# Combined Group Management Report

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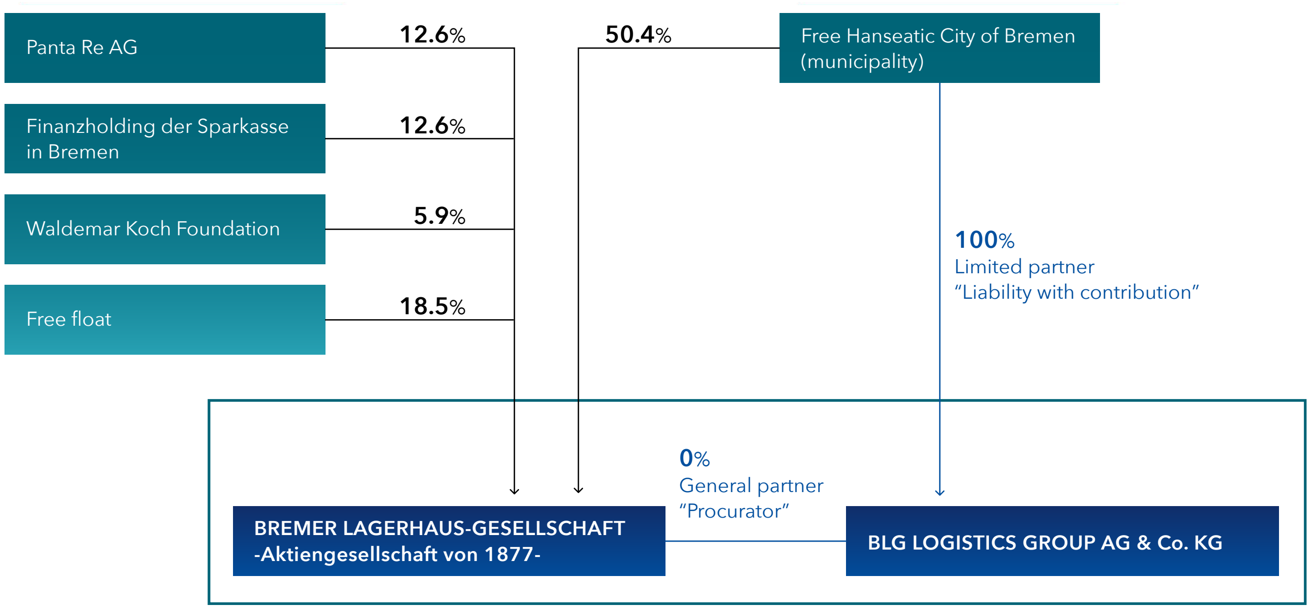
## Fundamental Information about the Group

As the personally liable general partner of BLG LOGISTICS GROUP AG & Co. KG (BLG KG), the listed company BREMERLAGERHAUS-GESELLSCHAFT -Aktiengesellschaft von 1877- (BLG AG) has assumed the management of the BLG Group. These two companies, which are closely linked in legal, commercial and organizational respects, have prepared the combined financial statements as joint parents.

BLG AG does not hold any share capital in BLG KG and is also not entitled to participate in the company's profits. BLG AG receives remuneration for the liability it has assumed and for its management activities. All limited partnership shares of BLG KG are held by the Free Hanseatic City of Bremen (municipality). The business of BLG KG is managed by the Board of Management of BLG AG as a governing body of the general partner. The Board of Management is fully accountable for managing the business in accordance with Section 76 (1) of the German Stock Corporation Act (AktG) and is not subject to instructions issued by shareholders.




Legal structure of the Group as of December 31, 2024

## Business model and organizational structure

The BLG Group operates externally under the BLG LOGISTICS brand. BLG LOGISTICS is a seaport and logistics service provider with an international network. With almost 100 companies and offices, we are present in Europe, America, Africa and Asia, offering customers from industry and retailing complex logistics system services.

As a strategic management holding company, BLG KG focuses on strategic developments at Group level. As a result, the holding company's influence on the operating business is greater than that of a pure financial holding company, but it is also significantly less than in the case of an operational management holding company. The Board of Management members responsible for the three divisions AUTOMOBILE, CONTRACT and CONTAINER play a special role as an interface to the operating units. The Board of Management determines the Group strategy by creating strategic guidelines at Group level; together with the operations managers, the relevant Board of Management member determines the strategy at division level within the framework of the Group strategy and is responsible for the strategic management of the division. Fulfillment of the respective strategies is supported by the central departments.

In accordance with its defined mission, BLG LOGISTICS aims to make logistics simpler for its customers, allowing them to focus on being successful on the market.

BLG LOGISTICS operates in three divisions. The reporting also follows this structure.

The AUTOMOBILE and CONTRACT Divisions are subdivided into business areas and/or regions. Responsibility for the operational management of the business areas/regions, including earnings responsibility, lies with the relevant business area/regional managers. The Group management of the EUROGATE GmbH & Co. KGaA, KG subgroup is responsible for the CONTAINER Division.

**AUTOMOBILE Division**

The AUTOMOBILE Division is a leading technical and logistics service provider for the international automotive industry. In the 2024 financial year, our worldwide AUTOMOBILE network handled, transported or technically processed 4.4 million vehicles.

In this division, BLG LOGISTICS offers multimodal transport concepts with global logistics reach and combines customized and innovative technical service packages. Distribution takes place by road, rail and inland waterways. In addition to the seaport terminals in Bremen, Bremerhaven, Cuxhaven, Hamburg (Germany) and in Gdansk (Poland), we also operate several inland terminals on the Rhine and Danube rivers. Our truck fleet bases extend right across Europe.

BLG AutoRail is a specialist provider of vehicle transport services by rail with its own fleet of 1,500 open double-deck railroad cars including 200 flat wagons. As a result, the logistics supply chain from the vehicle manufacturers to the end customer is fully covered.

Our wheels never stop turning: BLG's AUTOMOBILE Division consistently supplements its logistics network with smart digital solutions and sustainable concepts for climate-friendly transport.

**CONTRACT Division**

The CONTRACT Division manages complex projects and offers its customers reliable logistics solutions. The focus of our know-how and experience lies in procurement, production and distribution logistics as well as returns and spare parts logistics. We store, transport, pack and unpack, process conventional orders, handle e-commerce and also offer a wide range of value-added services.

As logistics architects, we specialize in designing, configuring, implementing and managing customized logistics solutions, ranging from highly automated logistics centers to manual in-house processes. Project management is our core competence, with sustainability and dependable quality being our top priorities.

Our customers are strong brands from industry and retailing, medium-sized companies and the major German and international car manufacturers. We work at our logistics centers and our customers' production facilities and plants at over 40 locations in Europe and overseas. Whether car parts, railway components, sports clothing, printers, fashion, furniture, food or sanitary technology – our expert teams create tailor-made service packages for a wide variety of goods.

**CONTAINER Division**

The CONTAINER Division is represented by the EUROGATE joint venture. The EUROGATE Group, in which BLG LOGISTICS holds a 50 percent stake, is a shipping line-independent container terminal group with operations predominantly in and around Europe. Together with the Italian terminal operator CONTSHIP Italia, the company operates a network of 11 container terminals from the North Sea to the Mediterranean. The range of services is complemented by intermodal and other container-related services.

## Changes in group of consolidated companies

**AUTOMOBILE Division**

From the point of view of materiality, BLG Automobile-Beteiligungs GmbH, Bremen, has been included in the combined group financial statements on a fully consolidated basis since January 1, 2024.

BLG Logistics (Beijing) Co., Ltd., Tianjin, People's Republic of China, has been included in the combined group financial statements using the equity method and left the scope of consolidation in the 2024 reporting year due to liquidation.

## Research and development

In 2024, the AUTOMOBILE and CONTRACT Divisions moved closer together in order to sustainably increase the performance and profitability of both divisions in the long term. This has led to the expansion of the Technology department's technology portfolio. Port and heavy cargo handling systems have been newly added to the portfolio. The main task of the Technology department is to examine the use of appropriate technical solutions for the existing BLG sites, with the aim of increasing the degree of automation and digitization of the sites and making logistics easier for our customers by using technologies that are sensible not only from a cost standpoint but also in terms of process.

Several projects have already been carried out this year, such as the assessment of a scanning tunnel for detecting damage on railroad cars, which can also be used to detect damage on finished vehicles in goods-in.

Furthermore, we worked intensively on the planned site expansions for our existing customers and technical planning of new customer business.

In addition to operational projects, BLG LOGISTICS is also continuing to collaborate on research and development projects with partners from science and industry on brand new, particularly complex concepts. Four such projects were undertaken in the Technology department in 2024.

The "Mobility2Grid" project is funded by the Federal Ministry of Education and Research (BMBF) and was launched on March 1, 2022. In collaboration with many other research and industry partners, the goal through to February 28, 2027 is to develop efficient and networked systems for a climate-neutral city. In this context, BLG LOGISTICS is developing concepts for the full electrification of a logistics site. In addition to technical framework parameters, such as the available connected load, BLG LOGISTICS is examining the logistical effectiveness of the concepts using simulation studies. The aim is to ensure that delivery schedules are adhered to and that vehicles have sufficient battery capacity. One of BLG LOGISTICS' main project objectives is to demonstrate the feasibility of electrification in continuous operation. Its use is being trialed with the plant supplies for a customer based at the supplier logistics center in Falkensee.

The "HyBit" joint research project has also been running since 2022. The central research question addresses how local hydrogen hubs can contribute to a sustainable and climate-neutral Europe. BLG LOGISTICS' project activities mainly focus on the "Mobility and Logistics" project cluster, which is concerned with producing methodologies for analyzing and assessing various possible uses for hydrogen. BLG LOGISTICS is contributing to both the development of these methodologies and their subsequent testing under real world conditions. A further project goal for BLG LOGISTICS is to identify and roughly map out possible pilot applications for the use of hydrogen. HyBit involves a consortium of 18 partners and runs for 4.5 years.

The Innovative Port Technologies (IHATEC) research project "MEXOT" was launched on January 1, 2022 and carried out at BLG AutoTec GmbH & Co. KG as a practice partner. The project was successfully completed in the reporting year as of December 31, 2024. The aim was to ensure the holistic ergonomic design of technical workstations and upstream picking activities. For this purpose, passive exoskeletons are being fitted with measuring sensors and coupled with customizable driverless transport vehicles (DTV), for example to enable (semi-)automated materials allocation. The ergonomics data from the sensors will be used to develop an incentive platform that gives employees direct personal feedback on the relief provided by the exoskeleton and integrates gamification approaches to increase motivation. At the end of the project, numerous operational tests of the overall system were carried out, during which the developments could be validated and the benefits evaluated.

In the "Resource Development in Service Work – RessourceE" research project, technical solutions and concepts for health-promoting work design and diversity-oriented skills and qualification development in unskilled jobs are being tested and examined with regard to their general applicability. BLG LOGISTICS is represented as an application partner and is testing innovative ergonomic solutions in practice. In the year under review, a first pilot phase with a wide range of exoskeletal models was carried out and scientifically monitored. Based on the evaluation of the test results and the feedback of the employees, the preferred models are evaluated over an extended time period. Studies accompanying the tests examine the implications of the introduction of assistance technologies with regard to process-related and human-centered factors. Based on the findings, software tools are also being developed to aid the systematic selection of assistance technologies and sensory-enhanced assistance technologies. The project is supported by the Karlsruhe Project Management Agency of the Karlsruhe Institute of Technology and began on July 1, 2023 with a duration of five years.

In 2024, BLG LOGISTICS therefore participated in a total of four cooperation projects with a total project volume of EUR 59.2 million.

## Relevant legal and economic factors

BLG LOGISTICS is required to observe a vast range of national and international legislation. In addition to regulations under public law, capital market law, employment law including occupational health and safety legislation, transport and customs laws and competition law are particularly relevant to us.

Collective pay agreements in Germany are one of the most important economic factors for BLG LOGISTICS, as a large proportion of the workforce is employed in Germany and personnel expenses for our own as well as external staff represent a major cost item. As our business model is capital-intensive across all divisions, the cost of capital also plays a significant role.

## Group management

**Management indicators**

The key management indicators of BLG LOGISTICS that we apply throughout the Group form the basis for our operational and strategic management decisions. We use them to set targets, measure the company's performance and determine the variable compensation of managerial staff and employees not covered by collective wage agreements among other factors.

The core management indicator metrics are:

**Revenue**

Combined Group revenue is derived from the combined statement of profit or loss and other comprehensive income and does not include the revenue of the CONTAINER Division.

**EBIT**

On account of the significant contribution of the CONTAINER Division to earnings, income from equity investments is included in EBIT.

Earnings before income and taxes (EBIT) is calculated at BLG LOGISTICS as follows:

| | |
|---|---|
| + | Revenue |
| + | Other income |
| - | Cost of materials |
| - | Personnel expenses |
| - | Depreciation, amortization and impairment |
| - | Other expenses |
| +/- | Result from equity interests |

**EBT**

Earnings before taxes (EBT) form the basis for determining profitability independently of tax effects that cannot be influenced.
It is also suitable for measuring profitability in an international comparison.

**EBT margin**

Dividing EBT by revenue produces the EBT margin, which is an indicator of a company's efficiency and profitability.

**RoCE**

Return on capital employed (RoCE) is a key indicator that measures how efficiently and profitably a company uses its capital. It is calculated by dividing BIT by the capital employed. Capital employed at BLG LOGISTICS includes the following components:

+ Non-current assets (incl. financial assets)
+ Inventories
+ Trade receivables

\- Trade payables

The key performance indicators revenue, EBIT, EBT and EBT margin are also determined within the scope of internal monthly reporting as well as within the scope of corporate planning and forecasts. RoCE is only reported on a Group-wide basis and will only be included in monthly reporting moving forward.

In addition to the above-mentioned indicators, the variable remuneration of the Board of Management and, from the 2023 financial year, also of employees not covered by collective wage agreements, is also measured against the targets for carbon emissions, work-related accidents and the share of trainees in the total workforce. The other financial and non-financial key performance indicators consist of individual management variables depending on the operating business unit. This includes measurement variables such as vehicle handling, processed quantities, energy consumption or container handling. In order to assess future developments, we rely on a continuous dialog with customers and closely monitor overall economic developments to enable us to react to changes in a timely manner.

BLG LOGISTICS set new sustainability targets in the previous year. The ten quantitative targets make progress in our key areas of action measurable and controllable at an operational level and serve as a guide or forward-looking sustainability management. You can find more information in our sustainability report at reporting.blg-logistics.com.

For explanations regarding the forecast key performance indicators and the degree to which they were reached in the 2024 financial year, please refer to the ▸Report on Economic Position. The forecast for the current year is explained in the ▸Outlook.

## Non-financial performance indicators

The distribution of persons across the segments pursuant to Section 267 (5) HGB (annual average headcount), excluding members of the Board of Management as well as apprentices and trainees, is shown in the table, broken down by division.

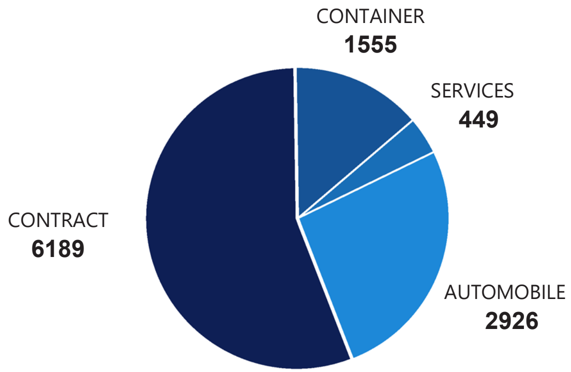
As an international seaport and logistics service provider, BLG LOGISTICS requires committed, motivated and skilled employees in order to be successful on the market over the long term and to meet the continuous challenges of globalization and demographic change. Since the 2019 financial year, this has been underscored by a wide range of measures and campaigns under the motto "#SuccessDependsOnEverybody" spanning all levels from temporary employees to the Board of Management and all areas and locations of BLG LOGISTICS.

