractually implicit in the lease when this can be readily determined; if not, the lessee uses its incremental borrowing rate, which is determined in conjunction with the parent undertaking, having regard for the lease term.

Discount rates used

Land	4.40-4.67%
Infrastructure	2,33%

After initial recognition, right-of-use assets are measured using the historical cost model (the asset is disclosed at historical cost less accumulated amortisation/depreciation and any impairment losses), where contractually determined useful life of the asset is taken to be the lease term. After initial recognition, lease liabilities are increased by interest on lease liabilities and reduced by lease payments actually made.

The estimated useful life of assets under lease falls within the following ranges:

Land	32.5-40 years
Infrastructure	13 years

The company did not apply IFRS 16 to assets of low value under lease or to leases with a lease term of less than 12 months, as the standard provides for exemptions in these cases. The company also did not apply IFRS 16 to equipment, as its assessment is that the effect of implementation would be immaterial on the financial statements. These leases are recorded as expenses during the accounting period.

b) *Leased assets (outward)*

Whenever a lease agreement in which the company acts as the lessor is signed, the company assesses whether it is an operating lease or a finance lease.

Lease relationships in which the company is the lessor are mainly classified as operating leases on the basis of the circumstances of the lease. Leased assets are disclosed in the books of account under property, plant and equipment.

Lease payments from operating leases are recognised as operating revenues on a straight-line basis or, when there is a variable component to the revenues, revenues from variable lease payments are recognised according to the criteria for determining individual variable lease payments.

Equipment for retail space in the new passenger terminal is made available under a finance lease to the contractual partner who provides retail services in the terminal. The company discloses long-term loans granted in the amount of the assets made available under a finance lease (see note 5.1.4).

4.3.10 Provisions

In accordance with labour legislation and the collective agreement, the company is committed to the payment of jubilee benefits to employees and termination benefits at retirement. Non-current provisions are created for this purpose. The company has no other pension liabilities.

4.3.11 Non-current accrued and deferred items

Among non-current accrued and deferred items, the company disclosed government grants related to assets which are recognised in profit or loss as other operating revenues over the total useful life of the asset in question.

4.3.12 Income statement

Version I of the income statement is used, which provides a sequential report.

4.3.13 Operating revenues

The majority of revenues from airport services and ground handling services come from services provided on the basis of contracts with airlines. The major categories of revenues from airport services are landing services, centralised infrastructure services, and passenger and security fees, while ground handling services consist of services for the ordinary ground handling of aircraft, passengers and cargo.

Revenues from commercial services relate to a wide range of commercial services offered by the company, although it generates the majority through the letting of office space, retail and catering premises, hangar and warehousing/logistics capacity, through parking fees and through advertising services.

The company recognises revenue at the moment or during the period when it meets (or is meeting) the performance obligation by transferring the service to the customer, whereby the service is deemed to have been transferred when the customer obtains all the benefits from the service. Performance obligations with regard to airport services and ground handling services are deemed to have been met at the moment that an aircraft takes off. For commercial services, the moment of performance is when the services have been provided (e.g. parking or warehousing has been completed), while for commercial services provided on a continuous basis, such as rents and advertising services, a period of one month is taken into account from the perspective of the performance of contractual obligations. For services provided according to a price list, a payment term of 15 days is generally applied, while for services charged on the basis of contracts with customers, a payment deadline of 15 to 30 days is generally applied. Advance payment is required of certain partners, with the aim of reducing credit risk.

In keeping with the pricing policy, the company offers airlines certain discounts under the applicable incentive scheme, which is an integral part of the price list for airport services and ground handling services. The purpose of the aforementioned scheme is to encourage growth in traffic in a transparent and non-discriminatory fashion, via discounts approved for airlines with regard to total traffic, for launching routes to new destinations, for increasing flight frequency on existing routes, and for retaining routes that were originally launched solely for the summer season during the winter season. Incentives tied to total traffic are set out anew for airlines each year, having regard for an airline's total traffic in the previous calendar year. They are applied directly when each invoice is issued. The other incentives cited above are tied to an airline's individual routes, and are approved after conditions have been met in a certain period, usually of one year, which differs from the calendar year. The effects of these incentives are estimated monthly (by each airline's individual routes) and are recorded in the books of account as a reduction in operating revenues and liabilities from unrealised contractual commitments.

4.3.14 Finance income and expenses

Finance income also comprises revenues from default interest which are recognised upon payment (until payment, receivables from this title are shown in off-balance sheet records).

4.3.15 Income tax expense

Income tax expense comprises current taxes and deferred taxes.

Deferred tax assets, which are disclosed in the amount of a realised tax loss and unutilised tax allowances, are recognised in their full amount, as according to the projections that the company draws up and updates regularly, sufficient profit will be realised over the coming years to be able to utilise the deferred tax assets on the aforementioned basis.

4.3.16 Adoption of new or revised standards and interpretations

IASB Standards or Interpretations effective for the first time for the year ending 31 December 2023

Amendments to IAS 1 - Presentation of Financial Statements - Disclosure of Accounting Policies

Amendments were issued by IASB on 12 February 2021.

Amendments require entities to disclose their significant accounting policy information rather than their material accounting policies and provide guidance and examples to help preparers in deciding which accounting policies to disclose in their financial statements.

The changes have no material effect on the company's financial statements.

Amendments to IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Accounting Estimates

Amendments were issued by IASB on 12 February 2021.

Amendments focus on accounting estimates and provide guidance how to distinguish between accounting policies and accounting estimates.

The changes have no material effect on the company's financial statements.

Amendments to IAS 12 - Income Taxes - Deferred Tax related to Assets and Liabilities arising from a Single Transaction

Amendments were issued by IASB on 6 May 2021.

According to amendments, the initial recognition exemption does not apply to transactions in which both deductible and taxable temporary differences arise on initial recognition that result in the recognition of equal deferred tax assets and liabilities.

The changes have no material effect on the company's financial statements.

Amendments to IAS 12 - Income Taxes - International Tax Reform — Pillar Two Model Rules

Amendments were issued by IASB on 23 May 2023.

The amendments introduced a temporary exception to the accounting for deferred taxes arising from jurisdictions implementing the global tax rules and disclosure requirements about company's exposure to income taxes arising from the reform, particularly before legislation implementing the rules is in effect.

The changes have no material effect on the company's financial statements.

New and revised IFRS Accounting Standards in issue by EU but not yet effective for 2023

Amendments to IFRS 16 - Leases - Lease Liability in a Sale and Leaseback

Amendments were issued by IASB on 22 September 2022.

