

INTEREUROPA GROUP

Intereuropa, Globalni logistični servis, d.d.

**SUMMARY OF THE
STRATEGIC PLAN OF THE
INTEREUROPA GROUP
FOR THE PERIOD 2018–2022**



Koper, December 2018

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1. Introduction

Despite a high level of debt and the limitations set out in the financial restructuring agreement, the Intereuropa Group succeeded in ensuring financial stability and a focus on the development of its core activity during the previous strategic period. In the context of favourable economic conditions, the Group increased its focus on customers, and ensured the Group's further growth in the majority of products and markets. Pressures on costs, and the fast and high-quality provision of logistics services, in the context of growing needs for the complexity and individualisation of solutions, require the Group to adapt continuously to changes in the business environment. Emphasis on the one hand is placed on the effective identification and innovative satisfaction of the growing needs of customers, which in turn results in their increased satisfaction and the growth of the Group, and on the continuous optimisation and computerisation of processes on the other hand, with the aim of ensuring the more rapid and reliable flow of goods and information.

2. Vision, mission and values of the Group

Vision

Our vision is to be a superior provider of comprehensive logistics solutions.

Mission

The Group's mission is to satisfy needs for logistics services and ensure the optimal functioning of supply chains to the complete satisfaction of customers, while creating added value for owners, employees and other stakeholders in a socially responsible manner.

Values

Integrity. Respect for the highest ethical principles and best business practices. Operations in compliance with applicable legislation, guidelines, recommendations and the Company's internal rules.

Excellence. The Group's services are geared towards the superior satisfaction of every customer's needs for logistics services, and are based on our advanced logistics know-how.

Adaptability and flexibility. The Group's services are prompt and tailored to the needs of customers. This is achieved by applying innovative approaches and ensuring a lean organisation.

Responsibility. The Group is distinguished by a high level of responsibility for the obligations we undertake, the agreements we conclude, and the social and natural environments in which we operate.

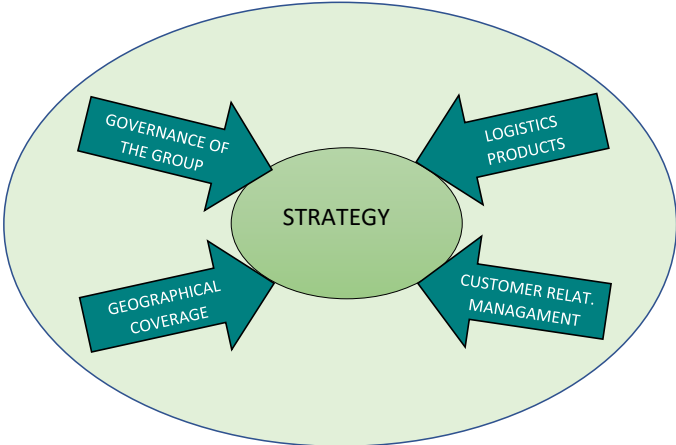
Teamwork and a respectful approach to employees. The quality of the Group's services is the result of the work of individuals and top-notch expert teams. The diverse knowledge, experiences and views of our employees are highly valued.

3. Strategy of the Group

3.1 Strategic pillars

The implementation of our vision is based on a strategy comprising four key pillars: the development of logistics products, customer relationship management, geographical coverage and effective Group governance.

Slika 1: Four pillars of the Group's strategy



Logistics products

The development of the Intereuropa Group's core activity of logistics services until 2022 will be based on the land transport, intercontinental transport and logistic solutions business lines, with the accompanying products. The focus of development in the land transport segment will be on groupage and express transport products, road and railway transport, and customs clearance services. Within the intercontinental transport segment, focus will be placed on air and sea freight, car logistics and shipping agency services. Within logistics solutions, the warehousing and distribution of goods will be promoted for merchandise categories with higher added value.

In terms of the implementation of market activities, the Intereuropa Group is developing complex 3PL logistics solutions, with an emphasis on the development of services along the entire logistics chain (E2E). The Group's primary focus is on products with higher

added value (groupage and logistics solutions) and on those products with growth potential (road, air and sea freight).