In order to attract, develop and retain its employees, BLG LOGISTICS aims to consistently maintain its image as an attractive company on the labor market. That is why our personnel policies include options for maintaining a work-life balance and specific health management mechanisms, as well as performance-related pay and targeted training opportunities.

| **Employees by division** | **2024** | 2023 | Change percentage |
|---|---|---|---|
| **AUTOMOBILE Division** | **2,926** | **2,922** | **0.1** |
| of which blue-collar workers | 2,462 | 2,492 | |
| of which white-collar workers | 464 | 430 | |
| **CONTRACT Division** | **6,189** | **6,551** | **-5.5** |
| of which blue-collar workers | 4,895 | 5,202 | |
| of which white-collar workers | 1,294 | 1,349 | |
| **CONTAINER Division** | **1,555** | **1,604** | **-3.1** |
| of which blue-collar workers | 1,082 | 1,137 | |
| of which white-collar workers | 473 | 467 | |
| **Segment employees** | **10,670** | **11,077** | **-3.7** |
| of which blue-collar workers | 8,439 | 8,831 | |
| of which white-collar workers | 2,231 | 2,246 | |
| **Services** | **449** | **410** | **9.5** |
| of which blue-collar workers | 0 | 0 | |
| of which white-collar workers | 449 | 410 | |
| **Employees incl. CONTAINER Division** | **11,119** | **11,487** | **-3.2** |
| of which blue-collar workers | 8,439 | 8,831 | |
| of which white-collar workers | 2,680 | 2,656 | |
| **Less employees in the CONTAINER Division** | **-1,555** | **-1,604** | **-3.1** |
| of which blue-collar workers | -1,082 | -1,137 | |
| of which white-collar workers | -473 | -467 | |
| **Employees of BLG LOGISTICS** | **9,564** | **9,883** | **-3.2** |
| of which blue-collar workers | 7,357 | 7,694 | |
| of which white-collar workers | 2,207 | 2,189 | |

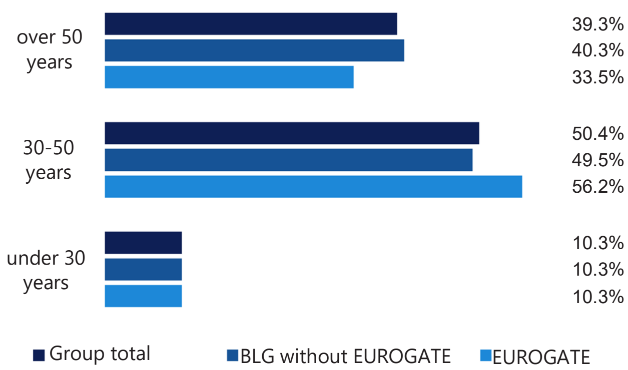
The successful implementation of a clear and forward-looking strategy largely depends on BLG LOGISTICS' management. Our leadership principles and our corporate values support us in achieving a shared understanding of leadership at all levels.

**Employees 2024**

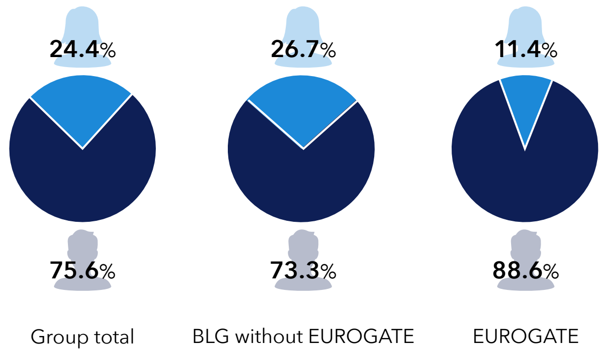



The average number of employees in the reporting year (excluding the CONTAINER Division) fell by 3.2 percent compared to the previous year. This decline is largely attributable to the CONTRACT Division. In particular, individual, expired businesses and in some cases low volumes due to the economic climate had an impact on personnel numbers.

**Employees by age group**




**Employees by gender***




* In the past, we have only categorized our workforce into men and women, but we are aware that not everybody self-identifies with either of these genders. To date, only a few of our own workforce have identified as non-binary. As we are talking about a proportion of less than 0.1 percent at present, we do not yet explicitly include this group in our statistics. However, in the interests of equal representation, we will continue to monitor this aspect.

**Non-financial report**

In accordance with the provisions of the Act to Strengthen Non-Financial Reporting by Companies in their Management Reports and Group Reports (CSR Directive Implementation Act), BLG LOGISTICS has prepared a combined non-financial statement in accordance with Section 315b HGB since the 2017 financial year. This statement is integrated into the sustainability report as a separate non-financial report, which can be downloaded from reporting.blg-logistics.com. Our 2024 sustainability report also reports in detail on other non-financial topics.

# Report on Economic Position

## Macroeconomic conditions

**Momentum of global economy dampens**

After an overall weak economic year in 2023, the global economy continued to grow at a very moderate pace in 2024. Although the economy expanded significantly in the United States, spurred by high domestic demand and government consumption, output growth in the other economies remained low. The same is true of the large Chinese economy, which has been slow to expand.

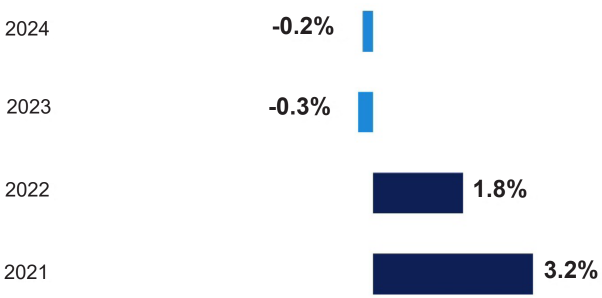
In the end, the global economic expansion in 2024 was once again driven by services. Global industrial production and trade in goods lost considerable momentum, particularly in the second half of the year.

In the eurozone, economic activity and the economic growth remained at a low level on the whole. The slight increase in gross domestic product (GDP) was due, in particular, to special developments such as the Olympic Games in France. The UK economy followed a similarly weak trajectory.

On the whole, industrial production and business sentiment in the eurozone at the end of 2024 underscored the subdued economic development.

In 2024, economic momentum in the emerging economies remained in sync overall, albeit with regional differences.

**German GDP falls again in 2024**




Year-on-year change in real GDP

Overall, Germany's gross domestic product (GDP) dipped again in the 2024 reporting year, at -0.2 percent.

This was due in particular to high borrowing costs. In addition, heightened economic policy uncertainty and severely underutilized capacities weighed on investments. The reduced competitiveness of German industry and high competitive pressure, particularly from China, were reflected in declining exports. Households held back on spending despite strong wage growth. As a result, the saving rate increased, while private consumption increased only slightly.

German industry is currently under great pressure to adapt to changing structural conditions. Despite recovering somewhat, foreign demand remained very subdued at the end of the year and the business climate determined by the ifo Institute deteriorated once again.

While private consumption and the related services provided a positive stimulus in the last quarter of 2024, these were held back by the geopolitically uncertain situation.

Sources for this section:
Deutsche Bundesbank, Monthly Report, January and February 2025
IfW Kiel, Kiel Institute Economic Outlook, No. 119 (2024|Q4)
IMK, IMK Report No. 193, December 2024

## Situation in the logistics sector

The demands on logistics are changing at an ever-increasing pace. These changes are being driven by ongoing globalization, shorter product life cycles, digitalization, artificial intelligence (AI) and urbanization. As a result, the sector continues to benefit from the increasing demand for logistics services, which is amplified by the growth in e-commerce business and reverse logistics processing in the business-to-consumer segment. Challenges concern, in particular, continued pressure on margins, demographic trends and growing competition in the search for specialists, managers and young talent. Other factors are the growing importance of online retail, increasing customer requirements with regard to speed, flexibility and the quality of supply, and increasing environmental consciousness among the population. The sector is currently experiencing staff shortages particularly in the areas of warehouse workers, truck drivers, locomotive drivers and IT managers.

In addition, when it comes to outsourcing activities, logistics companies are expected to be very willing to invest and highly innovative. A key focus here is to invest in transshipment, distribution and order-picking centers in conveniently situated locations. Contracts with customers are frequently concluded with terms of only a few years and space and handling equipment are often rented or leased.

Increasing customer requirements have greatly expanded the use of end-to-end information and communication technology along the process chains. Logistics service providers must increasingly adapt to changes such as the growing role of advancing automation and digitalization of process chains.

The logistics industry in Germany is the largest sector of the economy after the automotive industry and retailing. In addition to the importance of logistics services for industry and trade, the sector benefits from traditionally high exports, Germany's central location in Europe and the country's resulting role as a hub. Current risks include trade wars and protectionism, which would restrict global trade.

The current business situation at the end of 2024 for logistics service providers and their customers from industry and trade remains difficult. In particular, a weak order situation, including a drop in demand from China, poses challenges for manufacturing companies in Germany first and foremost. For example, the powerhouse German automotive industry produced significantly fewer vehicles than in the years before the COVID-19 pandemic.

The most recent BVL logistics indicator shows a slight upward trend in the business climate of German logistics companies at the end of the year (see chart in the outlook). Despite geopolitical uncertainties and structural crises, sentiment surrounding business expectations for the coming months has brightened slightly.

The global economy is based on finely tuned and interwoven logistics chains spanning the globe. This global network of supply chains is very fragile and could be severely tested again by the emergence of trade restrictions. In line with economic activity, the SCI Logistics Barometer performance indicator at the end of 2024 was slightly above the year-end value of 2023 yet once again remained negative.

The development over the course of the year was volatile and largely influenced by the uncertainty in the logistics sector due to the aforementioned factors such as economic weakness, low transport volumes and an overall tough market environment.

At the end of 2024, a high proportion of 48 percent of respondents rated the current business situation as “poor”, while 32 percent characterized it as “normal” and 20 percent as “good”. In addition to the global crises, increasing costs and the ever-growing shortage of skilled staff were key factors in this assessment.

Sources for this section:
BVL Logistics Indicator 4th Quarter 2024, including commentary
SCI Verkehr, SCI Logistics Barometer, December 2024

## Board of Management's overall assessment of the economic environment

Due to the ongoing war between Russia and Ukraine and the conflicts in the Middle East and the Red Sea, BLG LOGISTICS anticipated another challenging year in its planning for the 2024 financial year, based on the continuing uncertainties at the start of 2024 which stemmed from persistently high interest rates, the impending U.S. presidential elections and the fact that consumer confidence remained low. The global economic and geopolitical dynamic in the reporting year confirmed this projection. A series of crises took precedence on the global political stage.

Nevertheless, BLG LOGISTICS closed the 2024 financial year far better than anticipated, which, given the large number of crises and challenges, was again a commendable performance.

However, we know that the economic uncertainties are likely to continue or even grow. As a logistics service provider and port operator, we are feeling the effects of these economic developments. Nevertheless, with our three divisions and our diversification, we are well positioned.

In the AUTOMOBILE Division, volumes in vehicle handling and transport were significantly below the expected values and undercut the previous year's level in the 2024 financial year. This is due in particular to the economic situation and the challenges facing automotive manufacturers. Nevertheless, the results achieved by the AUTOMOBILE Division once again marked an improvement compared to the previous year. There are multiple reasons for this, including:

- In the seaport terminals, we are dependent on the global market and not exclusively on developments in Germany;
- Good capacity utilization at the seaport in the inland terminals on the whole, in particular with regard to technical services led to improved contributions to earnings;
- There is a general trend for car makers to increasingly outsource more activities to (logistics) service providers;
- Unplanned spot transactions and an optimized mix of in-house and external services in our service portfolio
- Despite some severe infrastructure disruptions (construction sites, closures, etc.) and the continuing shortage of truck drivers and train drivers, many cars continued to be transported by road and rail.

The CONTRACT Division provides contract logistics at more than 40 locations in Germany and around the world. Since the organizational restructuring at the beginning of 2024, the locations and countries have been integrated into a regional structure. This organization is divided into eight regions within Germany and is split into three key sectors: Consumer & Fashion, Industrial & Energy and Mobility.

Consumer goods and e-commerce services in particular were again in demand. On the whole, the CONTRACT Division failed to meet expectations in the 2024 financial year. In the reporting year, higher volumes, increased productivity and additional business were unable to fully compensate for sometimes sharp declines in volumes due to reduced demand, particularly when it came to car part logistics and other industrial logistics at individual locations, as well as various one-off effects. At present, the market does not show any signs of rebounding. Even at the port of Neustadt, the expected volumes and revenues could not be achieved, primarily due to a weak start to the year.

Despite the difficult economic situation and geopolitical crises, the CONTAINER Division was able to close the 2024 financial year with earnings significantly above expectations. The EUROGATE Group benefited from additional earnings from storage fees and reefer revenues, which resulted in particular from the continuing crisis situation in the Red Sea and the resulting schedule deviations among shipping companies.

On the whole, the inland container terminals of the EUROGATE Group handled slightly more containers than expected in the reporting year. Compared with the previous year, the increase came to around 11 percent. The structural and lasting changes in the container industry and shipping company alliances continued in the reporting year. Competition for container volumes is becoming increasingly tough, making it imperative to forge ahead with implementing the transformation measures aimed at stabilizing the future of the EUROGATE GROUP.

The trend on the part of the shipping lines to commission additional ultra-large shipping vessels continues unabated. Given this trend, the EUROGATE Group is also expected to see an increase in the number of ultra-large container ships calling at its terminals.

Overall, thanks to its diversification, BLG LOGISTICS was able to leverage the opportunities that 2024 presented and initiated many changes that make us – even in times of multiple crises – robust, agile and fit for the future.

BLG LOGISTICS sees potential for growth arising from, for example:

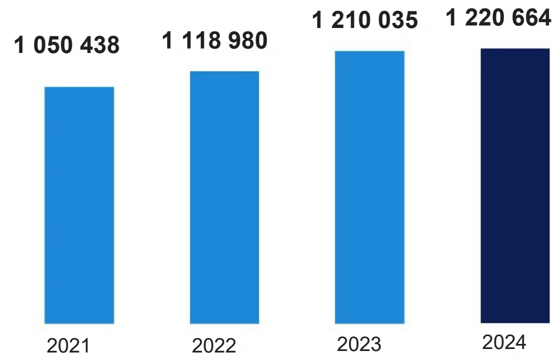
- New customers such as Chinese manufacturers
- New shipping companies entering the market
- OEMs' new sales strategies that result in new logistics requirements
- Changes in the fleet and mobility market
- The strengthening of loading segments such as high & heavy, project logistics or
- Logistics for alternative energy sources (carbon capture/offshore wind farms)

Nevertheless, BLG LOGISTICS continues to operate in a volatile market environment. To enable us to meet these challenges, we are continuing to relentlessly tackle topics such as the flexibility of our business model with the aid of digitalization/artificial intelligence, automation and sustainability, and are working intensively to constantly improve BLG LOGISTICS' economic position.

This assessment is based on the results of the combined financial statements for 2024 and takes into account business performance up to the time the combined group management report was prepared in 2025. The business development at the beginning of 2025 was in line with our expectations.

## Business performance

### Financial performance




Revenue development (in EUR thousand)

In the 2024 financial year, combined Group revenue increased only slightly by EUR 10,629 thousand year on year to EUR 1,220,664 thousand. Volumes, which fell across the board due to the muted economy, were able to be offset by storage fees, among other things.

| **Sales revenues by segment**<br>**EUR thousand** | **2024** | 2023 | Change absolute | Change percentage |
|---|---|---|---|---|
| AUTOMOBILE | 687,534 | 641,883 | 45,651 | 7.1 |
| CONTRACT | 535,621 | 569,143 | -33,522 | -5.9 |
| CONTAINER | 338,104 | 301,914 | 36,190 | 12.0 |
| Reconciliation[1] | -340,595 | -302,905 | -37,690 | -12.4 |
| **Group total** | **1,220,664** | **1,210,035** | **10,629** | **0.9** |

[1] The "Reconciliation" line presented here and in the following tables includes the derecognition of the CONTAINER Division (due to equity accounting) and the figures for the central departments (Services).

| Indicators relating to financial performance EUR thousand | 2024 | 2023 | Change absolute | Change percentage |
|---|---|---|---|---|
| **Revenue** | **1,220,664** | **1,210,035** | **10,629** | **0.9** |
| Other income | 52,069 | 48,938 | 3,131 | 6.4 |
| Net income (net loss) of companies accounted for using the equity method[2] | 63,645 | 21,374 | 42,271 | 197.8 |
| Cost of materials | -436,913 | -503,185 | 66,272 | 13.2 |
| Personnel expenses | -526,922 | -492,174 | -34,748 | -7.1 |
| Other expenses | -186,539 | -154,237 | -32,302 | -20.9 |
| Depreciation, amortization and impairment | -82,662 | -84,559 | 1,897 | 2.2 |
| **EBIT** | **103,342** | **46,192** | **57,150** | **123.7** |
| Financial result | -11,551 | -10,097 | -1,454 | -14.4 |
| **EBT** | **91,791** | **36,095** | **55,696** | **154.3** |
| **EBT margin (in %)** | **7.5** | **3.0** | **4.5** | **150.9** |
| Combined net profit for the year (earnings after taxes/EAT) | 85,816 | 33,430 | 52,386 | 156.7 |

This revenue increase was attributable in particular to the AUTOMOBILE Division, which grew by EUR 45,651 thousand to EUR 687,534 thousand. The increases in revenue here are primarily attributable to higher income in the transport segment and technical services, and to increased storage fees. In contrast, the CONTRACT Division in particular had to contend with declining volumes at its facilities where we provide logistics services to the automotive industry. This had a significant impact on sales revenues, which fell in this segment by EUR 33,522 thousand year on year.