Amendments to IFRS 16 require a seller-lessee to subsequently measure lease liabilities arising from a leaseback in a way that it does not recognise any amount of the gain or loss that relates to the right of use it retains. The new requirements do not prevent a seller-lessee from recognising in profit or loss any gain or loss relating to the partial or full termination of a lease.

In the company's view, the amendments will have no material impact on the company's financial statements.

New and revised IFRS Accounting Standards in issue by IASB but not adopted by the EU

Amendments to IAS 1 - Presentation of Financial Statements - Classification of Liabilities as Current or Non-Current

Amendments were issued by IASB on 23 January 2020

Amendments to IAS 1 - Presentation of Financial Statements - Non-current Liabilities with Covenants

Amendments were issued by IASB on 31 October 2022.

Amendments issued on January 2020 provide more general approach to the classification of liabilities under IAS 1 based on the contractual arrangements in place at the reporting date. Amendments issued on October 2022 clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability and set the effective date for both amendments to annual periods beginning on or after 1 January 2024.

In the company's view, the amendments will have no material impact on the company's financial statements.

Amendments to IAS 7 - Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures - Supplier Finance Arrangements

Amendments were issued by IASB on 25 May 2023.

Amendments add disclosure requirements, and 'signposts' within existing disclosure requirements to provide qualitative and quantitative information about supplier finance arrangements.

In the company's view, the amendments will have no material impact on the company's financial statements.

Amendments to IAS 21 - The Effects of Changes in Foreign Exchange Rates - Lack of Exchangeability

Amendments were issued by IASB on 15 August 2023 and set to enter into force on January 1, 2025.

Amendments contain guidance to specify when a currency is exchangeable and how to determine the exchange rate when it is not.

In the company's view, the amendments will have no material impact on the company's financial statements.

5. Notes to the financial statements

5.1 Notes to the balance sheet

5.1.1 Intangible assets

	in euros		
	Licences, software	Property rights	Total
HISTORICAL COST			
31.12.2022	3.582.690	159.136	3.741.826
Capitalisations	172.489	0	172.489
Eliminations	-165.552	0	-165.552
31.12.2023	3.589.627	159.136	3.748.763
IMPAIRMENT			
31.12.2022	2.217.858	73.858	2.291.716
Amortisation	376.349	10.979	387.328
Eliminations	-165.552	0	-165.552
31.12.2023	2.428.655	84.837	2.513.492
CARRYING AMOUNT			
31.12.2022	1.364.832	85.278	1.450.110
31.12.2023	1.160.972	74.299	1.235.271
HISTORICAL COST			
31.12.2021	3.343.807	156.936	3.500.743
Capitalisations	303.664	2.200	305.864
Eliminations	-64.781	0	-64.781
31.12.2022	3.582.690	159.136	3.741.826
IMPAIRMENT			
31.12.2021	1.924.048	62.915	1.986.963
Amortisation	358.567	10.943	369.510
Eliminations	-64.757	0	-64.757
31.12.2022	2.217.858	73.858	2.291.716
CARRYING AMOUNT			
31.12.2021	1.419.759	94.021	1.513.780
31.12.2022	1.364.832	85.278	1.450.110

Intangible assets amounted to EUR 1.235.271 as at 31.12.2023 (EUR 1.450.110 as at 31.12.2022) and are free of encumbrance.

The company had commitments in the amount of EUR 99.914 as at 31.12.2023 on the basis of contracts for the procurement of intangible assets that have been signed but not yet realised (EUR 34.039 as at 31.12.2022).

5.1.2 Property, plant and equipment

in euros

Property, plant and equipment	2023	2022
Land	16.950.183	16.638.018
Infrastructure	3.142.358	3.215.916
Investments in foreign non-current assets	60.489.253	61.417.295
Plant and equipment	17.768.159	16.032.095
Property, plant and equipment in acquisition	1.666.174	2.483.087
Total	100.016.127	99.786.411

in euros

	Land	Infrastructure and investments in foreign non-current assets	Plant and equipment	Property, plant and equipment in acquisition	Total
HISTORICAL COST					
31.12.2022	16.638.018	143.134.586	55.510.588	2.569.881	217.853.073
Transfer between categories	0	286.060	-286.060	0	0
Acquisitions	0	0	0	6.318.890	6.318.890
Capitalisations	907.280	1.993.248	4.055.470	-6.955.998	0
Capitalisations of intangible assets	0	0	0	-172.489	-172.489
Eliminations	-595.115	-2.113.911	-1.010.444	0	-3.719.470
31.12.2023	16.950.183	143.299.983	58.269.554	1.760.284	220.280.004
IMPAIRMENT					
31.12.2022	0	78.501.375	39.478.493	86.794	118.066.662
Depreciation	0	3.079.309	2.223.822	0	5.303.131
Transfer between categories	0	201.599	-201.599	0	0
Impairments	0	0	0	7.316	7.316
Eliminations	0	-2.113.911	-999.321	0	-3.113.232
31.12.2023	0	79.668.372	40.501.395	94.110	120.263.877
CARRYING AMOUNT					
31.12.2022	16.638.018	64.633.211	16.032.095	2.483.087	99.786.411
31.12.2023	16.950.183	63.631.611	17.768.159	1.666.174	100.016.127
31.12.2021	16.569.496	140.618.033	58.140.725	2.215.548	217.543.802
Transfer between categories	0	1.737.096	-1.739.200	0	-2.104
Acquisitions	0	0	0	3.674.754	3.674.754
Capitalisations	68.522	1.826.199	868.976	-3.299.477	-535.780
Eliminations	0	-1.046.742	-1.759.913	-20.944	-2.827.599
31.12.2022	16.638.018	143.134.586	55.510.588	2.569.881	217.853.073
IMPAIRMENT					
31.12.2021	0	74.776.194	40.643.302	86.794	115.506.290
Depreciation	0	3.164.914	2.186.013	0	5.350.927
Transfer between categories	0	1.595.385	-1.595.385	0	0
Eliminations	0	-1.035.118	-1.755.437	0	-2.790.555
31.12.2022	0	78.501.375	39.478.493	86.794	118.066.662
CARRYING AMOUNT					
31.12.2021	16.569.496	65.841.839	17.497.423	2.128.754	102.037.512
31.12.2022	16.638.018	64.633.211	16.032.095	2.483.087	99.786.411

The property, plant and equipment disclosed as at 31.12.2023 were free of encumbrance; from the company's business plans follows that there are no indications of impairment.

The company disclosed commitments in the amount of EUR 4.931.857 as at 31.12.2023 on the basis of contracts to procure property, plant and equipment that were signed but as yet unrealised (EUR 2.964.548 as at 31.12.2022).