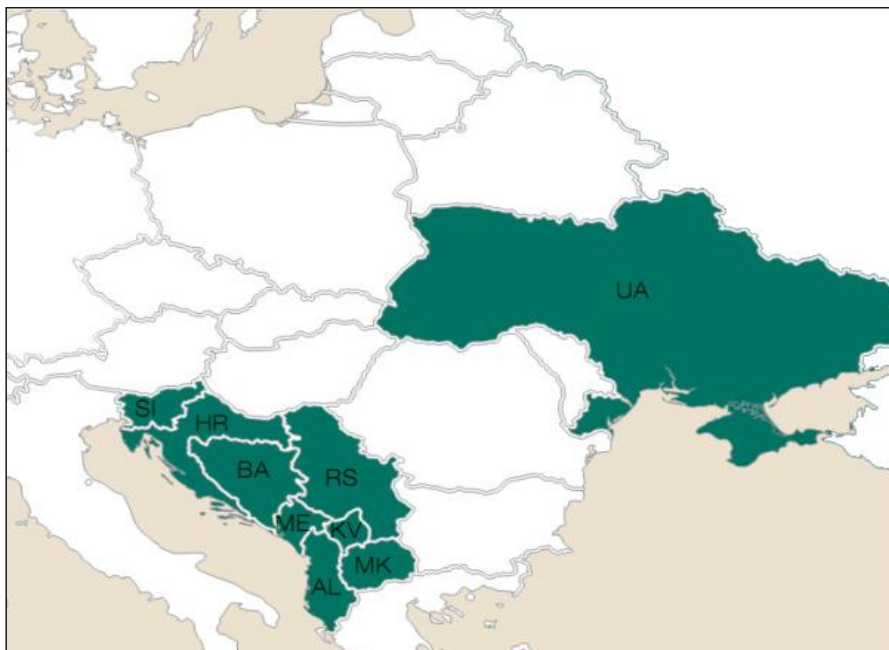
Customer relationship management

The group will increase its focus on satisfying the needs of customers in the logistics services segment. With the aim of continuously increasing customer satisfaction, the Group's approach to customers with various needs is individualised with regard to their expectations on a specific market or in a specific industry. The Intereuropa Group varies its approach to customer relationship management with regard to different segments. These include strategic customers, to whom the Group offers services on several markets, key customers by individual market and merchandise category, and other customers who are important to the Group, primarily in the land transport segment.

Geographical coverage

The Intereuropa Group sees growth potential on the majority of existing markets where it is present through its subsidiaries. The Group focuses on the markets of the former Yugoslavia. Further expansion to major markets in south-eastern Europe is also possible. Other markets are covered by a partnership network for products carried over land, by air and by sea.

Slika 2: Network of Intereuropa Group companies, with subsidiaries in Slovenia, Croatia, Bosnia and Herzegovina, Serbia, Montenegro, Kosovo, Macedonia, Albania and the Ukraine



Governance of the Group

The key initiatives in this area are ensuring the financial stability of the Group, the development of centralised information support for the Group's operations, the development of an effective system for governing subsidiaries and ensuring motivated and qualified employees.

The Intereuropa Group will reduce its debt in the coming period and finance its operations through the optimal combination of equity and debt sources, which it will achieve by increasing cash flows from operating activities and through the effective management of working capital. The sale of non-core assets will be another important source for reducing debt.