With a significant rise in the volume of turnover among the fully consolidated companies in Germany, the CONTAINER Division recorded a 12 percent increase in Group revenue to EUR 338,104 thousand (previous year: EUR 301,914 thousand). Apart from the slight increase in handling volumes, the rise in revenue was mainly attributable to significantly higher income from storage fees. Since the EUROGATE Group, which represents the CONTAINER Division, is included in the combined financial statements using the equity method, this revenue is not included in the reported combined Group revenue.

Other income was EUR 3,131 thousand higher than in the previous year. Compared with 2023, higher income (EUR 2,932 thousand) was generated from the disposal of property, plant and equipment through the sale of trucks generated, among other things. In addition, higher income from inventory and price differences (EUR +1,871 thousand), exchange rate gains (EUR +749 thousand), and recycling (EUR +326 thousand), along with other factors, generally helped to offset lower income from reversals of liabilities (EUR -3,281 thousand) compared with 2023 and lower income from the recharging of expenses (EUR -1,671 thousand).

Net profit from equity-accounted entities amounting to EUR 63,645 thousand (previous year: EUR 21,374 thousand) primarily included the net investment income from the measurement of EUROGATE GmbH & Co. KGaA, KG (EUROGATE) accounted for using the equity method at EUR 61,190 thousand (previous year: EUR 18,202 thousand). For further information concerning the substantial year-on-year increase, please refer to the remarks below relating to the CONTAINER Division.

At -13.2 percent, the cost of materials has changed substantially year on year compared with revenue, which increased by 0.9 percent. This development can largely be attributed to the lower engagement of third-party services (subcontractors) due to lower volumes spurred by economic factors in many places. As a result, costs for purchased services were down EUR 40,682 thousand year on year. There was also a lower need to compensate for capacity peaks in industrial logistics, for example. Expenses for third-party personnel fell by EUR 16,190 thousand.

[2] On account of the significant contribution of the CONTAINER Division to earnings, income from equity investments is included in EBIT.

Personnel expenses rose significantly in the reporting year to EUR 526,922 thousand (previous year: EUR 492,174 thousand). The rise was primarily attributable to new collective wage agreements, which led to an increase in the basic remuneration for employees, while the number of employees fell slightly (-3.2 percent).

Other expenses in the reporting year were up EUR 32,302 thousand, primarily as a result of higher one-time effects (expenses for expected losses up by EUR +16,826 thousand) and significantly higher IT costs owing to additional projects and external resources (EUR +13,609 thousand) along with an increase in personnel expenses to cover restructuring measures and obligations from job security measures (EUR +10,231 thousand).

Depreciation, amortization and impairment decreased by EUR 1,897 thousand in the 2024 financial year. Current depreciation and amortization expense remained in line with the previous year, amounting to EUR 47 thousand. By contrast, total impairment losses fell by EUR -1,944 thousand, EUR 4,450 thousand of which related to buildings and related assets.

Net financial income/net finance costs declined year on year by EUR 1,454 thousand to EUR -11,551 thousand. A particular reason for this is higher interest expenses for lease liabilities (regarding right-of-use assets; EUR +1,711 thousand). Interest income from bank balances offset the higher interest rates for non-current loans resulting from the increase in the general level of interest rates.

Earnings (EBT) in the AUTOMOBILE and CONTAINER Divisions showed a marked improvement (see disclosures below). Overall, EBT increased substantially year on year by EUR 55,696 thousand. EBIT rose accordingly year on year by EUR 57,150 thousand to EUR 103,342 thousand. The EBT margin in the 2024 financial year therefore came to 7.5 percent (previous year: 3.0 percent).

Income taxes in the reporting year were EUR 5,975 thousand (previous year: EUR 2,665 thousand). This increase is due, in particular, to higher current tax expenses (EUR -4,103 thousand), while income from deferred taxes (+EUR 793 thousand) improved slightly.

As a result of the developments described, the Group's earnings after tax rose by EUR 52,386 thousand to EUR 85,816 thousand.

| **EBIT by segment EUR thousand** | **2024** | 2023 | Change absolute | Change percentage |
|---|---|---|---|---|
| AUTOMOBILE | 73,608 | 46,199 | 27,409 | 59.3 |
| CONTRACT | -2,315 | 8,864 | -11,179 | -126.1 |
| CONTAINER | 76,072 | 27,431 | 48,641 | 177.3 |
| Reconciliation | -44,023 | -36,302 | -7,721 | -21.3 |
| **Group total** | **103,342** | **46,192** | **57,150** | **123.7** |

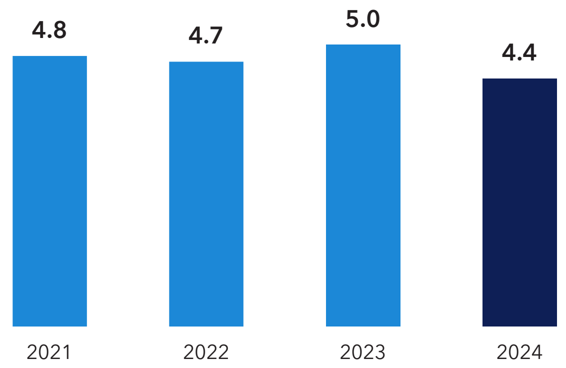
| **EBT by segment EUR thousand** | **2024** | 2023 | Change absolute | Change percentage |
|---|---|---|---|---|
| AUTOMOBILE | 64,297 | 36,182 | 28,115 | 77.7 |
| CONTRACT | -2,786 | 9,422 | -12,208 | -129.6 |
| CONTAINER | 68,034 | 18,528 | 49,506 | 267.2 |
| Reconciliation | -37,754 | -28,037 | -9,717 | -34.7 |
| **Group total** | **91,791** | **36,095** | **55,696** | **154.3** |

## **AUTOMOBILE** Division

**4.4 million**

**vehicles** in 2024, we handled, transported, or technically processed.

The AUTOMOBILE Division is a leading technical and logistics service provider for the international automotive industry. In this division, the company offers multimodal transport concepts with global logistics reach and dovetails customized and innovative technical service packages.




Vehicles handled (in millions)

Along the global value chains of the automotive industry, as described above, various factors influenced developments in the AUTOMOBILE Division in the 2024 financial year. Due to the economic and geopolitical framework conditions, the volume of vehicles handled, transported and technically processed fell by 0.6 million compared to the previous year to roughly 4.4 million vehicles. Nevertheless, net profit recorded a substantial improvement as described below.

| EUR thousand | 2024 | 2023 |
|---|---|---|
| Revenue | 687,534 | 641,883 |
| EBIT | 73,608 | 46,199 |
| EBT | 64,297 | 36,182 |
| EBT margin (in %) | 9.4 | 5.6 |

In the seaport terminals business area, overall throughput fell below the persistently low levels recorded in previous years. The car terminal in Bremerhaven processed around 1.3 million vehicles, roughly 15 percent less than in the previous year, primarily due to the economic climate. Turnover at the Cuxhaven AutoTerminal fell even further in percentage terms. Despite these developments, the business area closed the 2024 financial year significantly above expectations. One-time business, additional storage fee revenues and value-adding technical services had a particularly positive impact in this regard. Furthermore, significantly fewer external personnel were required than planned and maintenance expenses were not incurred in line with the forecast due to the lack of internal and external resources. In Cuxhaven, the terminal's earnings were also positively influenced by permanently leased space and special orders. In the high & heavy segment, the handling volume was also slightly below the previous year's level as a result of the economic situation.

Vehicle handling remained at the previous year's level in the inland terminals business area, largely due to stable customer volumes, spot transactions, optimal capacity utilization and enhanced value creation through technical services. Additional new transactions contributed positively to the results. As a result, the business area ended the 2024 financial year well ahead of initial projections.

The AutoTransport business area experienced a downturn in the volumes of goods transported by truck and shipped by inland waterway vessels. This was largely compensated by spot transactions at reasonable rates, by the sale of trucks and, above all, by the reduced use of subcontractors, whose remuneration had recently increased due to tight market capacities.

Conversely, the rail business area faced numerous obstacles. A lack of available lines due to construction works and route closures, maintenance costs, a shortage of skilled locomotive drivers at the unloading terminal and in the repair shop and at times high absenteeism rates had a significant impact on productivity and earnings. Additionally, lower volumes compared with the previous year due to the economic climate meant that the rail business area was unable to fully meet projected performance expectations in the reporting year.

In the Southern/Eastern Europe business area, the Gdansk location profited from one-time transactions and was therefore able to offset volumes that were lower than expected. Accordingly, the business area was able to close 2024 above expectations.

Due to the developments described above, especially in the seaport terminals business area, EBT in the AUTOMOBILE Division for the 2024 financial year, at EUR 64,297 thousand, was substantially higher than the previous year's figure of EUR 36,182 thousand and therefore also above expectations.

### **CONTRACT** Division

| **EUR thousand** | **2024** | 2023 |
|---|---|---|
| Revenue | 535,621 | 569,143 |
| EBIT | -2,315 | 8,864 |
| EBT | -2,786 | 9,422 |
| EBT margin (in %) | -0.5 | 1.7 |

At

> 40

**locations** we are present in Europe and overseas for our customers.

The CONTRACT Division manages complex projects and offers its customers reliable logistics solutions. We work at our logistics centers and our customers' production facilities and plants at over 40 locations in Europe and overseas.

In an environment characterized by multiple crises, the CONTRACT Division was unable to improve on the strong results recorded in the previous year in the 2024 financial year. In many places, the order situation and volumes handled in car parts logistics were significantly below expectations as a result of the economic climate. One-off effects such as adjustments for impairment also had an impact on earnings. Successful locations in the consumer goods industry as well as additional and new business generated were unable to fully compensate for this.

At our largest industrial logistics site in Bremen, the CKD (completely knocked down) and body-in-white areas continued to face challenges throughout the 2024 financial year. These facilities were affected by reduced volumes, productivity issues and the shortfall of projected volumes. It was possible to mitigate the effects of this through countermeasures such as cost reductions, restructuring and process improvements.

At the retail logistics sites, volumes in the fashion market segment sometimes fell below expectations; however, these were on the whole offset by stable business at other sites with established customers. The fashion segment was also adversely affected by impairment losses and restructuring expenses.

At the port of Neustadt in Bremen, the volume of tonnage handled (onboard handling) was lower year over year at 1.3 million tons overall, slightly below expectations. Low tonnage in the first two months of 2024 is the primary reason behind this decline.

At our overseas industrial logistics sites, the South African site in particular has once again continued on its positive trajectory. The site was able to close the year much better than originally expected. In contrast, the US business closed the 2024 financial year on a negative, as a result of vacancy costs and other factors.

Overall, the CONTRACT Division failed to meet expectations in the challenging climate. EBT of EUR -2,786 thousand was down EUR 12,208 thousand year on year.

**CONTAINER** Division

**With**

**11**

**container terminals**, the EUROGATE Group is represented at 8 different locations, from the North Sea to the Mediterranean.

The CONTAINER Division of BLG LOGISTICS is represented by half of the company shares in the joint venture EUROGATE GmbH & Co. KGaA, KG (EUROGATE). This company operates – in some cases with partners – container terminals in Bremerhaven, Hamburg and Wilhelmshaven (Germany), at the Italian locations La Spezia, Ravenna and Salerno, in Limassol (Cyprus), as well as in Tangier (Morocco). The EUROGATE Group also has holdings in several inland terminals and railroad transport companies.

In addition, EUROGATE became a shareholder in the "Damietta Alliance Container Terminal S.A.E." joint venture in 2022, which will be responsible for realizing the construction, development and operation of a new terminal in the port of Damietta in Egypt.

The CONTAINER Division's business mainly involves container handling. Complementary services are also provided in the form of intermodal services, such as the carriage of sea containers to and from the terminals, repairs, depot storage and trading of containers as well as cargomodal services and technical services.

The following figures correspond to the 50 percent ownership interest in EUROGATE.

| EUR thousand | 2024 | 2023 |
|---|---|---|
| Revenue | 338,104 | 301,914 |
| EBIT | 76,072 | 27,431 |
| EBT | 68,034 | 18,528 |
| EBT margin (in %) | 20.1 | 6.1 |

Given the significant rise in the handling volumes among the fully consolidated companies in Germany, EUROGATE recorded a 12 percent boost in revenue to EUR 338.1 million (previous year: EUR 301.9 million). In addition to the notable increase in handling volumes, the rise in revenue was mainly attributable to significantly higher income from storage fees.

Against this backdrop, the operating result (EBIT) rose significantly to EUR 76,072 thousand (previous year: EUR 27,431 thousand). The change in the commitments from TEU guarantees, for which a provision of EUR 3.8 million was made in the previous year and which resulted in income of EUR 19.2 million once it was no longer applicable, was also a decisive factor here. Overall, earnings from associates and joint ventures improved substantially to EUR 4.0 million in total in the reporting period (previous year: EUR -0.3 million) along with an uptick in other financial income of EUR 1.2 million (previous year: EUR -0.1 million) and net profit for the year, which came to EUR 61.2 million (previous year: EUR 18.3 million).

The volume of turnover at German EUROGATE Group sites was projected to increase in 2024 as of last year's forecast date. This outlook was largely based on assumptions made by the partners and customers of local joint ventures. The realized turnaround development confirmed these expectations with a significant increase in turnover volumes at all German sites.

In the 2024 financial year, EUROGATE was forecast to achieve significantly reduced but still positive earnings due to the general conditions which its subsidiaries and associates were subject to and the one-off effects arising from the reversal of provisions included in its previous year's earnings. However, earnings on the whole developed much better than anticipated at the time of the 2024 outlook due to the improvement in handling volumes compared to the forecast, earnings from the reversal and derecognition of liabilities, and the substantial increase in income from storage fees.

The result from the equity-method inclusion, reflecting the development of the proportionate equity, stood at EUR 61,190 thousand, which was substantially higher than the previous year's figure of EUR 18,202 thousand.

**Comparison of financial performance in 2024 against the forecast for the 2024 financial year**

**1,221 million**
**Revenue**

**91.8 million**
**EBT**

**7.5 %**
**EBT margin**

Results for the 2024 financial year

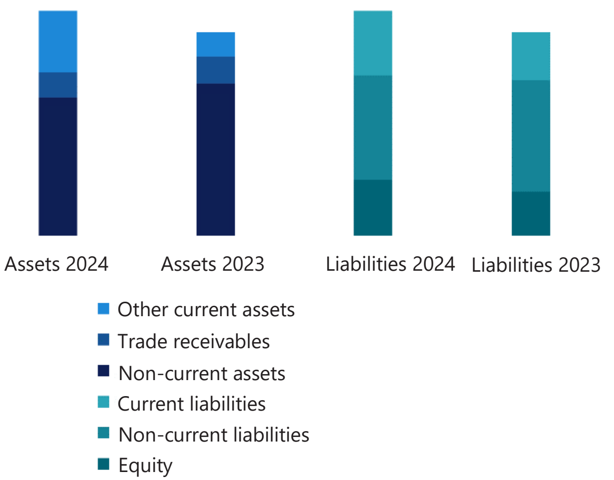
At the time of the forecast was prepared for the 2024 financial year, the war between Russia and Ukraine was still ongoing. New conflicts that have emerged in the Middle East led to the expectation that vessels would be diverted and supply chains affected in response. Consumer confidence remained low while high interest rates prevailing unabated and the upcoming presidential election in the United States added uncertainty to the picture.

In this very uncertain environment, BLG LOGISTICS initially assumed that sales revenues could increase slightly from 2023 levels, but that earnings (EBIT and EBT) would likely be substantially lower. We also forecast the development of RoCE and EBT margin accordingly.

| | Forecast 2024 | Actual 2024 |
|---|---|---|
| EBT | significant decrease | significant increase |
| EBIT | significant decrease | significant increase |
| Revenue | slightly above previous year | slightly above previous year |
| EBT margin | significant decrease | significant increase |
| RoCE | significant decrease | significant increase |

As the table and descriptions above show, the projections for the 2024 financial year were largely exceeded. The positive earnings performance of the AUTOMOBILE and CONTAINER Divisions described above, in particular, resulted in an overall result that was significantly higher than expected and substantially higher than the previous year at EUR 91,791 thousand (EBT). The RoCE and EBT margin also reflected this trend.

**Assets and liabilities**




Balance sheet structure

At the end of the reporting year, total assets came to EUR 1,408,040 thousand and were therefore around 10 percent higher than the previous year's figure of EUR 1,317,368 thousand.