Land

As at 31.12.2023 the company owned 35,40 hectares of brownfield and greenfield land in the cadastral municipalities of Grad, Šenčur, Cerklje na Gorenjskem, Velesovo and Zgornji Brnik.

Land of 510 hectares in the area of Ljubljana's Jože Pučnik Airport, where the company pursues its core business activities, became the property of the Republic of Slovenia (the state) and is not disclosed in the company's books of account. For some of this land (251 hectares), an agreement on mutual relations and the establishment of general superficies was signed with the Ministry of Infrastructure and Spatial Planning, under which the company obtained superficies (point 5.1.3). A minority of the remaining area is the airport's functional land, which will partly be assigned to use by other users of airport or operators of other infrastructure, while the majority of the land will remain under the management of the Ministry of Infrastructure and Spatial Planning as functional land and a secure zone.

On the basis of the exchange agreement, the company acquired land totaling 0,82 hectares in 2023 and disposed of land totaling 0,88 hectares.

Infrastructure and investments in foreign non-current assets

As at 31.12.2023, the company discloses in its business books infrastructure in the amount of EUR 3.142.358 and investments in foreign non-current assets in the amount of EUR 60.489.253. Investments in foreign non-current assets refer to infrastructure standing on land owned by the Republic of Slovenia, for which the company was granted superficies until 31.12.2053 with the possibility of concluding a new contract (Note 5.1.3).

Activations increased the value of infrastructure and investments in foreign non-current assets by EUR 1.993.248 in 2023 (in 2022 EUR 1.826.199).

	in euros
	2023
Extension to the cargo terminal and car park in front of it	962.911
Construction work on the runway for the replacement of the approach lights	327.199
Construction work on the taxiways for the replacement of vertical signalling boards	171.879
Replacement of the roof and lifting doors in part of the existing cargo terminal	178.129
Other	293.130
Total	1.933.248

Plant and equipment

Plant and equipment in the total amount of EUR 4.055.470 was activated in 2023 (in 2022 in total amount of EUR 893.872), more important items are shown in the following table:

	in euros
	2023
Approach lights on the runway	589.789
Vertical signalling boards on taxiways	534.757
Truck with plough and snow brush	524.440
Fire-fighting vehicle	460.000
ULD pallet handling platform	408.000
Lifting platform	406.593
Disk box and servers	126.993
Security scanner	105.000
Other equipment	899.898
Total	4.055.470

Disposals of equipment primarily relate to the replacement of obsolete or used equipment, where certain assets with residual market value were sold.

Direct costs of employee earnings included in historical cost of infrastructure

The company included EUR 85.836 of direct costs of employee earnings in the historical cost of acquired infrastructure in 2023 (EUR 130.823 in 2022); in substantive terms, these services consisted of the management of major investment projects and the supervision of construction sites, and were provided by employees at the company.

Leased assets (inward)

			in euros
Type of lease	Subject of lease	Minimum period to expiry of lease	Revenues in 2023
Operating	Land together with facility, for which the company holds right of use*	1 year 6 months	357.053
Operating	Land	21 years **	47.116
Operating	Aircraft hangar (45.B)	6 months	79.013
Operating	Aircraft maintenance hangar (3F, 30B, 32)	13 years	495.964
Operating	Warehousing and logistics facility (5B-E)	7 years 1 month	409.436
Operating	Aircraft maintenance hangar (38)	1 year	72.698
Operating	Facility BIP (Border inspection point)	for 40% of facility 2 years 6 months for 60% of facility 6 months	78.645
Operating	Aircraft maintenance hangar (47)	for 2/3 of facility 9,9 years for 1/3 of facility 4,9 years	552.630
Total			2.092.554

* The shown amount of rent is common for the land and the facility for which the company has the right to use (Note 5.1.3).

** The contract has been concluded for a term of 25 years as of the first day of operation of the warehousing and logistics facility which was built on the land in question. The tenant has the option of unilaterally terminating the contract in 2034 under the terms agreed in the contract.

Value of future rents (maturity breakdown):

in euros

Subject of lease	Up to one year	One to five years	Over five years	Total
Land together with facility, for which the company holds right of use*	383.832	93.280	0	477.112
Land	47.383	189.533	805.516	1.042.432
Aircraft hangar (45.B)	42.306	0	0	42.306
Aircraft maintenance hangar (3F, 30B, 32)	567.583	2.476.764	6.509.593	9.553.941
Warehousing and logistics facility (5B-E)	445.081	1.650.412	0	2.095.493
Aircraft maintenance hangar (38)	76.109	0	0	76.109
Facility BIP (Border inspection point)	57.306	49.559	0	106.865
Aircraft maintenance hangar (47)	297.157	0	0	297.157
Total	1.916.758	4.459.548	7.315.109	13.691.415

* The shown amount of rent is common for the land and the facility for which the company has the right to use (Note 5.1.3).

Value of non-current assets let under lease:

in euros

	Historical cost	Impairment	Carrying amount
Land together with facility, for which the company holds right of use*	1.252.574	-298.939	1.551.513
Land	400.684	0	400.684
Aircraft hangar (45.B)	5.509.430	-3.174.670	8.684.099
Aircraft maintenance hangar (3F, 30B, 32)	4.190.718	-1.912.648	6.103.366
Warehousing and logistics facility (5B-E)	1.831.905	-515.812	2.347.718
Aircraft maintenance hangar (38)	838.330	-819.548	1.657.878
Facility BIP (Border inspection point)	626.359	-608.681	1.235.039
Aircraft maintenance hangar (47)	588.344	-327.941	916.285

5.1.3 Right-of-use assets

		in euros
Right-of-use assets		Total
HISTORICAL COST		
31.12.2022		10.594.756
31.12.2023		10.594.756
IMPAIRMENT		
31.12.2022		1.555.364
Depreciation		398.466
31.12.2023		1.953.830
CARRYING AMOUNT		
31.12.2022		9.039.392
31.12.2023		8.640.926
HISTORICAL COST		
31.12.2021		10.364.840
Capitalisations		229.916
31.12.2022		10.594.756
IMPAIRMENT		
31.12.2021		1.158.212
Depreciation		397.152
31.12.2022		1.555.364
CARRYING AMOUNT		
31.12.2021		9.206.628
31.12.2022		9.039.392

Carrying amount of right-of-use assets

			in euros
	31. 12. 2023	31. 12. 2022	
Warehousing and logistics facility	1.401.174	1.558.316	
Land (superficies granted by Republic of Slovenia)	7.239.752	7.481.076	
Total	8.640.926	9.039.392	

Interest expenses disclosed in the income statement for 2023, and total cash outflow in 2023

				in euros
	Warehousing and logistics facility	Land (superficies granted by Republic of Slovenia)		Total
Interest expenses disclosed in 2023 income statement	45.204	327.735		372.940
Cash outflows in 2023	192.457	448.390		640.847

Land on which the company holds superficies granted by the Republic of Slovenia

Under the General agreement on mutual relations and the establishment of superficies with regard to the use of specific land on Ljubljana Airport (concluded with state, Ministry of Infrastructure and Planning in March 2014), and annexes to this contract, Fraport Slovenija d.o.o. held superficies as at 31.12.2023 on a total of 251 hectares of land owned by the state. The superficies is granted until 1 January 2054, and the company uses the land in question to pursue its core business of airport services and accompanying commercial services, while part is also functional land. The contract has been signed and is being performed in accordance with its provisions and the restrictions set out by the Aviation Act and other relevant legislation governing this area.