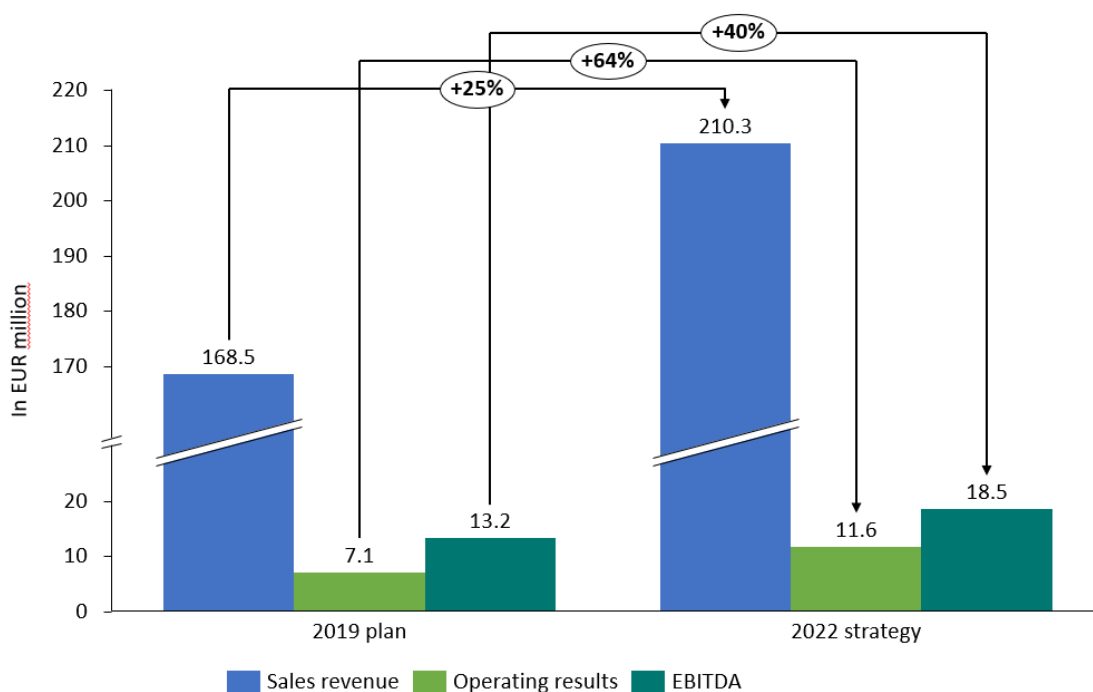
The optimisation and computerisation of business processes represent a precondition for the effective performance of the logistics activity. The Intereuropa Group will continue with activities in this area aimed at the centralisation and consolidation of IT systems to support the implementation of business processes at the Group level. With regard to the Group's core activity, this will primarily comprise the continued roll out of the integrated WexVS solution, a CRM system and a business intelligence system.

The Intereuropa Group sees potential in the improved exploitation of synergies in the governance of subsidiaries. Through the improved integration of the common processes of Group companies and the increased powers and responsibilities of the holders of individual functions within the Group, the latter will further improve the efficiency of its operations and appropriately manage the risks to which it is exposed.

The driver of the Intereuropa Group's development is its employees. The Group develops its relationship with employees through measures aimed at improving commitment and competences, which is crucial to achieving established strategic objectives.

3.2 Strategic objectives

Slika 3: Key strategic objectives of the Intereuropa Group for the period 2019–2022



INTEREUROPA GROUP	2019 plan	2022 strategy
in EUR million		
Sales revenue	168.5	210.3
Operating results	7.1	11.6
EBITDA	13.2	18.5
Number of employees at year end	1,380	1,563

- The Group is planning to invest a total of EUR 36.8 million in the period 2018–2022, primarily for the purposes of increasing warehousing capacities and technological upgrades. It is also planning to increase warehousing capacities through leasing.

Intereuropa d.d.

Management Board

Disclaimer regarding forecasts of future events

This publication contains forecasts and information regarding future events. These forecasts and information include, *inter alia*, the financial objectives of the Intereuropa Group for future periods, planned operations and financial plans. The aforementioned forecasts and information are based on current expectations of future events and situations, and are subject to risks and uncertainties that could have an impact on actual results, which could differ considerably from forecasted results due to various factors. Various factors, many of which Intereuropa has no control over, affect the performance, financial objectives and results of the Group.

Intereuropa functions as a support logistical service for the commercial sector. Its operations are therefore closely tied to economic development in the countries in which the Group operates and to the operations of companies in different sectors to which it provides logistics services. In the future, these two factors could differ from the expectations that served as the basis for the forecasts and information in this publication. Other factors over which Intereuropa has no control could also affect forecasts and expectations. They include, *inter alia*, the effects of fluctuations in exchange rates, pressures from the competition to reduce prices, continued volatility on and deterioration of the capital markets, the continued deterioration of payment discipline, the financial difficulties of major customers, etc. Due to the wide range of factors that affect the operations of Intereuropa and over which the Group has no control and because all of these factors cannot be precisely anticipated in advance, actual operating results could differ significantly from the expected operating results stated in this publication.

Intereuropa shall not assume any liability with respect to updates or revisions to the forecasts in this publication should the development of events differ from expectations.