In respect of property, plant and equipment, total capital expenditure on non-current intangible assets and property, plant and equipment amounted to EUR 78,478 thousand in the 2024 financial year (of which EUR 39,555 thousand was non-cash in the period under review). This compares to divestments of EUR 7,730 thousand and depreciation, amortization and impairment losses in the amount of EUR 82,662 thousand, which were EUR 1,897 thousand lower year on year. At 37.8 percent, the capital intensity ratio fell slightly compared to December 31, 2023 due to the significant increase in the balance sheet total, as described below. Property, plant and equipment and intangible assets showed only a slight year-on-year change overall.

Significant changes arose on the assets side in shares in companies accounted for using the equity method. These decreased in the reporting year by EUR 63,025 thousand to EUR 145,256 thousand. This was attributable in particular to the fact that BLG LOGISTICS received a dividend of EUR 137,196 thousand from EUROGATE GmbH & Co. KGaA, KG in the reporting year (previous year: EUR 39,728 thousand), which significantly exceeded the earnings of EUR 61,190 thousand measured in the reporting year using the equity method. By contrast, current financial receivables rose substantially (EUR +100,872 thousand) and include the amount of the allocated dividend.

Another significant change on the assets side occurred in cash and cash equivalents, which reported an increase of EUR 95,028 thousand as of the reporting date compared to the previous year, resulting in a significantly positive impact on lower net debt.

Primarily due to the positive Group earnings (combined net profit for the Group of EUR 85,816 thousand), equity as of December 31, 2024 increased by EUR 70,980 thousand. The equity ratio increased accordingly from 21.7 percent in the previous year to 25.3 percent in the reporting year.

Another significant change on the liabilities side occurred within otherfinancial liabilities. Non-current financial liabilities for employee benefits rose by EUR 12,818 thousand compared with the previous year while liabilities for necessary personnel structure measures were up EUR 7,584 thousand. The increases are due to liabilities arising from restructuring measures (severance payments, social plans, etc.).

A detailed breakdown of the fair values of financial assets and liabilities and disclosures on hedging instruments can be found in note 32 of the notes to the combined financial statements.

| **Key performance indicators relating to assets and liabilities EUR thousand** | **2024** | 2023 | Change absolute | Change percentage |
|---|---|---|---|---|
| Total assets | 1,408,040 | 1,317,368 | 90,672 | 6.9 |
| Capital intensity (in %) | 37.8 | 41.3 | -3.5 | -8.5 |
| Working capital ratio (in %) | 137.8 | 105.9 | 31.9 | 30.1 |
| Equity | 356,657 | 285,677 | 70,980 | 24.8 |
| Equity ratio (in %) | 25.3 | 21.7 | 3.6 | 16.8 |
| Net debt | 287,964 | 488,461 | -200,497 | -41.0 |

## Financial position

| Key performance indicators relating to cash flows EUR thousand | 2024 | 2023 | Change absolute | Change percentage |
|---|---|---|---|---|
| Cash inflows from operating activities | 169,001 | 87,884 | 81,117 | 92.3 |
| Cash in-/outflows from investing activities | 22,023 | 13,087 | 8,936 | 68.3 |
| **Free cash flow** | **191,024** | **100,971** | **90,053** | **89.2** |
| Cash in-/outflows from financing activities | -90,467 | -63,876 | -26,591 | -41.6 |
| **Net cash change in cash funds** | **100,557** | **37,095** | **63,462** | **171.1** |
| Change in cash funds due to foreign exchange rates and the group of consolidated companies | 918 | -1,517 | 2,435 | 160.5 |
| Cash funds at start of financial year | 32,943 | -2,635 | 35,578 | 1,350.2 |
| **Cash funds at end of financial year** | **134,418** | **32,943** | **101,475** | **308.0** |
| **Composition of cash funds** | | | | |
| Cash | 134,960 | 39,932 | 95,028 | 238.0 |
| Current liabilities to banks | -542 | -6,989 | 6,447 | 92.2 |
| **Cash funds at end of financial year** | **134,418** | **32,943** | **101,475** | **308.0** |

| Net debt EUR thousand | 2024 | 2023 | Change absolute | Change percentage |
|---|---|---|---|---|
| Non-current loans | 137,582 | 151,856 | -14,274 | -9.4 |
| Other non-current financial liabilities | 492,992 | 521,086 | -28,094 | -5.4 |
| Current financial liabilities | 164,505 | 148,379 | 16,126 | 10.9 |
| **Financial debt** | **795,079** | **821,321** | **-26,242** | **-3.2** |
| Non-current financial receivables | 202,485 | 224,130 | -21,645 | -9.7 |
| Current financial receivables | 169,670 | 68,798 | 100,872 | 146.6 |
| Cash and cash equivalents | 134,960 | 39,932 | 95,028 | 238.0 |
| **Net debt** | **287,964** | **488,461** | **-200,497** | **-41.0** |

Based on assumed earnings before taxes of EUR 91,791 thousand in 2024, cash flows of EUR 169,001 thousand were generated from operating activities (previous year: EUR 87,884 thousand). The free cash flow of EUR 191,024 thousand was in clearly positive territory and EUR 90,053 thousand above the previous year's figure of EUR 100,971 thousand.

In particular, the significant increase in earnings in the AUTOMOBILE Division had a positive effect on cash inflows from operating activities. The change in trade payables as of the reporting date also substantially improved cash flows from operating activities.

Cash flow from investing activities also improved in the reporting year. The slightly lower payments for investments totaling EUR 38,921 thousand are compared significantly higher payments from dividends received in the amount of EUR 38,743 thousand in the previous year. The positive effect is reinforced by increased payments from the repayment of lease receivables (EUR 28,898 thousand). More information can be found in the detailed statement of cash flows in the ▸combined financial statements. Further disclosures on the statement of cash flows can also be found in ▸note 37 of the notes to the combined financial statements.

Cash flow from financing activities was also negative in the financial year, as the debt owed to credit institutions was further reduced.

In contrast, there were, among other things, higher payments to company owners (increase of EUR 8,230 thousand).

In total, cash funds improved significantly in the financial year by EUR 101,475 thousand to EUR 134,418 thousand.

Investments are financed by operating cash flows, non-current debt (loans) and through leases.

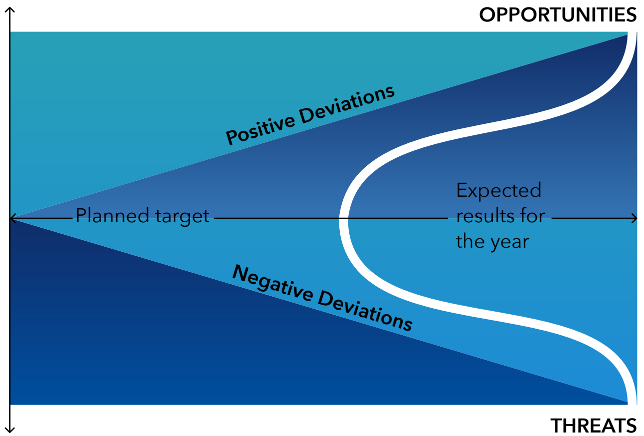
As of the reporting date, credit facilities to the value of EUR 76.5 million had been agreed but not utilized. Under existing factoring contracts, a volume of EUR 21.4 million was unutilized as of December 31, 2024.

Financial debt fell slightly by EUR 26,242 thousand compared to the previous year. The reduction in non-current loans of EUR -14,274 thousand compared with the previous year and the reduction in other non-current financial liabilities of EUR 28,094 thousand, in particular, had a positive effect.

The significant decline in net debt was also influenced by the increase in current financial receivables. Here, finance receivables from shareholder accounts at companies accounted for using the equity method fell significantly by EUR 94,929 thousand year on year, while non-current lease receivables fell by EUR 23,344 thousand.

# **Risk and** Opportunities Report

**Risks**




Possible deviations from planned targets represent risks – both negative ("threats") and positive deviations ("opportunities").

## Principles of risk and opportunity management

Running a business entails risks and opportunities. Handling potential risks and opportunities responsibly is a key element of sound corporate governance for BLG LOGISTICS. Our risks and opportunities policy aims to increase the company's value without taking any disproportionately high risks.

## Risk and opportunity culture

The BLG Group aims to achieve profitable growth while accounting for sustainability-related targets.

As part of the corporate culture of BLG LOGISTICS, our risk and opportunity culture encompasses the company's basic attitude and code of conduct for managing risks and opportunities. It has a substantial impact on risk awareness in our business decisions and provides the foundation for establishing appropriate and effective measures to enable us to pursue our opportunities in a safe and responsible manner.

Our risk and opportunity culture therefore lays the groundwork for success in risk management. Risk management works provided that transparency and a willingness to actively communicate and collaborate are practiced as part of a tangible risk culture.

## Integrating compliance and risk management systems with the internal control system[1]

Responsible, continuous and systematic management of operating risks and of opportunities is of fundamental importance to BLG LOGISTICS. For that reason, we rely on a close integration of the compliance and risk management systems with the internal control system (ICS). The three systems are described in more detail below:

**Main features of the compliance organization**
Compliance means conforming to all statutory and internal company regulations, such as guidelines and organizational instructions, with the goal to avoid and minimize liability.

In its Code of Conduct, BLG LOGISTICS undertakes to comply at all times with the applicable laws and with the company's internal guidelines.

[1]The disclosures in this section do not pertain to the management report and have not been audited by the auditor.

Using these fundamental values and on our own ethical principles, we want to be a fair and reliable partner for our customers, business partners and shareholders.

The goal of compliance is to ensure that an organization operates in a manner that is legally and ethically sound. This includes preventing breaches of law from within the organization. It is therefore the job of the compliance officer to support the management and employees responsible for BLG LOGISTICS' business processes in achieving these goals.

In accordance with the rules of procedure of the Board of Management of BLG AG, the compliance officer reports to the Board of Management member responsible for compliance, the Chief Compliance Officer. At the invitation of the Board of Management, the compliance officer reports on the current status of compliance activities at BLG LOGISTICS at meetings of the entire Board of Management. The compliance officer also reports directly to the Supervisory Board of BLG AG.

The entire Board of Management supports the compliance officer in the exercising of their duties.

The compliance officer has set up a regular Compliance Committee. The compliance officer acts as the point of contact for the external compliance ombudsperson, and at the same time assumes the role of internal ombudsperson. In December 2024, BLG LOGISTICS launched the BLG Integrity Line, a web-based whistleblower system that allows whistleblowers to report potential violations of relevant laws or internal guidelines. These reports can be submitted anonymously. This system helps to improve transparency and fosters an open corporate culture by providing employees, business partners and other stakeholders with a safe platform for addressing potential misconduct. The BLG Integrity Line complements our compliance management system (CMS) and actively contributes to preventing and investigating breaches of law.

In the event of a violation of relevant laws or internal guidelines of BLG LOGISTICS, the compliance officer also supports the internal investigations of the Audit department.

Where sanctions are required, the compliance officer, in coordination with the Human Resources department, proposes the necessary measures on the Compliance Committee. The Human Resources department then implements the proposals in coordination with the Board of Management, the relevant management body and the Compliance Committee.

The compliance management system (CMS) prevents misconduct within the organization and counters compliance risks or breaches of law within the organization or from within BLG LOGISTICS through preventive measures.

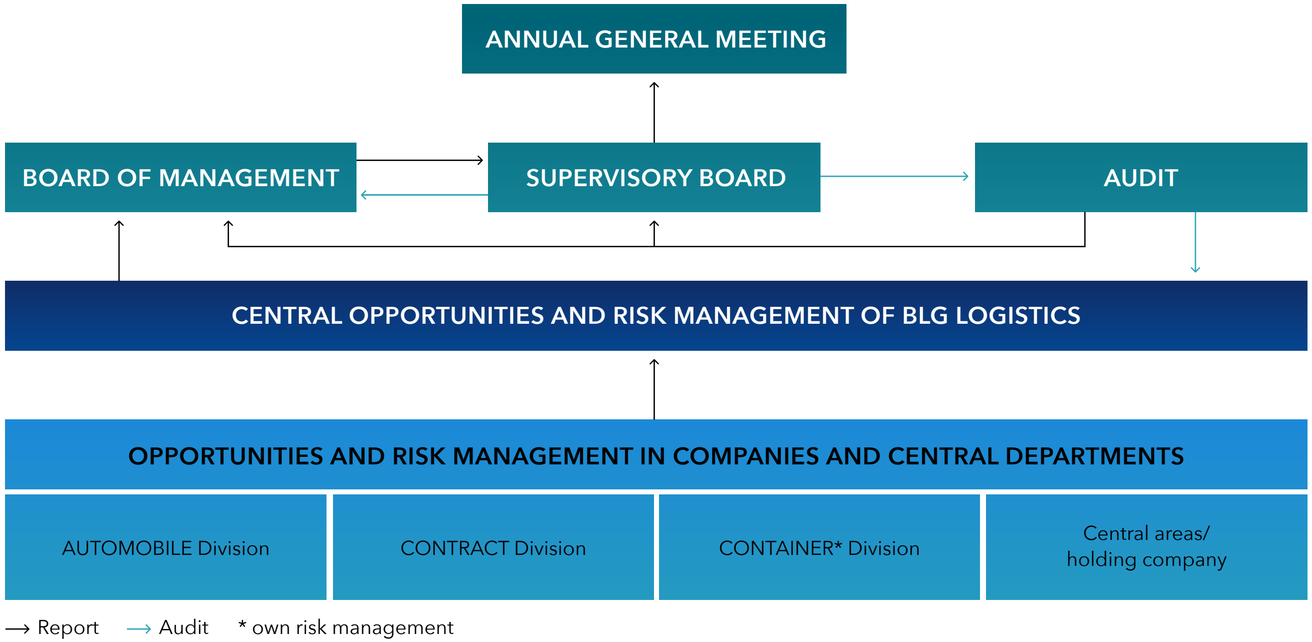
The German Supply Chain Act (Lieferkettensorgfaltspflichtengesetz – LkSG), which came into force on January 1, 2023, is intended to improve compliance with human rights internationally by establishing the human rights due diligence obligations that companies must observe. It also aims to achieve improvements in environmental matters. The act defines requirements for responsible management based on these aims.

In 2024, we further expanded our initiatives under the Supply Chain Act. BLG LOGISTICS has specifically identified and assessed potential risks in our supply chain in order to effectively implement human rights and environmental due diligence obligations.

**Basic elements of risk management**
In line with the risk strategy of the BLG Group, the basic conceptual elements of the risk management system are implemented centrally and described in the Group's risk management guidelines, using a standardized approach to ensure that the Group is covered by clear risk accountability. This results in systematic and comparable risk identification/documentation and risk analysis/assessment.

Particular attention is given to so-called extreme risks, namely risks with a high level of damage but a low likelihood of occurrence. Extreme risks include catastrophic natural disasters, economic crises or terrorist attacks. Our Business Continuity Management (BCM) also intervenes in the event of resulting business interruptions. This system develops strategies, plans and actions that safeguard activities or processes or provide alternative procedures.

The objective of risk management is to create a shared awareness and positive understanding among management and all employees of how to manage business risks in order to maintain the company's risk-bearing capacity. The aim is to identify and assess risks, to manage these risks efficiently through appropriate and effective measures, to monitor these risks, and to ensure ongoing risk reporting as a basis for making substantiated decisions. Risk management should thus contribute to implementing the corporate strategy and achieving the corporate aims.




The objectives of risk management are:

- Early detection and prevention of crises and insolvencies (security of business)
- Improving planning reliability and minimizing risk costs through optimum risk management
- Substantiated preparations for business decisions with risk analyses as a way of improving the success of the business
- Achieving sustainability-related business targets and monitoring sustainability-related risks with regard to the three aspects of ESG (environment, social, governance), taking into account the principle of double materiality (i.e. both the impact of external risks on BLG LOGISTICS and the impact of the Group on its external environment are taken into consideration)

**Risk management organization**
Responsibility and roles in connection with the measures pursuant to Section 91 (2) and (3) AktG are clearly defined in the BLG Group's organizational charts and specified, communicated and documented in the risk management tool. BLG LOGISTICS ensures that those vested with responsibility meet the required personal and professional criteria and receive regular training from central Risk Management. As part of the annual planning process, BLG ensures that sufficient resources are made available for measures designed to promptly identify, evaluate, control and monitor developments that could jeopardize the organization's continued existence as a going concern. The main rules on the organizational structure and workflows are documented and made binding.