Superficies is amortised on a straight-line basis, where the useful life is determined by taking account of the date of acquisition and the period for which the agreement has been concluded, i.e. to 1 January 2054.

The fee for superficies acquired until 1 January 2020 is paid in annual instalments, of a fixed amount. The company accordingly disclosed EUR 6.956.460 of non-current operating liabilities and EUR 448.390 of current operating liabilities as at 31.12.2023 (see notes 5.1.11 and 5.1.13). Compensation was paid in lump sums for a smaller volume of building rights acquired under annexes concluded after 1 January 2020.

The general agreement on superficies expires at the end of period for which it was concluded, but may be terminated earlier by the agreement of the contracting parties. In accordance with the general agreement and the Real Property Code, the company after the termination of the general agreement on superficies is entitled to compensation in the amount of one half of the increase in the market value of the real estate subject to the superficies; at the same time, it must hand over the buildings standing on this land to the Republic of Slovenia, as together with the land they become component of the real estate.

Warehousing and logistics facility

The right-of-use assets whose right of use was obtained by the company under IFRS 16 include the warehousing and logistics facility leased by the company under a lease agreement signed in 2007 (the facility is situated on land owned by the company, and its owner was granted superficies for a period of 25 years). The subject of the lease is a warehousing and logistics facility with a total floorspace of 2.703 m² and corresponding parking space. The lease agreement for the facility is concluded for a period of 25 years.

The facility is depreciated on a straight-line basis over the duration of the agreement, i.e. until 2032. Its value was determined by taking into account planned future cash outflows for rent, discounted at a rate of 2,33%.

The rent is charged monthly, and the instalment is fixed. The company accordingly disclosed EUR 1.332.984 of non-current operating liabilities and EUR 150.588 of current operating liabilities as at 31.12.2023 (see notes 5.1.11 and 5.1.13).

The warehousing and logistics facility was sub-leased. The annual rent amounts to EUR 323.666, with this rent referring to both the facility and the land on which the facility stands. The sublease period will end at the end of the first quarter of next year. We estimate that there is interest in the market for renting this facility.

5.1.4 Non-current loans given

The receivables disclosed in the amount of EUR 550.377 relate to the financing of equipment for the duty-free shop in the new passenger terminal.

The equipment is made available under a finance lease to the contractual partner who manages the shop. The contract sets out the total value of the repayments, where the repayment dynamics are set as a share of the operating profit that the contractual partner realises through its retail activities at the terminal. The contract sets a final repayment deadline of six years (in 2027), with the possibility of extension for an additional two years.

Based on the preliminary business results of the contractual partner, we estimate that this claim will be repaid in the amount of EUR 182.991 in 2024.

5.1.5 Deferred tax assets

in euros		
Deferred tax assets, from:	2023	2022
Realised tax losses	1.784.623	1.541.265
Unexploited investment allowance	272.706	672.828
Amortisation and depreciation charged in excess of the tax-deductible amount recognised under the ZDDPO	298.318	290.102
Provisions for jubilee benefits and termination benefits	110.900	126.952
Impairment of current operating receivables	67.624	66.393
Impairment of financial assets	44.816	44.816
Unutilised grant allowances	0	1.900
Total	2.578.988	2.744.257

in euros						
Changes in deferred tax assets in 2023, from:	Balance as at 31.12.2022	Formation	Utilisation	Withdrawal	Recalculation (increased rate of CIT)	Balance as at 31.12.2023
Realised tax losses	1.541.265	0	0	0	243.358	1.784.623
Unexploited investment	672.828	202.742	-638.732	-1.319	37.187	272.706
Amortisation and depreciation charged in excess of the tax-deductible amount recognised under the ZDDPO	290.102	25.978	-17.761	0	0	298.319
Provisions for jubilee benefits and termination benefits	126.953	0	-16.052	0	0	110.901
Impairment of current operating receivables	66.393	1.368	0	-137	0	67.624
Impairment of financial assets	44.816	0	0	0	0	44.816
Unutilised grant allowances	1.900	0	-1.900	0	0	0
Total	2.744.257	230.088	-674.445	-1.456	280.545	2.578.988

As of as at 31.12.2023, the company reports a tax loss of EUR 8.111.921 (the amount remains the same as on as at 31.12.2022).

Taking into account the increase in the corporate tax rate for the period 2024-2028 from 19% to 22%, the deferred tax assets for realised tax losses and unused investment allowances, which are expected to be fully utilised over the period, have been recalculated at the rate of 22%. Deferred tax assets arising from other sources have not been recalculated at the higher corporate tax rate.

in euros					
Changes in deferred tax assets in 2022, from:	Balance as at 1.1.2022	Formation	Utilisation	Withdrawal	Balance as at 31.12.2022
Realised tax losses	1.351.138	190.127	0	0	1.541.265
Unexploited investment allowance	557.797	115.444	0	-413	672.828
Amortisation and depreciation charged in excess of the tax-deductible amount recognised under the ZDDPO	266.729	26.014	-1.503	-1.138	290.102
Provisions for jubilee benefits and termination benefits	150.502	0	-5.006	-18.543	126.953
Impairment of current operating receivables	588.995	12.037	0	-534.639	66.393
Impairment of financial assets	45.288	0	-472	0	44.816
Unutilised grant allowances	475	1.425	0	0	1.900
Total	2.960.924	345.047	-6.981	-554.733	2.744.257

5.1.6 Current operating receivables

in euros		
Current operating receivables	2023	2022
Current trade receivables	4.078.468	3.166.315
Current receivables for advances given	1.998.765	1.328.803
Current receivables to state	25.469	224.187
Other current receivables	17.645	2.111
Total	6.120.347	4.721.416

in euros			
Current operating receivables 2023	Gross value	Impairment	Net value
Current trade receivables	7.297.253	-3.218.785	4.078.468
Current receivables for advances given	1.998.765	0	1.998.765
Current receivables to state	25.469	0	25.469
Other current receivables	17.645	0	17.645
Total	9.339.131	-3.218.785	6.120.347

in euros		
Trade receivables	2023	2022
Trade receivables from domestic customers	1.552.200	1.313.333
Trade receivables from customers in the rest of the world	2.526.268	1.852.982
Total	4.078.468	3.166.315