## Risk and opportunity management at BLG LOGISTICS
The risk management organization encompasses the following components:

- The organizational structure describes the tasks and responsibilities of all persons responsible for the risk management process and the measures taken to maintain the implemented system at a consistently high level and to communicate developments to those responsible in a structured and systematic manner.
- The risk management process is the process of assessing risks by identifying, documenting, analyzing, evaluating, controlling, monitoring, and communicating and reporting risks.
- The platform for an effective risk management system is the risk management tool, which enables risk managers to exchange information, prepare assessments and consolidate risks in a timely and flexible manner.
- The divisions submit reports on the risk management tool on a continuous basis. The risks entered in the risk management tool are evaluated and monitored by centrally responsible risk managers. The Risk Committee then validates and examines reported risks with regard to their nature and scope. This also involves the option of transferring risks to another risk officer and appointing a person to be in charge of the measures taken. The committee is responsible for general quality assurance, including presenting and commenting on risk exposure. Furthermore, the committee supports the further development of corporate governance (including the integration between the risk management system, internal control system, compliance and internal audit, i.e. integrated GRC). Detailed risk reports are submitted to the Board of Management and the Supervisory Board at least four times a year.

## Aims and methods of financial risk management
The principal financial instruments used to finance the Group include non-current loans, current borrowings, lease liabilities, other borrowings, factoring and cash, including short-term deposits with banks. BLG LOGISTICS has access to a range of other financial instruments, such as trade receivables and payables, that arise directly as part of its operations.

Financial risk management is the responsibility of the Treasury department, whose tasks and objectives are described in guidelines adopted by the Board of Management. The central task besides managing liquidity and arranging financing is minimizing financial risks at Group level. This includes preparing and analyzing financing and hedging strategies and contracting hedging instruments.

The material risks for the Group resulting from financial instruments are credit risks (of receivables), counterparty risks, foreign currency risks, liquidity risks and interest rate risks. The Board of Management adopts risk management guidelines for each of these risks and verifies compliance with these guidelines. At Group level, the current market price risk for all financial instruments is also monitored.

Hedge accounting is applied if derivative financial instruments are used as hedging instruments and the requirements for hedge accounting in accordance with IFRS 9 are met. The objective is to reduce inconsistencies in recognition or measurement arising from gains or losses from a hedging instrument not being credited or charged to the same account in the financial statements as the gains or losses from the hedged risk, for instance. The Group's accounting and valuation policies for derivatives and other disclosures on hedge accounting are presented in the “Derivative financial instruments” section.

### Capital risk management

An important capital management objective for BLG LOGISTICS is to ensure the ability of the company to continue as a going concern in order to provide income to shareholders and to provide other stakeholders with the benefits to which they are entitled. Additional goals are to optimize liquidity security and maintain an optimum capital structure (incl. the company’s equity base) in order over the long term to reduce the costs of capital in general and the refinancing risk in particular.

BLG LOGISTICS monitors its capital on the basis of the equity ratio and other key performance indicators. Assurances have been made to all partner banks with regard to equal treatment and the change-of-control clause.

**Internal control system**

As the set of all systemically defined controls and monitoring activities in the company, the internal control system (ICS) is designed to safeguard assets, to ensure the security, completeness and reliability of internal and external reporting and to guarantee compliance of all activities with the relevant laws, regulations, ISO standards, internal directives and work instructions. The ICS is embedded in the procedural workflows of BLG LOGISTICS and helps create transparency in the business processes.

By design, the internal control system at BLG LOGISTICS considers all material business processes and goes beyond controls in the accounting process. The non-financial ICS covers topics such as environmental violations, occupational health and safety, and anti-corruption.

The ICS and the elements that contribute to it are regularly the focus of audit activities by the Internal Audit department. These are activities carried out either within the scope of the risk-based annual audit plan or within the scope of audits scheduled during the year at the request of management.

## Integrated risk, compliance and ICS approach[2]

Risk management within the BLG Group is based on an integrated governance, risk and compliance model, which facilitates responsible management of risks and opportunities.

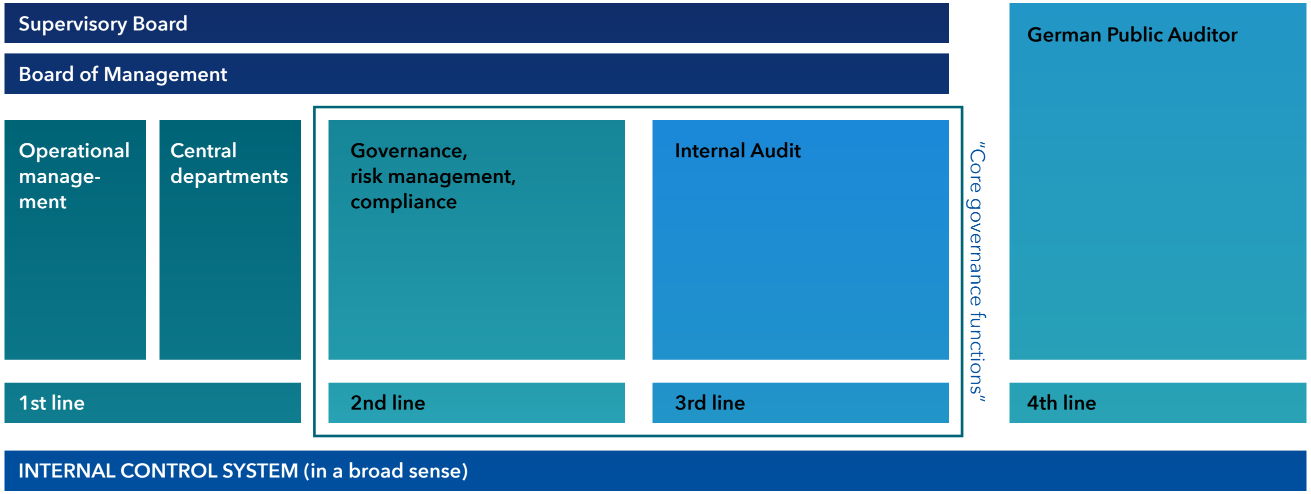
**First line of defense:**
**Operational management**

Operational management of the individual business areas and central departments forms the front line of defense. They manage and are responsible for their processes, identify and assess risks locally at the level of the operating companies. Countermeasures are rolled out promptly and the residual potential impact is assessed. Material risks are reported in the risk management system on the basis of the published internal risk management guideline. The outcomes are continuously incorporated into risk reporting, thereby also providing the Board of Management with an overall picture of the current risk situation over the course of the year through the documented reporting lines.

**Second line of defense:**
**Central risk management system, compliance management system, internal control system**

Central risk management is closely integrated with the two other governance control systems: the compliance management system and the internal control system. All three systems are designed to support and systemically monitor operational management. These three core governance control systems provide the organizational framework and

[2] The disclosures in this section are so-called non-management report disclosures and have not been audited by the auditor.




Governance model at BLG LOGISTICS

control the implementation of the framework guidelines in the operational processes, thereby ensuring compliance with laws and our internal corporate standards and rules. In consideration of the findings from the other two control systems – the compliance management system and the internal control system – central Risk Management draws up the central risk map and acts as an important node for passing on relevant information to the Internal Audit department as well as for preparation of the annual financial statements. In order to meet the increasing regulatory requirements, BLG LOGISTICS continuously monitors these aspects and systematically develops the processes in the second line of defense.

**Third line of defense:**
**Audit by the Group Internal Audit department**
The Group Internal Audit department provides support with overseeing the various divisions and business units within the Group on behalf of the Board of Management. It regularly reviews the early risk identification system and the structure and implementation of risk management as part of its independent audit activities. Group Internal Audit also carries out independent process audits. In these process audits, Group Internal Audit also reviews elements and controls of the ICS.

**Fourth line of defense:**
**Audit by the independent auditor**
The risk management system and the ICS are assessed with regard to the accounting process by the independent auditor within the scope of the audit of the annual financial statements.

## Description of the main features of the ICS with regard to the accounting process in accordance with Section 315 (4) HGB

**Definition and elements**
With regard to accounting, the internal control system of BLG LOGISTICS includes all principles, procedures and measures to ensure the appropriate and legally compliant recognition, measurement and presentation of business transactions in financial accounting and reporting, as well as non-financial information within the scope of sustainability reporting. The objective is to avoid any material misstatements in accounting and external reporting. As the internal control system is an integral component of risk management, they are presented in combination.

The internal monitoring and management systems are components of the internal control system. The Board of Management of BLG LOGISTICS has assigned responsibility for the internal management system relating to the financial reporting process in particular to the Financial Services department.

The internal monitoring system comprises controls that are both integrated into and independent of the financial reporting process. The controls integrated into the process particularly include the dual control principle, the separation of functions between related departments (particularly creditor and treasury management) and IT-supported controls, as well as the involvement of internal departments such as Legal or Tax departments and of external experts.

Controls that are independent of the financial reporting process are carried out by the Internal Audit department, the Quality Management department and the Supervisory Board, in the latter case principally through its Audit Committee. In line with the Supervisory Board's profile of skills and expertise, consideration has also been given to ensuring that its members have appropriate expertise in sustainability aspects that are material for BLG LOGISTICS. The Audit Committee concerns itself in particular with the financial accounting of the company and the Group, including reporting on and supervising the auditing of the financial statements. The activities of the Audit Committee also focus on the risk situation, the further development of risk management and on compliance issues. This also includes the effectiveness of the internal control system.

Audit activities that are independent of the financial reporting process are also performed by external auditing bodies such as the German public auditing firm or the external tax auditor.

**Accounting-related risks**

Accounting-related risks can arise, for example, through the conclusion of unusual or complex business dealings as well as the processing of non-routine transactions. Potential risks also result from discretionary scope in the recognition and measurement of assets and liabilities, or from the effect of estimates on the annual financial statements, such as for provisions or contingent liabilities.

**Financial accounting and reporting process and measures to ensure compliance with the applicable legal requirements**

Business transactions are generally accounted for in the single-entity financial statements published by the subsidiaries of BLG LOGISTICS using the standard software SAP S/4HANA. The consolidated financial statements are prepared using the SAP consolidation module Group Reporting (previous year: SAP EC-CS). The separate financial statements of foreign subsidiaries and domestic subsidiaries not integrated into the SAP system are included on the basis of the standardized, Excel-based reporting packages audited by audit firms, which are transferred into the Group Reporting consolidation system.

To ensure consistent recognition and measurement, BLG LOGISTICS has issued accounting guidelines for financial reporting in accordance with International Financial Reporting Standards (IFRS). Impairment tests for the Group's cash-generating units are carried out centrally. This ensures that consistent and standardized measurement criteria are used. The same applies to the specification of the parameters to be used for the measurement of pension provisions and other provisions made on the basis of expert opinions.

When preparing the debt consolidation, internal balances are regularly reconciled in order to clarify and remedy any differences in good time. At Group level, in addition to a validation by the system of the data reported in the separate financial statements, the reporting packages in particular are subject to a plausibility check and adjusted if necessary.

In addition, disclosure management software is used for preparing the separate financial statements and the combined financial statements, which uses a uniform data pool and includes validations, history traceability and a clearly defined workflow. A high degree of automation significantly reduces the risk of error and increases efficiency.

Special software is used for tax accounting. Current and deferred taxes are calculated at the level of the individual subsidiaries and the recoverability of the deferred tax assets is tested.

**Qualifying notes**

The internal control and risk management system as well as the compliance management system, i.e. the set of all governance systems, ensure the compliance of the financial accounting and reporting process with legally required accounting principles and with the relevant legal requirements as well as the sustainability-related objectives. Discretionary decisions, erroneous controls or fraud may, however, limit the effectiveness of the internal control and risk management system and the compliance management system, rendering the established systems unable to guarantee with absolute certainty that the risks will be identified and managed.

## Effectiveness of the internal control system, risk management system and compliance management system[3]

With the integrated governance, risk and compliance approach, the Board of Management has created and implemented a management framework for BLG LOGISTICS, which aims to ensure appropriate and effective internal control and risk management. The measures implemented as part of this approach are similarly aimed at ensuring the effectiveness and appropriateness of internal control and risk management as well as compliance management and are explained in more detail in this report. In relation to anchoring the three lines of defense business model and the legal framework, independent reviews and audits are conducted simultaneously, in particular through audits carried out by the Internal Audit department, and reporting on these audits to the Board of Management and Supervisory Board, and by the Supervisory Board's Audit Committee, as well as through other external audits.

Based on its review of the internal control and risk management system and compliance management system, as well as the reporting by the Internal Audit department, the Board of Management is not aware of any circumstances which undermine the appropriateness and effectiveness of these systems.

## Opportunities

**Our business model**
As an international group with three divisions and their business areas, BLG LOGISTICS is exposed to a wide range of trends on the various national and international markets. Based on the business development described in this report and the company's position, the current macroeconomic conditions present various potential opportunities. The effects of sustainable positive economic trends are of overriding importance here. The development of innovative solutions for our customers in the context of future-oriented research projects also has a high priority. For further information, please refer to the "Research and development" section.

We also want to make optimum use of opportunities in the various fields of activity that open up to us in future. The premise for this is our integrated services, and the innovative intermodal offering in the AUTOMOBILE Division. The established business models offer us sales and acquisition opportunities in the CONTRACT Division, combined with additional automation and digitization activities in Germany and the rest of Europe. The individual business areas benefit from a continuing growth market because our customers want to improve their own cost structures and make them more flexible through increased outsourcing.

For the CONTAINER Division, the completed adjustment of the Elbe fairway and the still outstanding deepening of the Outer Weser was and continues to be of great importance to secure and position the German seaports in the "North Range" so that ever larger container vessels can operate into and out of Hamburg and Bremerhaven with only minor restrictions. Following the implementation of the fairway adjustment measures in the Elbe, the nautical problems encountered by the growing number of ever-larger mega carriers had improved somewhat, especially at the Hamburg location. In the course of 2023, however, the second expansion phase of the deepening of the Elbe was canceled due to the discovery of extensive munitions. As things currently stand, it is not possible to foresee when the most recently imposed draft restrictions on the Elbe are likely to be lifted.

However, the CONTAINER Division can offer its customers an excellent alternative with Germany's only deep-water port, EUROGATE Container Terminal Wilhelmshaven (CTW), and its facilities for the handling of container ships with corresponding deep-water access. The entry of Hapag-Lloyd as a further shareholder of CTW marks another important step in the further development of this location.

[3] The disclosures in this section are non-management report disclosures and have not been audited by the auditor.

## Strategic opportunities

**BLG LOGISTICS as strong logistics architects**
Today, both we and our customers face massive challenges and opportunities. Advancing digitalization is opening up new possibilities in all areas of the value creation chain. At the same time, global competition demands ever-faster responses. To an increasing extent, logistics processes are also a factor in how competitive companies are.

As “logistics architects”, the expert teams at BLG LOGISTICS specialize in designing, configuring, implementing and managing customized logistics centers, ranging from conventional to highly automated.

We have a large staff of in-house experts who draw on comprehensive experience from a wide range of projects and industries of various sizes. This cross-industry logistics know-how has already enabled us to develop outstanding and innovative concepts and large-scale logistics projects and we see this as a strong argument for our existing and new customers in the future.

**Collaboration across divisions holds the key to success**
One example of cross-division collaboration in 2024 was the Combined Performance Support (CPS) project, which will be rolled out in day-to-day operations in 2025.

CPS is a key service area that combines the expertise of the CONTRACT and AUTOMOBILE Divisions. The aim behind the project is to facilitate the transfer of valuable knowledge, generate momentum and create sustainable added value for the operational teams in both divisions.

Both divisions are actively supported in their day-to-day business and work closely with operations to jointly implement concrete projects. The focus is on integrated management systems, real estate, improvement and technology. By working together in projects such as these, we are helping to boost efficiency and optimize both divisions.

**Eco Power Port in Bremerhaven: BLG LOGISTICS and EUROGATE strengthen cooperation on wind energy**
In the future, the majority of renewable energies will be handled and produced at ports. In Bremerhaven, BLG LOGISTICS and EUROGATE plan to work together under the Eco Power Port brand and pool their expertise in the field of wind energy. Both companies can draw on their many years of expertise in the handling of heavy goods and wind energy components. Under the new Eco Power Port brand, BLG LOGISTICS and EUROGATE are now adopting a “one face to the customer” approach that guarantees customers seamless and efficient support. Sharing space at the container terminal and potentially in the “Roter Sand” southern port creates valuable synergies – to the benefit of our customers and the entire wind energy industry. Collaboration enables us to expand our services and better meet the needs of our customers.

**New domestic terminal in Ahlhorn**
BLG LOGISTICS has leased 355,000 m² at the disused NATO airport in Ahlhorn. A new domestic terminal for automotive logistics with space for up to 15,000 vehicles will be put into operation at the site from 2025 onwards.

The new site in Ahlhorn, approx. 40 minutes southwest of Bremen, will primarily focus on three areas: renting parking spaces, handling and technical services.

Around 200 jobs will be created between April 2025 and 2026.

**Climate mission**
The topic of climate protection is right at the top of the agenda – in politics as well as in many companies. We are no exception. In the previous year, the German government tightened its climate protection targets once again and set Germany the goal of net zero emissions by 2045. As a logistics company, we want to play our part – and at the same time support our customers in improving their own climate footprint.

We are on a shared mission to protect our climate. Our target is to make BLG LOGISTICS a carbon-neutral company by 2030. To achieve this, we will once again submit our absolute target of 50.4 percent $CO_2e$ savings across the company (Scope 1+2) and -30 percent across the supply chain (Scope 3) to be assessed and certified by the independent Science Based Targets initiative (SBTi) in 2025. We aim to improve our competitive edge by reducing our emissions.

BLG LOGISTICS has also contributed to an improved carbon balance by shifting from road to rail transport. BLG AutoRail can transport more than 200 cars per train, and operates in the German and Austrian rail network using green electricity every kilometer of the way.

At the Güterverkehrszentrum (GVZ) in Bremen, Germany's largest cargo distribution center, BLG LOGISTICS opened a new location for industrial logistics in the previous year. From "C3 Bremen", BLG LOGISTICS provides sustainable and efficient supplies to the foreign assembly plants of a major car manufacturer.

The actions we have taken to adapt to climate change offer an array of opportunities. For example, carport roofs with photovoltaic systems installed contribute to generation of renewable energy and covered storage for vehicles.

**Opportunities arising from digitalization and automation**

Both digitalization and automation technologies offer BLG LOGISTICS considerable potential when it comes to optimizing processes, increasing efficiency and bringing down costs. In an increasingly competitive market, they enable us to modernize processes and better adapt to the demands of a globalized economy. BLG LOGISTICS starts with an MVP – the minimal viable product – or a proof of concept that allows us to speed up the roll-out process and receive quick feedback from users. Central IT and departments work together to create holistic and optimized solutions. This requires an end-to-end process design, whereby the joint concept is tested in sections in the near term in the sense of an agile approach. This approach has proven to be very effective. We look at a process from an end-to-end viewpoint because it constitutes a complete solution that cannot be broken down and outsourced. We found that working together with the departments and testing in small sections – the agile approach – was highly productive.

Ultimately, we plan to take advantage of the diverse range of opportunities offered by digitalization, particularly those presented by networking systems and processes. By employing modern software solutions such as transport management systems (TMS), warehouse management systems (WMS) and enterprise resource planning (ERP), we can make our supply chains more efficient as a whole. Real-time data permits more precise planning and management of transport routes, inventories and delivery times. In turn leading to improved customer satisfaction and greater flexibility in order processing.

At BLG LOGISTICS, one of the other keys to the future of the logistics industry lies in automation due to its capability to significantly accelerate processes and minimize sources of errors. At the same time, automation increases flexibility by allowing systems to adapt quickly to changing requirements and order volumes.

Combining digitalization and automation creates vast synergies. Intelligent systems that collect, analyze, and evaluate data in real time enable predictive maintenance for machines and vehicles, reducing downtime and extending the service life of the equipment as a result and making a significant contribution to sustainable logistics.

**Internationalization: Potential for expanding into Turkey and Poland**

Internationalization presents an important opportunity for BLG LOGISTICS to expand into new markets, capitalize on new growth opportunities and build on its reputation as a global player. Turkey and Poland represent two particularly lucrative markets for expansion. In light of the expansion of automotive production in particular, Eastern Europe is a growth region. Building on our successful activities in Poland, we plan to expand operations in Hungary and possibly Romania in order to open up new markets. BLG LOGISTICS is already working with existing customers, particularly from the automotive industry, who are expanding into these regions and can therefore build on these relationships. These partnerships create synergies and make it easier for us to get our foot in the door. Our goal is to offer a broad portfolio of services to respond to market changes with more flexibility.

BLG LOGISTICS also considers Turkey a country with major growth potential. A cooperation agreement was signed with a Turkish partner in August 2024. As one of Europe's largest automobile importers, Turkey imported 626,000 new cars last year. At the same time, 1.4 million vehicles are produced locally. Turkey's strategic location, linking continental Europe with the Middle East and Asia, makes it an ideal transport center and logistics hub.

Both countries offer good opportunities to tap into new markets and establish long-term partnerships.

**“Damietta Alliance” develops and operates new container terminal in Damietta, Egypt**
A new container terminal is being built in the port of Damietta/Egypt. For this purpose, a joint venture was founded to develop and operate the new “Terminal 2” in the port. The “Damietta Alliance Container Terminal S.A.E.” joint venture consists of three core shareholders which are Hapag-Lloyd Damietta GmbH (39 percent), Eurogate Damietta GmbH (29.96 percent) and Contship Damietta S.p.A. (29.96 percent), plus two other shareholders.

The new Terminal 2 in the port of Damietta will have a total operational capacity of 3.3 million TEU and will serve as Hapag-Lloyd’s dedicated strategic transshipment hub in the Eastern Mediterranean.

The infrastructure work to be carried out by the Damietta Port Authority was completed in December 2024 with the complete dredging of the dock used by Damietta Alliance Container Terminal S.A.E. to a depth of 18 meters. All major trade contracts have also been awarded to suitable contractors. After the first ten of a total of forty rubber tyred gantry cranes ("RTGs") were delivered to Damietta in September 2024, the first five of a total of twelve gantry cranes reached Damietta by sea in October. The commissioning of this equipment, the delivery of additional RTGs and gantry cranes, and the training of equipment drivers are planned for the period from February to July 2025.

With Terminal 2 scheduled to be operational in the third quarter of 2025, a state-of-the-art terminal with sufficient capacity, high productivity and a dense feeder network will be available.

The joint venture has been granted the concession to operate the facility for 30 years. This gives EUROGATE, the joint venture partners and our respective customers a long-term perspective in the port of Damietta.

**Western expansion of EUROGATE Container Terminal in Hamburg**
Progress on the western expansion of the EUROGATE Container Terminal in Hamburg continues to be of great importance for the EUROGATE Group (CONTAINER Division) in the course of establishing berths for large ships in a geographically and nautically advantageous location. In addition to the complete backfilling of the petroleum port, plans are in place to extend the Predöhlkai berth by around 600m and to build a further 400m quay wall on the Bubendey Ufer. Another key objective of the measures aimed at improving the nautical conditions at the Port of Hamburg as part of the planning approval process is to enlarge the turning basin at Waltershofer port into a 600m turning circle for the large container ships.

Potential construction measures by the Hamburg Port Authority (HPA) are expected to take five years to allow the terminal operator to hand over space according to the current schedule. As a result, as things currently stand – even with financing still to be secured – production of the terminal superstructure could not begin until 2032 at the earliest. Operations will therefore not commence at the site as a whole before 2033. The number of large container vessels in service has continued to increase in the meantime with large container vessels with capacities in excess of 24,000 TEU already being used. Other large container vessels of this size are in the order books of the container shipping companies. These figures underline the trend to date of a significantly disproportionate increase in the use of large container vessels on world trade routes.

EUROGATE is currently engaged in promising discussions and negotiations with HPA with the aim of concluding a project agreement and a lease agreement for the western extension site and the associated quay walls on commercially acceptable terms and, in relation to this, extending the term of the existing lease agreements at the Hamburg site until the end of 2054.

## Risks

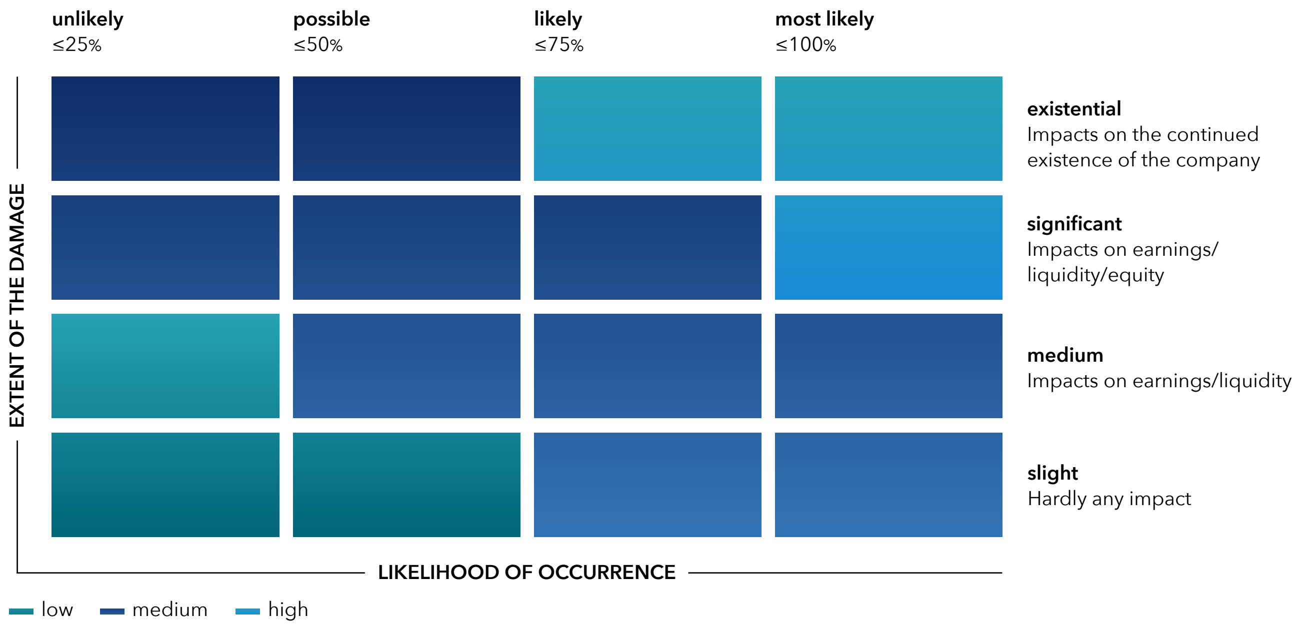
**Risk categories and individual risks**

From the risk types defined for BLG LOGISTICS, the material risks for BLG LOGISTICS by risk category are described in the following sections. In selecting materiality, risks are included that would have a noticeable effect on the company's financial position, financial performance and cash flows if they were to occur. Furthermore, in line with the principle of dual materiality, we draw on risk analyses to assess and manage the impacts of our business activities on people and the environment. We consider risks from the area of Environment, Social and Governance (ESG) to be an integral part of the risk categories presented below. In principle, the assessment and derivation of measures is made on the basis of scenarios, taking into account all known influencing factors from opportunities and risks.

An overview of material risks is presented in the table.

| Risk | Potential damage | Likelihood of occurrence | Trend compared to previous year |
|---|---|---|---|
| Strategic risks | significant | unlikely | → |
| Market risks | existential | unlikely | ↗ |
| Political, legal and social risks | medium | possible | ↗ |
| Service and infrastructure risks | significant | possible | ↗ |
| Financial risks | medium | possible | → |

**Risk matrix**



## Service and infrastructure risks

**Risks from business relationships**
In all operating segments, close customer relationships and the sometimes demanding contract periods and conditions, especially with some major customers, make it necessary to monitor changes in economic trends and the demand and product life cycles especially closely.

**Infrastructure capacity and security**
Fluctuations in volumes or supply gaps affecting our customers can lead to temporary capacity bottlenecks. We have actively searched the market and have found additional third-party indoor and outdoor capacity, which will be leased for a fee, if required.

In contrast, when there is lower usage of our in-house capacity, no short-term alternative usage is normally generated. This results in a negative effect arising from fixed costs for floor space and hall costs for that are not covered by income. These risks are taken into account when drafting and calculating prices and contracts, including increasing the fixed remuneration component.

Indoor and outdoor facilities and transport and handling equipment are regularly serviced and repaired at fixed intervals. This ensures that we can provide services on an ongoing basis.

Should the still outstanding measure to deepen the Outer Weser fail to materialize or be seriously delayed, this could have a highly adverse effect on the future development of transshipment at the Bremerhaven location.

**Personnel risks**
Demographic change is creating a shortage of qualified employees in many areas. Not being able to fill positions as and when needed or with the right qualifications following (unplanned/planned) fluctuation leads to increased reliance on external personnel and the associated lack of productivity in certain cases. At the same time, this puts additional strain on the workforce, possibly resulting in increased absenteeism, accidents and further fluctuation.

In order to reduce the number of people leaving the company, we specifically invest in the skills of our employees and senior executives and update feedback channels to enhance the line of dialog between employees and top management. Employee retention is promoted through targeted personnel development measures, strong leadership and transparent remuneration systems that foster trust and satisfaction.

The HR organization has also been restructured in order to boost the effectiveness of the recruitment process. A central recruiting department pools the necessary knowledge to ensure that the application process is efficient and targeted. In addition, BLG LOGISTICS identifies key positions and develops comprehensive talent management to secure important competencies in the company and actively address future challenges. These measures ensure that BLG LOGISTICS also has qualified personnel in the long term and is perceived as an attractive employer.

**Environmental risk**
The increasing frequency and intensity of acute extreme weather events (for example heatwaves, storms, flooding), combined with the longer-term chronic changes in the mean values and fluctuation ranges of various climate variables (e.g. temperature, precipitation, sea level) pose threats to our assets and business processes. We analyzed various natural hazard scenarios for our property, plant and equipment and the potential operating downtimes associated with them.

To transfer the risk of consequential losses, BLG LOGISTICS has taken out property damage and business interruption insurance. Individual theoretical risks such as a storm surge currently cannot be fully insured. We address these risks to the greatest possible extent as part of our business continuity management.

**IT risks**
The number of cyber incidents, such as IT outages, ransomware attacks or data breaches, remained high in 2024.

As information security plays a central role in our business processes, this risk remains significant for BLG LOGISTICS. We have introduced various measures to avoid and mitigate risks and continuously review our processes and technologies.

Raising employees' awareness of the importance of sensitive handling of all business-relevant information is something we take very seriously. We therefore conduct internal communication and training campaigns, and ensure that appropriate technical support is in place to guarantee the confidentiality, integrity and availability of information at all times.

In 2024, as in the previous year, the emergency processes were reviewed and a crisis team with appropriate decision-making powers was established to implement clearly defined processes to ensure a quick and efficient response in the event of a potential attack.

Together with the data protection officers, we make sure that personal data is processed exclusively in accordance with the regulations of the EU General Data Protection Regulation and the respective applicable local laws.

## Financial risks

**Credit risk**

The Group's credit risk mainly results from trade receivables and lease receivables. The amounts shown in the combined statement of financial position do not include allowance accounts for expected credit losses. Owing to the ongoing monitoring of receivables at management level and the use of commercial credit insurance depending on customer creditworthiness, we are not currently exposed to any significant credit risk.

The credit risk in respect of cash and derivative financial instruments is limited because these are currently held exclusively at banks that have been awarded high credit ratings by international rating agencies, which are highly secure thanks to a joint liability scheme and/or at which there are offsetting opportunities through non-current loans.

The maximum credit risk of the Group is represented by the carrying amounts of the financial assets recognized in the statement of financial position (including derivative financial instruments with positive market value). The Group is also exposed to a liability risk through the assumption of financial guarantees, which as of the reporting date was considered to be low risk.

At the reporting date, there were no further significant credit risk mitigation agreements or hedges.

**Counterparty risk**

At present, BLG LOGISTICS invests excess liquidity in overnight funds at various banks. This gives rise to counterparty risk, as a potential default of one of these banks would result in a loss of liquidity.

The ratings issued by banks are reviewed on a regular basis to counteract any potential counterparty risk. At the same time, we require a defined minimum rating for an investment and allocate short-term investments to several banks.

**Foreign currency risk**

With very few exceptions, the Group companies operate in the eurozone and invoice only in euros. As a result, currency risk could only arise in isolated cases, such as in relation to foreign dividend income or the purchase of goods and services from abroad. An interest rate and currency swap has been concluded to hedge against the foreign currency risk from a variable USD loan granted in the context of Group financing.

**Liquidity risk**

Liquidity risks may arise from payment bottlenecks and the resulting higher financing costs. The Group's liquidity is ensured by central cash management at the level of BLG KG.

All significant subsidiaries are included in cash management. Due to the centralized management of capital expenditure and liquidity management, financial resources (loans/leases) can be provided in good time to meet all payment requirements.

The Group's liquidity needs are covered by cash and committed credit facilities. The issue of sustainability is also becoming increasingly important in the capital market. The definition of sustainability targets as part of the overall strategy, as well as the implementation of the corresponding measures, are increasingly in the focus of potential lenders and can be criteria for granting loans. Our sustainability measures are thus a factor in ensuring that we can meet our liquidity requirements in the future.