Among trade receivables in the total amount of EUR 4.078.468, which are disclosed as at 31.12.2023, EUR 3.574.453 of receivables are insured (as of 31.12.2022, the amount of insured receivables from customers was EUR 2.179.681).

in euros			
Current trade receivables 2023	Gross value	Impairment	Net value
Trade receivables from domestic customers	4.360.345	-2.808.145	1.552.200
Trade receivables from customers in the rest of the world	2.936.908	-410.640	2.526.268
Total	7.297.253	-3.218.787	4.078.468

in euros		
Age structure of current trade receivables	2023	2022
Not due	3.490.876	2.987.009
Up to 30 days overdue	322.424	70.560
30 days to 180 days overdue	243.024	101.178
Over 180 days overdue	22.144	7.568
Total	4.078.468	3.166.315

in euros		
Changes in impairment of receivables	2023	2022
Balance as at 1 January	3.214.576	3.154.799
Increase: newly created allowances	7.300	63.357
Decrease: write-off of receivables	-3.093	-1.054
Decrease: payments received	0	-2.526
Balance as at 31 December	3.218.785	3.214.575

86,4% of all impairments created for receivables (EUR 2.782.282) are related to the domestic airline in bankruptcy as at 31.12.2023.

Receivables from advances given mainly (EUR 1.957.491) refer to compensation payments made for the use of building land in the years 2020 to 2023. The company shows current accruals from this title in approximately the same amount (note 5.1.14).

5.1.7 Cash and cash equivalents

in euros		
Cash and cash equivalents	2023	2022
Short-term deposit with a commercial bank	12.900.000	0
Cash at sight in commercial bank accounts	2.039.085	8.841.038
Cash on hand	36.764	23.786
Total	14.975.849	8.864.824

A deposit with a commercial bank is tied for a period of one month.

5.1.8 Equity

Equity amounted to EUR 114.985.398 as at 31.12.2023, up 5% or EUR 5.484.616 on 31.12.2022. It accounted for 85,4% of total equity and liabilities (compared with 85,6% as at 31.12.2022). The company did not hold any share in treasury or any authorised capital as at 31.12.2023, and the owner did not pass any resolution to increase the nominal capital. The changes in equity in 2023 and 2022 are disclosed in the statement of changes in equity (point 3.4 of the Financial Report).

The nominal capital was unchanged from 31.12.2022 at EUR 15.842.626.

Capital surplus

Capital surplus in the amount of EUR 24.287.659 was formed on the basis of the elimination of the general revaluation adjustment of the nominal capital.

Profit reserves

	in euros	
Profit reserves	2023	2022
Legal reserves	4.013.029	4.013.029
Reserves under the Articles of Association	12.039.085	12.039.085
Other profit reserves	27.881.760	27.881.760
Total	43.933.874	43.933.874

Revaluation surplus

	in euros	
Revaluation surplus	2023	2022
Unrealised actuarial loss from post-employment benefits	-348.549	959
Total	-348.549	959

Retained earnings

Retained earnings in the amount of EUR 31.269.788 comprise of the residual distributable profit for 2022 in the amount of EUR 25.435.736 and net profit from 2023 in the amount of EUR 5.834.052.

Distributable profit

The company generated its distributable profit in accordance with the Companies Act.

The sole owner decides on the use of the distributable profit.

	in euros	
Formation of distributable profit	2023	2022
Net profit for the period	5.834.052	889.305
+ retained earnings	25.435.736	24.546.359
= distributable profit	31.269.788	25.435.664
= remaining distributable profit		25.435.664

5.1.9 Provisions and non-current accruals and deferred income

in euros

Provisions and non-current accruals and deferred income	2023	2022
Non-current provisions for jubilee benefits and termination benefits	1.732.023	1.209.227
Other provisions	50.000	50.000
Non-current accruals and deferred income	151.825	201.731
Total	1.933.848	1.460.958

Non-current provisions for jubilee benefits and termination benefits

in euros

Changes in 2023	Balance as at 1.1.2023	Formation	Utilisation	Withdrawal	Balance as at 31.12.2023
Provisions for jubilee benefits	314.637	215.919	-42.469	0	488.087
Provisions for termination benefits	894.590	412.435	-63.089	0	1.243.936
Total	1.209.227	628.354	-105.558	0	1.732.023

in euros

Changes in 2022	Balance as at 1.1.2022	Formation	Utilisation	Withdrawal	Balance as at 31.12.2022
Provisions for jubilee benefits	357.651	23.947	-17.493	-49.468	314.637
Provisions for termination benefits	1.040.118	54.828	-19.663	-180.693	894.590
Total	1.397.769	78.775	-37.156	-230.161	1.209.227

Provisions for termination benefits and jubilee benefits were created in the amount of estimated future commitments for termination benefits and jubilee benefits, discounted to the balance sheet date. The calculation was made for each employee, taking into account the costs of termination benefits and the cost of all expected jubilee benefits until retirement. The calculation allows for growth in the amounts of retirement benefits and jubilee benefits set out in the decree on the treatment of the reimbursement of costs and other employment earnings for tax purposes in the amount of 2,5% (average long-term annual nominal growth; The assumption is that the bases will change in line with the assumed growth in the average wage in Slovenia, as the actual intentions of legislators with regard to the amounts set out in the aforementioned decree are unknown.).

The forecast staff turnover at the company and projected wage growth have been taken into account. The annual discount rate used is 3,16%, in accordance with the owner's guidelines. The calculation was drawn up by a certified actuary using the projected unit method.

in euros

Changes in provisions for termination benefits and jubilee benefits	Termination benefits	Jubilee benefits	Total
Balance of provisions as at 31 December 2022	894.590	314.637	1.209.227
Current service cost	35.497	18.648	54.145
Interest cost	27.502	9.976	37.478
Benefits payments	-63.088	-42.470	-105.558
Change in financial assumptions (actuarial gain)	-5.718	-1.422	-7.140
Experience (actuarial loss)	355.153	188.718	543.871
Balance of provisions as at 31 December 2023	1.243.936	488.087	1.732.023

in euros

Sensitivity analysis to important actuarial assumptions	Termination benefits	Jubilee benefits	Total
Baseline scenario	1.243.936	488.087	1.732.023
Discount rate: -0.5 percentage points	1.314.457	507.718	1.822.175
Discount rate: +0.5 percentage points	1.179.233	459.782	1.639.015
Salary growth: -0.5 percentage points	1.178.472	469.580	1.648.052
Salary growth: +0.5 percentage points	1.314.636	507.750	1.822.386

Non-current accruals and deferred income

in euros

Changes in 2023	Balance as at 1.1.2023	Utilisation	Balance as at 31.12.2023
Deferred income from co-financing of intangible assets and property, plant and equipment*	201.731	-49.906	151.825
Total	201.731	-49.906	151.825

*the utilisation in 2023 is equal to the depreciation charge for these assets (other operating revenues are disclosed in the same amount)

in euros

Changes in 2022	Balance as at 1.1.2022	Utilisation	Balance as at 31.12.2022
Deferred income from co-financing of intangible assets and property, plant and equipment*	251.636	-49.905	201.731
Total	251.636	-49.905	201.731

*the utilisation in 2022 is equal to the depreciation charge for these assets (other operating revenues are disclosed in the same amount)

5.1.10 Non-current operating liabilities

in euros

Non-current operating liabilities	2023	2022
Liabilities to the municipality of Cerklje from municipal contributions	721.302	721.303
Trade payables for non-current security deposits	238.837	0
Liabilities for superficies for aircraft maintenance hangar	74.664	74.472
Total	1.034.803	795.775

5.1.11 Non-current lease liabilities

in euros

Non-current lease liabilities (Note 5.1.3)	2023	2022
Liabilities to Republic of Slovenia for superficies	6.956.460	7.077.115
Liabilities under lease agreement for warehousing and logistics facility	1.332.984	1.483.572
Total	8.289.444	8.560.687

5.1.12 Current operating liabilities

	in euros	
Current operating liabilities	2023	2022
Current trade payables	2.895.478	2.991.257
Current liabilities to employees	1.469.309	1.374.903
Current liabilities for income tax expense	474.631	0
Current liabilities for retained funds	144.215	196.741
Current liabilities to state institutions	115.771	0
Current liabilities for received advances and overpayments	17.609	87.427
Current liabilities for security deposits	0	179.859
Other current liabilities	72.048	29.584
Total	5.189.061	4.859.771

Current liabilities to state institutions refer to state aid under the Act on Aid to the Economy to mitigate the consequences of the energy crisis. Based on the planned costs, the advance payments during the year were EUR 115.771 higher than the actual costs to which the company is entitled in accordance with the aforementioned law.

5.1.13 Current lease liabilities

	in euros	
Current lease liabilities (Note 5.1.3)	2023	2022
Liabilities to Republic of Slovenia for superficies	448.390	448.390
Liabilities under lease agreement for warehousing and logistics facility	150.588	147.252
Total	598.978	595.642

5.1.14 Current accruals and deferred income

	in euros	
Current accruals and deferred income	2023	2022
Current accruals	2.356.893	1.629.594
Liabilities from unrealised contractual obligation under the incentives scheme (Note 4.3.13)	199.115	376.126
Current deferred income	53.426	62.228
Other	2.347	27.491
Total	2.611.781	2.095.439

Current accruals relate in the amount of EUR 1.990.449 to accrued costs of the fee for the use of building land for 2020 and 2023; the company has not yet received the final decisions on the fee for the use of building land for the aforementioned years.

5.1.15 Contingent assets and liabilities

in euros		
Off-balance-sheet assets and liabilities	2023	2022
Receivables from default interest	141.160	139.162
Received quarantees	4.126.800	4.522.031
Total off-balance-sheet assets	4.267.960	4.661.193
Collateral granted	5.136.502	5.163.861
Total off-balance-sheet liabilities	5.136.502	5.163.861

The company estimates the liquidation value of collateral granted to be very low, and therefore discloses them as contingent liabilities in the off-balance-sheet records. The amount of contingent liabilities is estimated as the maximum possible compensation that the company would pay in case of an adverse event that would justify the liquidation of the collateral. The collateral is provided for a definite period (to 2026 at the latest), and there is no uncertainty with regard to this period.

5.2 Notes to the income statement

5.2.1 Operating revenues

in euros		
Operating revenues	2023	2022
Net sales revenue, from:	43.360.592	33.912.893
- Revenues from domestic sales of services	13.184.606	11.384.110
- Revenues from sales of services to the rest of the world	30.168.230	22.506.481
- Revenues from sales of materials	7.756	22.302
Revenues from capitalised own services	85.836	130.823
Other operating revenues, from:	479.962	146.567
- Revenues from sales of fixed assets	400.577	30.891
- Other operating revenues	79.385	115.676
Total	43.926.390	34.190.283

Revenues from the sale of services to the rest of the world were generated from services provided to foreign customers.

The increase in revenues in 2023 compared with 2022 was mainly attributable to the continued recovery in traffic after the decline caused by the Covid-19 pandemic. Revenues from airport services and ground handling as well as revenues from commercial services grew.

Net sales revenues

Airport services and ground handling services accounted for 76,5% of sales revenue, while commercial services accounted for 23,5% (the largest components of which were rental revenue and parking fees, which accounted for 13,4% and 5,8% of sales revenues).

in euros			
Net sales revenue under contracts with customers	Airport services and ground handling services	Commercial services	Total
Receivables as at 1 Jan 2023	1.858.937	1.307.378	3.166.315
Liabilities from unrealised contractual obligations as at 1 Jan 2023	377.762	0	377.762
Revenues from contractual obligations charged in 2022 and realised in 2023	0	30.181	30.181
Revenues from contractual obligations charged and realised in 2022	33.151.102	10.209.490	43.360.592
Revenues from contractual obligations charged in 2023 and to be realised in 2024	0	53.426	53.426
Liabilities from unrealised contractual obligations as at 31 Dec 2023	199.115	0	199.115
Receivables as at 31 Dec 2023	2.999.878	1.078.590	4.078.468

Revenues from capitalised own services

The revenue disclosed from capitalised own services relates to capitalised direct costs of employee labour; in substantive terms it relates to in 2023 provided project management services for major investment projects and supervisory services on construction sites (see notes 4.3.4 and 5.1.2).