In parallel, the BLG Group uses the non-recourse sale of receivables under a factoring agreement as an off-balance-sheet financing instrument to further optimize the balance sheet structure. The obligations of the factor to purchase existing and future receivables are limited to a total maximum amount of EUR 75 million. BLG LOGISTICS is free to decide to what extent the revolving nominal volume is utilized. The risks material to disposal relate to the credit risk and the risk of late payment (late payment risk). The credit risk is transferred in full to the factor in return for payment of a factoring fee. There is no significant late payment risk. The receivables were therefore derecognized in full.

We counter the financial risks arising from the dynamics of the current geopolitical situation with a regular forecast process, from which appropriate measures are derived where necessary.

**Interest rate risk**

The increased requirements of banks in terms of creditworthiness and sustainability could put further pressure on the interest margin.

As part of the interest rate strategy, interest rate hedges were concluded with banks for financing volumes of EUR 90 million. For each of the years 2019 to 2024, EUR 15 million in loans is fixed via swaps.

The interest rate risk which BLG LOGISTICS is exposed to arises primarily from non-current loans and other non-current financial liabilities. Interest rate risks are managed with a combination of fixed-interest and floating-interest loan capital. The majority of the liabilities to banks have been concluded for the long term or fixed interest rates have been agreed through to the end of the financing term, either originally as part of the loan agreements or through interest rate swaps which have been concluded within micro-hedges for individual floating-interest loans.

In addition, while interest rates were low and attractive for investments, a portion of the financing requirement of the coming years was hedged by agreeing forward interest rate swaps. Further information is presented in note 32/the “Derivative financial instruments” section of the notes to the combined financial statements.

Interest rate risks are disclosed through sensitivity analyses in accordance with IFRS 7. These show the effects of changes in the market interest rate on interest payments, interest income and expense, other income items and on equity. The interest rate sensitivity analyses are based on the following assumptions.

With regard to non-derivative financial instruments with fixed interest rates, market interest rate changes are only recognized through profit or loss if these financial instruments are measured at fair value. All fixed-interest financial instruments measured at amortized cost are not subject to interest rate risks within the meaning of IFRS 7. This applies to all fixed-interest loan liabilities of BLG LOGISTICS, including lease liabilities. When hedging interest rate risks in the form of cash flow hedge-designated interest rate swaps, changes to the cash flows and to the contributions to earnings induced by changes to the market interest rate of the hedged primary financial instruments and the interest rate swaps balance each other out almost completely, effectively eliminating the interest rate risk.

Measuring hedging instruments at fair value through other comprehensive income has an effect on the hedging reserve in equity and is therefore taken into account in the equity-related sensitivity calculation. Changes in the market interest rate of non-derivative floating-interest financial instruments whose interest payments are not structured as hedged items as part of cash flow hedges against interest rate risks have an effect on net interest income (expense) and are therefore included in the calculation of income-related sensitivities. The same applies to interest payments from interest rate swaps which are, as an exception, not contained in a hedge accounting relationship in accordance with IFRS 9. In the case of these interest rate swaps, market interest rate changes also have an effect on the fair value and therefore affect the remeasurement of financial assets or financial liabilities to fair value and are therefore included in the income-related sensitivity analysis.

From today's perspective, the likelihood of the financial risks described above arising at BLG LOGISTICS is estimated to be low.

Further disclosures on the management of financial risks can be found in ▸note 32.

## Political, legal and social risks

**Legal and political environment**
Following the outcome of the recent US election, uncertainty has arisen regarding tariff policies and the future development of trade relations. Growing trade tensions between China and the EU are also weighing on both imports and exports. In addition, German car manufacturers and their suppliers are facing growing competition from Chinese e-mobility providers.

Growing cost pressure among our customers is leading to greater scrutiny of new logistics concepts and thereby to delays in decision-making, which makes planning more difficult. Aside from the latest developments in German federal policy, structural challenges remain unresolved: Demographic change poses risks arising from fewer Germans entering the labor market and qualified immigration being unable meet the growing demand for skilled workers in the logistics industry. Public investment incentives for necessary infrastructure measures and the green transformation are also still limited, leading to additional burdens for companies and forcing them to exercise restraint when it comes to investments.

**Contract risks**
Contract risks result from the fact that the maturities of contracts with customers sometimes do not match those relating to property leasing. Contracts with customers sometimes have shorter maturities than rental contracts on real estate.

Changes in the market environment can lead to deviations from the assumptions with regard to quantities and cost structure made in the price calculation. Any resulting deviations from projections are addressed within the scope of renegotiations.

Risk provisions have been recognized for risks from onerous contracts. The level of risk may increase significantly as a result of changes in circumstances over time. Based on our current estimation, a risk of this kind should be viewed as low.

**Growing regulatory requirements**
Over the coming years, the BLG Group along with its suppliers and customers, will be confronted with new regulations and rules that not only constitute a heavy administrative burden, but that could also bring effectively restrict business activities. This includes repercussions from the implementation of the Supply Chain Act (LkSG), the CSDDD, the NIS 2 Directive, including in relation to the operational implementation.

By monitoring regulatory changes, BLG LOGISTICS reviews new requirements and ensures that any necessary adjustments to its own business processes are implemented early on.

## Strategic risks

**Risks from acquisitions and investments**
In recent years, BLG LOGISTICS has grown through various acquisitions both in Germany and abroad. As part of process and quality management, a uniform M&A guideline on the procedure to be followed for all share purchases has been drawn up for this purpose. This draws on both in-house and external advisers, ensuring that all risks associated with an acquisition or investment are taken into consideration and assessed.

Despite this, in particular political, legal or economic risks associated with share purchases in other European countries cannot be ruled out.

Regular reporting to the Board of Management and the Supervisory Board and the regular meetings of these bodies ensure that the operating business is monitored and managed on an ongoing basis. This allows us to respond promptly to emerging risks with appropriate measures.

## Market risks

**Macroeconomic risks**
In addition to the ongoing war in Ukraine, BLG LOGISTICS' risk situation is also affected by other global conflicts. For example, an escalation of the China-Taiwan conflict would lead to a political chain reaction and have enormous consequences for the German automotive industry. The Chinese sales market and parts of the production centers would collapse and, more importantly, it would not be possible to utilize the important semiconductors and technology from Taiwan. A slump in volumes and disruptions to supply chains could lead to a significant decline in earnings in the AUTOMOBILE Division. Due to an ultimatum from the Chinese, it is assumed that the conflict will not escalate until 2027. In the meantime, as part of a "derisking" strategy, the industry is striving to become independent in terms of the supply of parts.

By further expanding segments such as high & heavy and used vehicles, BLG LOGISTICS is continuing to drive diversification. At the same time, it was agreed with our customers that the division would reduce its dependency on the volume of vehicles transshipped and instead generate more revenue from the provision of capacities.

BLG LOGISTICS is also counteracting this by adjusting the planning and management of customer volumes.

**Dependency on the economic cycle and macroeconomic risks**
As a logistics service provider with a global focus, BLG LOGISTICS is highly dependent on production and the associated flow of goods in the global economy. The dependency on both the manufacturing industry and on consumer behavior can be viewed as the largest risk.

Changes to legislation and in taxes or duties in individual countries may also have a major impact on international trade and result in considerable risks for BLG LOGISTICS.

**Dependencies and competition**
The main markets for BLG LOGISTICS are Germany and Poland. Due to the opening up of Western Europe to the East, increasing volumes of Eastern European transport capacities are accessing our main market, leading to sustained tough competition and price pressure.

There is also a dependency on the volume of exports of the automotive industry in Europe to overseas. In this context, the markets of China, the US, Japan and Korea are of special significance.

Employment in car parts logistics continues to lead to a dependency on German original equipment manufacturers (OEMs). To limit such dependencies, we actively manage the OEM share of our revenue in the overall customer portfolio.

**Threats to market position and competitive advantages**
Persistently strong competition with other ports in the AUTOMOBILE Division poses continuous challenges for us. Due to the increasing shareholdings of shipping companies in other seaport terminals, internal optimization measures taken by shipping companies may result in shifts in volumes at the expense of the Bremerhaven seaport terminal. As a consequence of the war between Russia and Ukraine, certain volumes are likely to continue to be lost for these regions. By optimizing planning and control tools, we are constantly working to better anticipate fluctuations in capacity utilization.

For break bulk cargo business and project logistics, the principal risks lie in high competition and price pressure.

The development of handling volumes at individual EUROGATE Group locations (CONTAINER Division) will likely be characterized by significant changes in the shipping company consortia in the short term.

It is not yet possible to anticipate exactly what changes this cooperation may entail in the future for liner services in the various trade lanes, and what impact this will have on the handling volumes at the respective container terminals.

The acquisition of an (indirect) shareholding in Hamburger Hafen und Logistik AG (HHLA) by Mediterranean Shipping Company S.A. (MSC) announced back in September 2023, which has since occurred, is causing a significant loss of handling for EUROGATE Container Terminal Hamburg GmbH due to the relocation of the services currently handled by MSC at EUROGATE terminals in Hamburg to HHLA terminals.

In addition to supporting the ongoing ramp-up of handling volumes at the Wilhelmshaven site, the company's sales activities in the 2024 financial year were therefore strongly geared toward gaining suitable replacement customers at the Hamburg site and retaining remaining key accounts for as long as possible. Following the successful conclusion of negotiations, two Asian services operated by the Gemini Cooperation were acquired for the Hamburg site.

In addition to the macroeconomic trends, we are also exposed to other factors and risks associated with future transshipment and transport demand and corresponding handling volumes of our container terminals. These include the following aspects in particular:

- commissioning existing and new terminal handling capacities along with the increasing automation thereof at the North Range ports and in the Baltic region,
- commissioning additional large container vessels and the related operational challenges in transshipment handling (peak situations),
- changes in the market, network and processes resulting from changes in the structure of the shipping company consortia (mergers or consortia changes),
- mergers and the formation of joint ventures, as well as
- price structures in the market.

Added to this is the increasing shift to vertical integration among shipping lines along the entire logistics chain.

As of spring 2025, the following major consortia will dominate the market in addition to MSC:

- Gemini Cooperation, a cooperation between individual shipping companies Maersk and Hapag-Lloyd
- Ocean Alliance, a partnership between individual shipping companies CMA CGM, COSCO, Evergreen and OOCL
- Premier Alliance, a partnership between individual shipping companies ONE, Yang Ming and HMM

The trend on the part of the shipping lines to commission additional ultra-large shipping vessels with volumes in excess of 24,000 TEU by this point continues unabated. Given this trend, the EUROGATE Group will also see an increase in the number of ultra-large container ships calling at its terminals.

Because the container terminals still have capacity reserves, at least in the medium term, the remaining consortia/shipping companies gain market power as a result of consolidation. This also puts pressure on revenue and intensifies the need to identify and implement further cost reductions and efficiency improvements at the container terminals as well as standardization and automation measures.

## Other risks

No other identifiable risks currently exist that could have a long-term negative influence on the company's development. There are currently no potential risks to the company's continued existence as a going concern, such as excessive indebtedness, insolvency or other risks that could significantly impact on the company's financial position, financial performance and cash flows.

## Assessment of the overall risk situation

The tense geopolitical situation continues to harbor risk potential for the BLG Group in 2025. Geopolitical tensions threaten to further impair trade, for example through import restrictions on goods. Consequently, we see growing volume risks in our customer business going forward. We are also expected the structural change in the automotive industry to gather momentum.

Given the tense situation, the risk of a cyberattack remains significant. We are seeing an increasing focus on sustainability issues in the areas of environment, social and governance, which present both risks and opportunities for the BLG Group. These issues can have an impact on the overall risk situation, for example in financing, human resources policy, regulation and procurement. Medium-term climate change adaptation and the increase in natural disasters call for special risk management for climate risks and the drafting of emergency plans.

On the back of demographic change, we are also seeing a growing shortage of qualified employees, resulting in the risk of a lack of skilled workers. In response, employee retention and recruitment measures have been given more attention.

Our transparent and systematic risk management with its structured processes contributes to efficient management of overall risks in the Group.

From today's perspective and supported by the outcome of a risk-bearing capacity analysis at Group level, there are currently no risks that pose a threat to the continued existence of the company. Based on our medium-term planning and the uncertain geopolitical situation and taking the measures already initiated into account, there are currently no indications of any strategic or operational risks to future development that jeopardize the continued existence of the company as a going concern.

# Management and Oversight

## Corporate governance statement

BLG AG has published the corporate governance statement on its website. It is available at https://www.blg-logistics.com/en/investors in the Downloads section and includes the declaration of compliance pursuant to Section 161 of the German Stock Corporation Act (AktG), the disclosures on corporate governance, as well as the procedures of the Board of Management and the Supervisory Board.

## Takeover-related disclosures in accordance with Section 315a (1) HGB

**Composition of the issued capital, voting rights and transfer of shares in BLG AG**
The issued capital amounts to EUR 9,984,000.00 and is divided into 3,840,000 no-par value registered shares with voting rights. Any transfer of the shares requires the approval of the company in accordance with Section 5 of the Articles of Incorporation.

Each share is accorded one vote. The Board of Management of BLG AG is not aware of any impediments or agreements concluded between shareholders affecting voting rights. There is no cap on a shareholder's voting rights and there are no special voting rights. In particular, there are no shares with special rights that confer control. Accordingly, the principle of "one share, one vote" is implemented in full.

The shareholders exercise their co-administration and control rights at the Annual General Meeting. Section 19 of the Articles of Incorporation stipulates which requirements need to be met in order to attend the Annual General Meeting as a shareholder and to exercise voting rights. Only persons who are recorded in the share register are considered shareholders of the company.

Each shareholder recorded in the share register has the right to attend the Annual General Meeting, to speak on agenda items and to request information on company matters to the extent that this is necessary for proper evaluation of an agenda item. The Annual General Meeting passes resolutions, in particular concerning the discharging of the Board of Management and the Supervisory Board, the appropriation of net retained profits, capital measures, authorizations of stock buybacks and amendments of the Articles of Incorporation.

**Shares in capital that exceed 10 percent of the voting rights**
Shareholders whose stake in the capital stock exceeds 10 percent are the Free Hanseatic City of Bremen (municipality) (50.4 percent), Panta Re AG, Bremen (12.6 percent) and Finanzholding der Sparkasse in Bremen, Bremen (12.6 percent).

**Type of controls on voting rights if employees hold a stake in the capital of the company and do not exercise their control rights directly**

BLG AG has not introduced any employee share schemes. To the extent that employees hold shares, they are not subject to any system of control on voting rights. These shares represent non-material portions of the company capital.

**Appointment and dismissal of Board of Management members and amendment of the Articles of Incorporation**

The relevant legal provisions for appointing and dismissing members of the Board of Management are Section 84 and Section 85 of the German Stock Corporation Act (AktG) and Section 31 and Section 33 of the German Co-determination Act (MitbestG). Sections 119, 133 and 179 AktG as well as Section 15 of the Articles of Incorporation apply to amendments to the Articles of Incorporation.

**Powers of the Board of Management to issue or buy back shares**

The Board of Management is not currently authorized by the Annual General Meeting to issue or buy back shares.

**Significant agreements subject to the condition of a change of control following a takeover bid and compensation agreements made by the company with members of the Board of Management or employees for the event of a takeover bid**

The company has not entered into any agreements subject to the condition of a change of control following a takeover bid.

The company has not entered into any compensation agreements with members of the Board of Management or employees for the event of a takeover bid.

## Remuneration report and remuneration system

The applicable remuneration system of the Board of Management pursuant to Section 87a (1) and (2) sentence 1 of the German Stock Corporation Act (AktG), which was approved by the Annual General Meeting (most recently on June 7, 2023), and the system for the remuneration of the members of the Supervisory Board (Section 113 (3) AktG), which was also approved by the Annual General Meeting, are publicly available at https://www.blg-logistics.com/en/investors (under Corporate Governance). The remuneration report 2024, including the auditor's audit opinion pursuant to Section 162 AktG, is made publicly available in the Downloads section at the same Internet address.

# Outlook

## Future direction of the Group

**Retention of the business model**
A fundamental change in our business model is not currently planned. One strategic priority will be the further expansion of the AUTOMOBILE and CONTRACT Divisions. Our goal is to be profitable in all business areas and to continue to grow. We intend to grow our shares in existing markets, open up new markets and win new customers by continuing our acquisition activities, developing collaborations in a targeted manner and establishing strategic partnerships. We will also extend our value chains in the business areas. Moreover, we will seek to improve productivity in all areas, even in the current multiple crisis environment, through consistent process and quality management, the use of opportunities arising from digitization, automation and artificial intelligence (AI), and strict cost management.

## Expected macroeconomic conditions

**Muted global economic growth**
The World Bank predicts that the global economy will be markedly gloomy in the 2025 financial year as a result of geopolitical disputes, the repercussions of structural changes and the direction of future financial and economic policy after the Bundestag elections.

The German Bundesbank likewise expects economic growth to slow down. It forecasts a decrease in global economic growth to 2.4 percent in 2025, down from 2.6 percent the previous year. Geopolitical tensions, protectionism, and climate policies pose significant downside risks to economic growth and upside risks to inflation. In addition, potential trade wars initiated by the new US administration have results in new high risks and uncertainties.

**Economic climate in Europe**
Economic forecasts for Europe in 2025 paint a picture of moderate growth. The European commission expects the European Union's Gross Domestic Product (GDP) to grow by 1.3 percent, while the eurozone's GDP is forecast to grow by 1.4 percent. On a positive note, inflation is expected to fall. In the eurozone, inflation is expected to fall to 2.1 percent in 2025, closing in on the European Central Bank's target of 2.0 percent.

According to the January 2025 Monthly Report published by the German Bundesbank, the German economy was weak at the end of 2024. The economic situation is not expected to improve significantly in the first quarter of 2025 either.

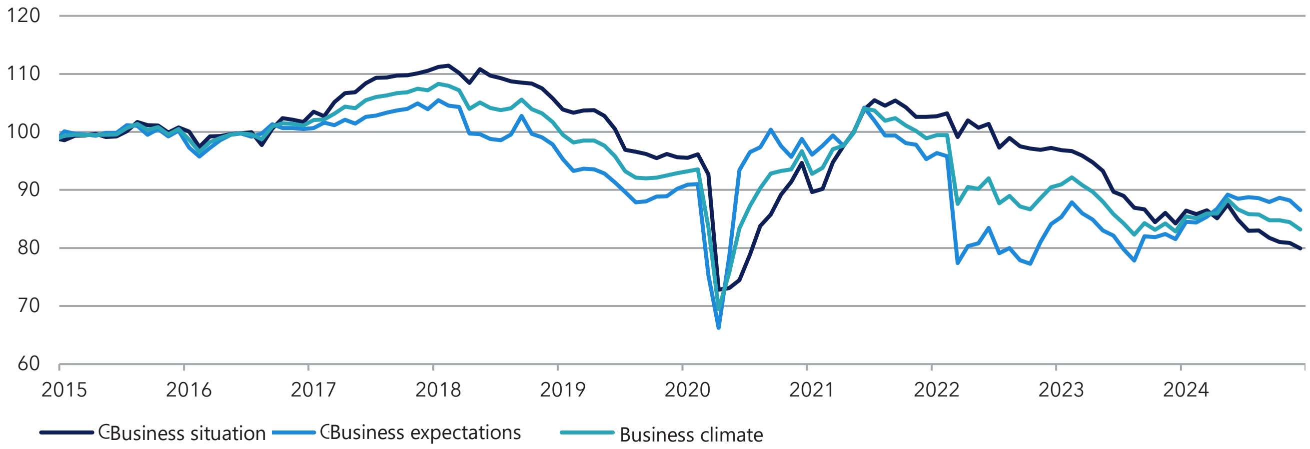
The German government has revised its growth projection accordingly, now anticipating 0 percent GDP growth for the current year, 2025. In the fall, expectations for the current year were still 0.5 percent. The downward revision can largely be attributed the anticipated US tariffs and the exacerbated crisis in German industry. The German Council of Economic Experts ("Wirtschaftsweise"), which advises the German government and employs its own calculation model, still forecasts growth of 0.4 percent.

According to the German Bundesbank, the inflation rate in Germany is expected to be slightly lower than forecast as recently as June 2024 at 2.5 percent. However, the rate of inflation in services is only falling at a slow pace.

A gradual lowering of interest rates is anticipated for 2025 and 2026. The forecasts for 2025 and 2026 range from 1.8 percent to 2.0 percent, depending on the institution.

Sources for this section:
IMK, IMK Report No. 193, December 2024
IMK, IMK Report No. 194, January 2025
Tageschau.de 12/27/2024, 05:42 a.m.
"IW survey: Business associations pessimistic about 2025"
Handelsblatt.de 02/06/2025, 12:09 p.m.
"German economy threatening to shrink again in 2025"
Börsen-Zeitung, 11/15/2024 "EU lowers growth forecast"

**Business climate logistics sector**
(Source: Bundesvereinigung Logistik e.V.; 2015 = 100 = normal level)




**Logistics sector again faces challenging year**
At the close of 2024, the business climate in Germany's logistics sector saw a marginal improvement. As part of its economic assessments, the ifo Institute conducts monthly surveys on behalf of the German Logistics Association (BVL) to gauge the Logistics Indicator.

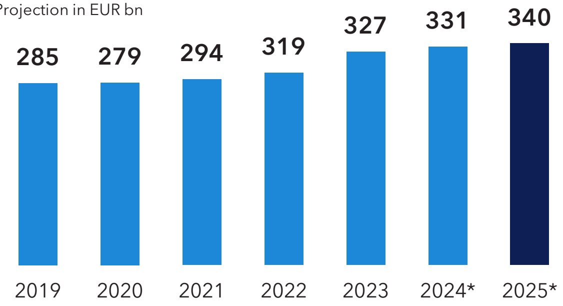
The index fell slightly in 2024, plateauing at a low level in the final quarter.

The most recent BVL logistics indicator shows a slight upward trend in the business climate of Germany's logistics industry. An uptick

in business forecasts for the next six months is responsible for this positive forecast, as evidenced by the latest figures for the fourth quarter of 2024. Despite geopolitical uncertainties and structural crises, especially in the manufacturing industry, sentiment among German logistics companies has improved slightly.

By contrast, the SCI Logistics Barometer's indicator value in January 2025 indicate a subdued business climate in the German logistics industry. The challenges faced in recent years remain and the cost dynamics continue to intensify. Despite these difficulties, the transport and logistics industry is looking to the future with muted optimism. Propensity to invest remains low and the level of planned investment continues to decline. The hope is that the new Federal Government will create a reliable framework that will lead to new economic momentum.

**Revenue trends in the German logistics industry**
Source: Bundesvereinigung Logistik e.V.
*=Projection in EUR bn




The business to customer transport (B2C) business area in Germany, in particular, is considered to harbor potential for the future.

The sector continues to be hampered by high cost pressures, especially due to the rise in tolls and labor costs. These factors are likely to lead to further cost increases in the coming months. Moreover, demand for skilled labor remains high.

Despite these challenges, positive developments have also occurred. Companies are increasingly turning to sustainable logistics solutions to reduce carbon emissions. The integration of new technologies such as artificial intelligence (AI) and the Internet of Things (IoT) requires significant investment, but also offers opportunities for efficiency gains and competitiveness.

Sources for this section:
BVL Logistics Indicator, 4th Quarter 2024, including commentary
SCI Verkehr, SCI Logistics Barometer, January 2025

## Development of BLG LOGISTICS in the following year

### AUTOMOBILE Division

The German automotive industry is currently undergoing a comprehensive transformation, characterized first and foremost by the transition to electromobility and increasing international competitive pressure, especially from China. A further strain has been placed on the supply chains of the German automotive industry by the increasing scarcity of raw materials and primary products, particularly those used in the manufacture of semiconductors and batteries. The recently announced tariffs by the new US government on car imports will have far-reaching implications, which cannot be estimated at this time and will lead to a high level of uncertainty. On the whole, we therefore expect earnings contributions in the division to decline in 2025.

In the seaport terminals business area, handling volumes are forecast to rise slightly in 2025. The share of imports at the BLG AutoTerminal in Bremerhaven is expected to increase once more, particularly imports from China. Furthermore, the new inland terminal in Ahlhorn will offer additional alternative space that will help optimize processes.

The high & heavy segment was hit by the global economic slowdown in the 2024 financial year, especially in the construction industry, which led to a decline in volumes. Due to the rebound in cargo activities as well as technical progress, a slight increase in the volume of heavy goods is expected for the following year.

The BLG AutoTerminal in Cuxhaven can expect to experience a significant increase in handling volumes due to the conclusion of new contracts with three key accounts. In the future, the BLG AutoTerminal in Cuxhaven will also act as an import port for vehicles manufactured in Turkey.

Domestic terminals are expected to record a slight increase in volumes compared to the previous year. Growth will primarily be generated by the new site in Ahlhorn, which is scheduled to open in the second quarter of 2025.

Terminal handling in the new vehicle segment is up against stiff competition. The strategic goal of BLG LOGISTICS is to expand the remarketing and used vehicle segment in order to achieve higher technical value added.

The volume of road transport within the AutoTransport business area is predicted to marginally decrease compared with the previous year. Against this backdrop, we aim to increase the proportion of transport operations carried out internally and to reduce dependence on subcontractors.

Demand for vehicle transport capacity in the rail business area is expected to remain stable in 2025. Challenges associated with the provision of traction by railway companies due to the ongoing shortage of locomotive drivers as well as numerous construction sites in the rail network will continue to affect operations. At BLG RailTec, we plan to further expand the repair business for third parties, above all in the area of mobile maintenance.

In the Southern/Eastern Europe business area, there will be an increased focus on expanding transportation using our own fleet of vehicles. The long-term lease of permanent space in Gdańsk will create a stable basis for handling. Additional space is planned for 2025 to further expand capacities.

The transport operations of the joint venture in Ukraine will be maintained to the greatest possible extent despite the challenging situation.

The technical value added generated by BLG AutoTec will be presented separately in the Technology business area from January 1, 2025 onwards. As a result of the expected handling volumes, a slight increase in value-added activities is also expected.

**CONTRACT Division**

In 2025, the CONTRACT Division will continue to face the obstacles posed by the challenging economic environment described above.

On the upside, the trend towards more logistics outsourcing is opening up new opportunities. Demand for automation among customers gives us the opportunity to act as logistics architects. Production increases in Eastern Europe are also creating new markets. The dual strategy of combustion engine and electric vehicle production increases the requirements and thereby the scope of logistical services. Large-scale projects and infrastructure projects remain unaffected by the economic trends and offer stability.

In view of the difficult circumstances, the focus remains on optimizing the profitability of existing businesses through stringent cost management.

This holds particularly true with regard to mobility, which is facing major challenges in view of the transformation of the automotive industry. Something which has been evidenced by subdued volume planning among customers. Sites where we provide services for the automotive industry, such as Bremen and Stuttgart, have been particularly affected.

In the Industrial & Energy segment, we were able to further expand business with existing customers at our locations and a positive revenue trend is forecast for the 2025 financial year.

The consumption slump is also hitting fashion logistics. We expect growth to vary among our sites in this segment. Cost pressure among customers and the availability of logistics capacities on the market are leading to stiff competition. Acquiring new customers and retaining existing ones remains challenging.

BLG Cargo Logistics expects handling volumes to fall. However, this development will likely be offset by an optimization of the customer portfolio. Uncertainty also exists with regard to the possible introduction of new tariffs.

The US site is continuing on the earnings path spurred by the restructuring that began in 2023. Among other things, success has been achieved in subletting vacant space and the quality of our services has improved. The new management has also rolled out new sales approaches and business streamlining. A positive result is not expected until 2026.

In South Africa, the outlook for business remains stable and positive.

On the whole, business in the regions with existing customers was successfully consolidated and grew in many places in 2024. A special focus was placed on the continued diversification of the customer portfolio with the aim of maintaining stable performance even under difficult economic conditions. In light of this, a positive result is expected for the coming year, with the absence of significant one-time effects that weighed on the 2024 financial year.

**CONTAINER Division**
As the container terminals still have available capacity reserves – at least in the medium term – the trend toward consolidation is strengthening the market power of the remaining consortia/shipping companies while simultaneously increasing the pressure on earnings. This has exacerbated the need to find and implement sustainable cost reductions and efficiency improvements at the container terminals. Optimization measures that have already been launched and successfully rolled out since 2019 in this context will also be permanently anchored in an organizational unit set up specifically for this purpose from January 2025 onwards. The aim behind this approach is to optimize earnings in the long term.

With regard to the EUROGATE container terminal in Hamburg, stable handing volumes are forecast for 2025 in light of the gradual relocation of services from Mediterranean Shipping Company S.A. (MSC) to the Hamburg terminals of Hamburger Hafen und Logistik AG (HHLA) and the newly acquired handling volumes in the Gemini Cooperation.

As things currently stand, handling volumes are expected to rise significantly at the Bremerhaven site in 2025. This outlook is largely based on the assumptions of the partners and customers of our local joint ventures.

Wilhelmshaven is expected to experience a significant increase in volumes in 2025 due to the long-term handling plan agreed with the partner and customer Hapag-Lloyd AG. Achieving reasonable capacity utilization of the EUROGATE Container Terminal in Wilhelmshaven continues to be a top priority. The prospects of acquiring additional liner services in the next few years are also good.

The geopolitical situation that prevailed in 2024 and the resulting extraordinary positive effects from storage fees and reefer revenues are expected to subside for the CONTAINER Division in 2025. Increasing cost pressure and the accelerated progress of the various automation projects are forecast to lead to a significantly diminished, although still positive result for 2025. Nevertheless, this relies on the continued sustainable implementation of the restructuring and optimization measures in the 2025 financial year.

**Planned capital expenditure**
We adjust our investment plans in line with the constantly changing market conditions, paying particular attention to our liquidity and results of operations. Furthermore, BLG LOGISTICS also takes sustainability aspects into account when evaluating investment projects, for example when developing new locations. Significant expansion, process optimization and replacement investments are planned in the coming year in the AUTOMOBILE Division, for example for the ongoing replacement of older trucks and the buyback of car wagons from leasing in the AutoTransport and rail business area. In the seaport and inland terminals business areas, capital expenditure mainly relates to various measures to expand and modernize spaces and buildings and the upgrading of handling equipment. In addition, investments will be made to optimize the division’s IT network. In the CONTRACT Division, capital expenditure relates to the development and expansion of new logistics centers and the expansion of existing business. Another focus is the replacement of technical plant and machinery.

An investment volume of around EUR 315 million is planned for the necessary expansion and replacement investments, and for investments in process optimization (excluding the CONTAINER Division, of which EUR 167 million is earmarked for capitalized rights-of-use according to IFRS 16).

**Overall statement on the expected development of the Group**

Expected changes for 2025

| ↘ | → | ↘ |
|---|---|---|
| **EBT and EBIT** | **Revenue** | **EBT margin and RoCE** |
| significant decline | roughly at previous year's level | significant decline |

At the time of preparing this report, the war between Russia and Ukraine was still ongoing. Current conflicts in the Middle East and the Red Sea may cause further disruptions in supply chains and shipping company schedules as ships are forced to take detours. Other challenges may arise from cautious consumption due to prevailing consumer uncertainty, the new federal government in Germany and the tariffs announced by the new US government.

Personnel expenses will once again be particularly strained in 2025. Despite falling inflation rates, calls for higher wages are being encountered across all sectors throughout Germany. Against the backdrop of declining order volumes in numerous areas of BLG LOGISTICS, this represents a particular challenge when it comes to a responsible wage policy.

| EUR thousand | Actual 2024 | Forecast 2025 |
|---|---|---|
| EBT | 91,791 | significant decline; positive result |
| EBIT | 103,342 | significant decline in line with EBT |
| Revenue | 1,220,664 | roughly at previous year's level |
| EBT margin (in percent) | 7.5 | significant decline in line with EBT |
| RoCE (in percent) | 10.6 | significant decline in line with EBT/EBIT |

In this environment of uncertainty, as things stand today, we expect revenue for the BLG Group (excluding the CONTAINER Division) to remain at roughly the same level as the previous year based on the above forecast. BLG LOGISTICS's earnings expectations (EBT) for the 2025 financial year are lower than the forecast for 2024 but still very much positive, in the tens of millions. The year-on-year decline was mainly due to lower investment income from the CONTAINER Division, which was characterized by material one-time effects and temporary increases in income from storage fees in the reporting year. The AUTOMOBILE Division will also likely not be able to improve on the strong results achieved in the reporting year in view of the projected weak economic growth and the particular challenges faced in the automotive industry. We expect the CONTRACT Division to return to a positive earnings trend despite a challenging environment following the processing of various one-time effects in the past financial year.

Against the background of the situation as outlined at present, this forecast is accompanied by a high degree of uncertainty.

We will continue to pursue the goal of a continuous, earnings-based dividend policy. Accordingly, we will allow our shareholders to participate in earnings to a reasonable extent according to the performance of the business moving forward.

This annual report was prepared on the basis of German Accounting Standard 20 (DRS 20), as amended. Apart from historical financial information, this annual report contains forward-looking statements on the future development of the business and the business performance of BLG LOGISTICS, which are based on estimates, forecasts and expectations, and can be identified by wording such as "assume," "expect" or similar terms. These statements may, of course, vary from actual future events or developments. We are not under any obligation to update these forward-looking statements in light of new information.