5.2.2 Operating expenses

in euros		
Operating expenses	2023	2022
Costs of materials	2.982.127	2.446.161
Cost of services	9.141.691	8.063.979
Labour costs	18.183.788	15.332.927
Depreciation and amortisation	6.088.925	6.117.591
Other operating expenses	816.973	712.364
Total	37.213.504	32.673.022

Operating expenses in 2023 are 13,9 percent higher than in 2022. The increase is primarily the result of increased traffic volume, which resulted in an increase in both material and service costs as well as labour costs. The higher costs of materials and services are also partly the result of inflation and the related rise in prices, especially the prices of energy products. Increases are mainly recorded in the costs of electricity, consumables used, the costs of security services, maintenance and consulting services, and the costs of hired workers and students. In 2023, compared to 2022, labour costs also increased, which is a reflection of the partial adjustment of wages to inflation and new jobs, especially for the period of the season in the field of passenger and aircraft maintenance.

	in euros	
Costs of materials	2023	2022
Electricity	1.416.830	1.197.548
Cleaning materials and non-durables	1.092.264	774.023
Heating oil	256.063	222.945
Motor fuel	158.207	166.255
Materials for current maintenance	34.342	59.198
Other costs of materials	24.421	26.192
Total	2.982.127	2.446.161

The reported costs of electricity in the amount of EUR 1.416.830 have already been reduced for the state aid received under the Act on Aid to the Economy to mitigate the consequences of the energy crisis in the amount of EUR 348.859. Also, the stated costs of fuel for heating in the amount of EUR 256.063 have already been reduced for the state aid received under the same law in the amount of EUR 11.741, intended to mitigate the consequences of the rise in natural gas prices.

	in euros	
Cost of services	2023	2022
Security services	2.309.430	2.120.837
Consultancy services	1.070.549	988.640
Asset maintenance services	1.185.308	973.922
Services related to the performance of the company's basic activity	960.217	918.672
IT equipment maintenance services	608.912	515.195
Agency work and work through students service	575.924	339.110
Advertising services	495.841	563.431
Insurance premiums	386.333	331.963
Services of the Civil Aviation Agency	355.086	295.570
Healthcare services	283.238	233.686
Utilities, water rates	205.733	196.120
Other services	705.120	586.833
Total	9.141.691	8.063.979

	in euros	
Labour costs	2023	2022
Wages	12.612.124	10.882.975
Annual leave payment, reimbursement of transport expenses, reimbursement of meal expenses and collective accident insurance	2.396.768	1.985.651
Pension insurance costs	1.707.977	1.477.060
Other social insurance costs	918.847	792.871
Other labour costs	548.072	194.370
Total	18.183.788	15.332.927

Labour costs in 2022 have been disclosed after taking account of the state aid received in the amount of EUR 117.144 on the basis of measures to alleviate the impact of the Covid-19.

	in euros	
Depreciation and amortisation	2023	2022
Amortisation of intangible assets	387.327	369.510
Depreciation of property, plant and equipment	5.303.132	5.350.929
Amortisation/depreciation of right-of-use assets	398.466	397.152
Total	6.088.925	6.117.591

Due to the extension of useful lives of certain assets based on a reassessment of their remaining useful life, the cost of depreciation of equipment in 2023 was EUR 69.039 lower compared to 2022.

Among other operating expenses, which amount to EUR 816.973 for the year 2023, the fee for the use of building land in the amount of EUR 632.542 are shown.

5.2.3 Finance income

Of the total EUR 177.974 of finance income realized by the company in 2023, EUR 162.832 refer to interest income from the tying up of free cash resources in the form of deposits with a commercial bank.

5.2.4 Finance expenses

	in euros	
Finance expenses	2023	2022
Interest expenses in connection with right-of-use assets (note 5.1.3)	372.940	372.369
Interest expenses for jubilee benefits and termination benefits	37.478	12.818
Fee for undrawn portion of long-term loans	0	22.813
Other finance expenses	6.490	11.105
Total	416.908	419.105

5.2.5 Income tax expense and deferred tax

	in euros	
Income tax expense and deferred tax	2023	2022
Income tax expense levied	474.631	0
Deferred tax	165.269	216.667
Total	639.900	216.667

	in euros	
Effective income tax expense rate	2023	2022
Pre-tax profit	6.473.952	1.105.971
Anticipated income tax expense (19%)	1.230.051	210.135
Increase in revaluation expense on receivables that were not tax-recognised at formation	-3.029	-2.795.603
Increase/decrease in other expenses	692.297	663.116
Tax relief	-4.253.452	0
Transition to IFRS	-411.710	55.255
Other adjustments	0	-29.409
Income tax expense	474.631	0
Effective tax rate	7,33%	0,00%

	in euros	
Effect of deferred tax on performance	2023	2022
Change in deferred tax assets from realised tax loss	243.358	190.127
Change in deferred tax assets from unrealised investment allowance	-400.122	115.032
Change in deferred tax assets from amortisation and depreciation charged in excess of the tax-deductible amount recognised under the ZDDPO	8.217	23.372
Change in deferred tax assets from unutilised grant allowances	-1.900	1.425
Change in deferred tax assets from impairment of financial assets	0	-472
Change in deferred tax assets from provisions for jubilee benefits and employee termination benefits	-16.052	-23.549
Change in deferred tax assets from impairment of operating receivables	1.231	-522.602
Total	-165.269	-216.667

5.3 Notes to the cash flow statement

The cash flow statement has been compiled using the indirect method.

	in euros	
Material adjustments taken into account in the preparation of the cash flow statement	2023	2022
Correction of revision to operating receivables and operating liabilities for reason of offset of receivables and liabilities	1.532.378,00	352.128,00
Correction of non-current accruals and deferred income and operating expenses for accruals for fee for superficies	644.496,00	581.861,00
Correction of current deferred income and operating revenues for pre-charged liabilities from unrealized contractual obligations (note 4.3.13)	156.763,00	186.169,00
Correction of non-current provisions for jubilee benefits and termination benefits and operating expenses for formation of this provisions	278.918,00	-29.308,00

5.4 Financial risks

Credit risk

			in euros
Company's maximum exposure to credit risk		2023	2022
Non-current loans given		550.377	620.423
Current operating receivables		6.120.347	4.721.416
Cash and cash equivalents		14.975.849	8.864.824
Total		21.646.573	14.206.663

					in euros
Structure of financial assets by maturity as at 31.12.2023	Up to three months	Three months to one year	One to five years	Total	
Non-current loans given (Note 5.1.4)	0	0	550.377	550.377	
Current operating receivables (Note 5.1.6)	4.147.522	1.972.825	0	6.120.347	

					in euros
Structure of financial assets by maturity as at 31.12.2022	Up to three months	Three months to one year	One to five years	Total	
Non-current loans given (Note 5.1.4)	0	69.475	550.948	620.423	
Current operating receivables (Note 5.1.6)	4.695.940	25.476	0	4.721.416	

The company has been doing business with the majority of customers for a long time, has contractual business relationships with them, and regularly monitors their credit ratings. For the small number of occasional or one-off customers, and for partners who come from less reliable business environments, the company makes detailed checks on credit ratings, and requires advances, other eligible collateral, or payment immediately after the services have been provided before departure from the airport. As of December 31, 2023, the company has 88% of its receivables from customers insured, with 76% of the receivables secured by an insurance company, and 11% of the receivables secured by other insurance instruments.

The receivables are dispersed and, in view of this, we estimate that the risk of concentration is negligible.

The age profile of receivables is regularly monitored. To maintain payment discipline, we regularly carry out recovery procedures such as reminders and default interest charges. In extremis we turn the receivables over to judicial recovery, and we also have the option of aircraft detention under the Aviation Act.

Liquidity risk

The company held EUR 14.975.849 of free cash (see note 5.1.7) as at 31.12.2023.

During the period of decline in traffic due to the covid-19 pandemic in the years from 2020 to 2022, the company was exposed to greater liquidity risk, as a result of which it had concluded long-term loan agreements with a total value of EUR 15 million, however, it did not draw loans during the stated period. In view of the planned operations and the planned volume of investments in 2023, there was no longer a need for long-term loans, so both loan agreements were terminated from 1 January 2023.

Taking into account the recovery of turnover, we again assess the liquidity risk in the current situation as small, since the company is not in debt and generates a stable cash flow. Careful management of current liquidity also contributes to stability, whereby cash at the bank represents a high-quality liquidity reserve.

in euros

Structure of liabilities by maturity as at 31.12.2023	Up to three months	Three months to one year	One to five years	Over five years	Total
Current operating liabilities (Note 5.1.12)	4.607.860	581.201	0	0	5.189.061
Current lease liabilities (Note 5.1.13)	485.757	113.221	0	0	598.978
Non-current operating liabilities (Note 5.1.10)	0	0	966.010	68.793	1.034.803
Non-current lease liabilities (Note 5.1.11)	0	0	1.179.731	7.109.713	8.289.444
Provisions and non-current accruals and deferred income (Note 5.1.9)	0	0	757.783	1.176.065	1.933.848

in euros

Structure of liabilities by maturity as at 31.12.2022	Up to three months	Three months to one year	One to five years	Over five years	Total
Current operating liabilities (Note 5.1.12)	4.483.899	175.112	186.191	14.569	4.859.771
Current lease liabilities (Note 5.1.13)	448.390	147.252	0	0	595.642
Non-current operating liabilities (Note 5.1.10)	0	0	733.819	61.956	795.775
Non-current lease liabilities (Note 5.1.11)	0	0	1.483.573	7.077.114	8.560.687
Provisions and non-current accruals and deferred income (Note 5.1.9)	0	137.813	495.628	827.517	1.460.958

Interest rate risk

The company is not directly exposed to changes in market interest rates, as it has no financial investments tied to variable interest rates, and the share of business liabilities that bear interest is also negligible. We estimate that exposure to changes in interest rates as of 31.12.2023 is not important for the company.

Currency risk

The company is not exposed to currency risk, as its transactions in foreign currency are immaterial.

Classification of financial instruments by levels

Financial assets and liabilities are measured at historical cost or amortised cost, which is assumed to be the same as the fair value of the assets or liabilities (classified as Level 2 in the fair value hierarchy).

in euros

Classification of financial instruments at fair value as at 31 December 2023	Level 2	Total
Non-current loans given	550.377	550.377
Current operating receivables	6.120.347	6.120.347
Cash and cash equivalents	14.975.849	14.975.849
Non-current operating liabilities	1.034.803	1.034.803
Non-current lease liabilities	8.289.444	8.289.444
Current operating liabilities	5.189.061	5.189.061
Current lease liabilities	598.978	598.978

in euros

Classification of financial instruments at fair value as at 31 December 2022	Level 2	Total
Non-current loans given	620.423	620.423
Current operating receivables	4.721.416	4.721.416
Cash and cash equivalents	8.864.824	8.864.824
Non-current operating liabilities	795.775	795.775
Non-current lease liabilities	8.560.687	8.560.687
Current operating liabilities	4.859.771	4.859.771
Current lease liabilities	595.642	595.642

5.5 Other explanatory notes

5.5.1 Significant events after the end of 2023

The management of the company, together with the Investor's Committee, made the decision to stop conducting Aviation Academy training for external customers and to close the Aviation Academy service as of January 1, 2024. Due to the closure of the Aviation Academy and the departure of operational director Oliver Weiss from 1 February 2024, the following organizational changes took place from 15 February 2024:

- The Infrastructure sector was established, which includes the Information Technology, Procurement and Central Warehouse department and the Central Infrastructure Management department. The Central Infrastructure Management department was separated from the Operations sector. The Infrastructure sector is headed by the Infrastructure director and procurator Boštjan Šijanec.
- the Operations sector is headed by the Operations director and procurator Matic Perovic from 15 February 2024. This sector no longer includes the Central Infrastructure Management service.
- within the Airport Rescue department & Aviation Academy department, the Aviation Academy department was discontinued and renamed Airport Rescue and Fire fighting & Emergency operations.

5.5.2 Relations with affiliates

The company's affiliates are all the companies in the Fraport Group. In 2023, transactions depicted in the table below were conducted:

		in euros
	Fraport AG, Germany	Fraport Regional Airport Greece Management Company S.A.
Operating revenues in 2023	11.536	0
Operating expenses in 2023	832.679	12.159
Purchase of fixed assets in 2023	22.564	0
Liabilities as at 31.12.2023	44.478	0

5.5.3 Remuneration of management in 2023

Both the Managing director and the Chief operating officer are not employed by the company Fraport Slovenia, but are seconded by the parent company Fraport AG in accordance with their contracts. As explained in point 5.4.1, the posting of the director of operations ceased on 1 February 2024.

The company does not have any employee employed on the basis of a contract to whom the tariff part of the collective agreement does not apply.

The company did not approve any loans or advances or provide any guarantees in 2023 for Managing director, Chief operating officer or the company's other employees to whom the tariff schedule of the collective agreement does not apply, nor did it disclose any receivables or liabilities vis-à-vis them as at 31.12.2023, other than salaries.

5.5.4 Disclosure in accordance with points 12 and 13 of Article 69 of the ZGD-1

The company did not have, nor does it have, any business operations that have not been disclosed in the balance sheet and that would, in light of the risks and benefits arising there from, be material for assessing the financial position of the company.

The company also did not have, nor does it have, any transactions with affiliates that could be regarded as material and that have not been performed under market conditions.

5.5.5 Total payments to auditors

The total contractual value of the services provided to the company by the audit firm Deloitte revizija d.o.o. for the year 2023 amounts to EUR 43.540, of which EUR 7.080 euros refers to the review of the half-yearly reporting package, EUR 3.500 euros the review of the report on transactions with related parties pursuant to Article 545 of the ZGD -1 and EUR 32.960 for auditing the financial statements for the financial year 2023.