

**INFORMATION REGARDING
THE BUSINESS RESULTS OF
THE INTEREUROPA GROUP
AND
INTEREUROPA, D. D.**

IN 2020

(UNAUDITED DATA)

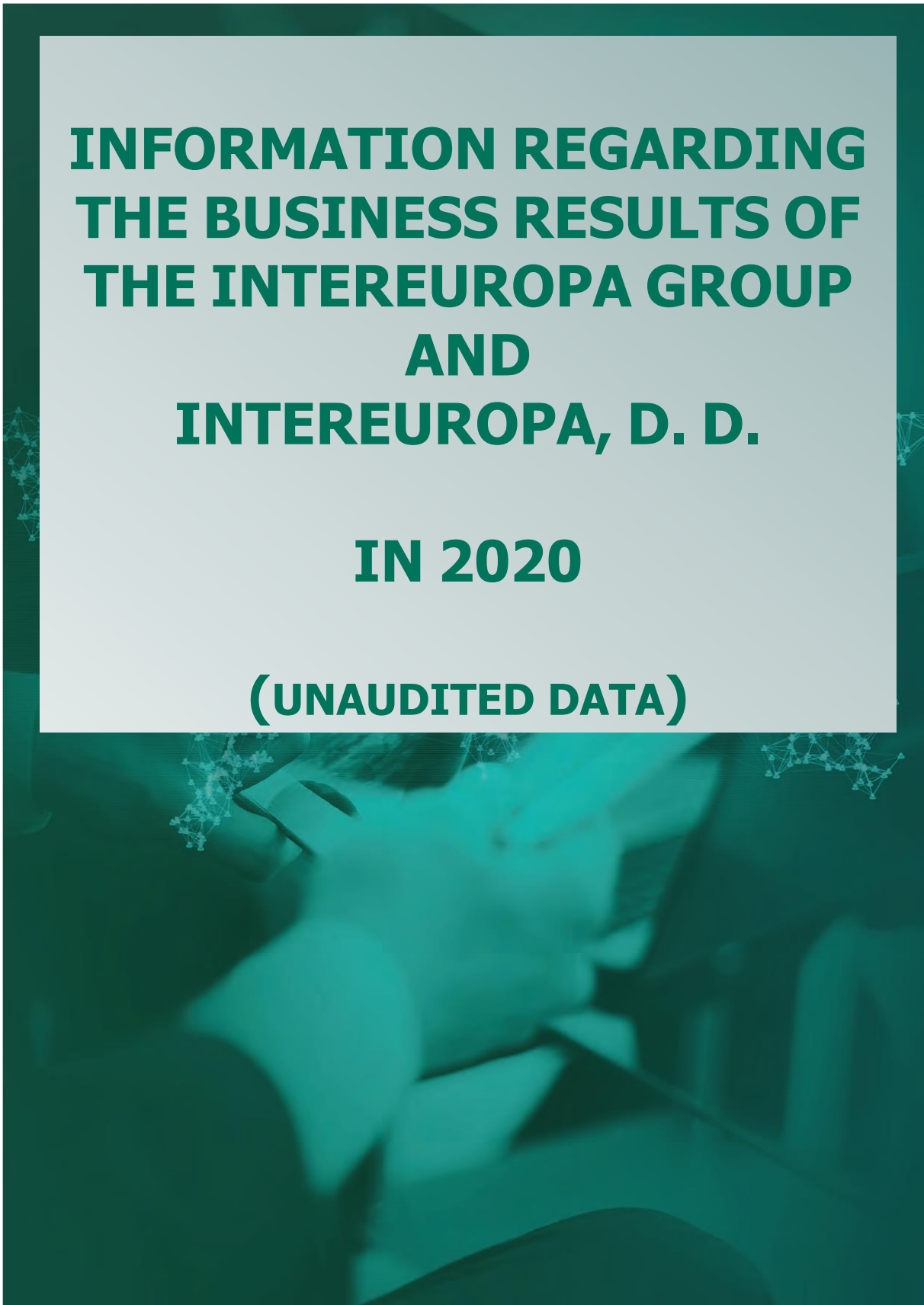







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BUSINESS RESULTS OF THE INTEREUROPA GROUP¹

The year 2020 will be seen in world history as the year of the coronavirus SARS-Cov-2 pandemic outbreak (hereinafter also: COVID-19), which brought significant changes to the economic environment and also impacted the business performance of the Intereuropa Group. The Intereuropa Group went to great lengths to preserve the health of its employees. Despite the additional measures on the sales side, the containment measures of the countries in which the Group operates made it impossible to avoid a decline in sales. Despite the extremely adverse business conditions in all markets, the Group managed to ensure continuous logistical support to customers along the entire supply chain, both during the first and second wave of the epidemic.

Based on unaudited figures, the Intereuropa Group generated EUR 150.7 million in sales revenue in 2020, which was down by 6% on 2019. Operating cash flows (hereinafter: EBITDA²) were down by 12% and totalled EUR 12.3 million. The Group's net debt³ was down by EUR 10.0 million to stand at EUR 44.4 million at the end of 2020, resulting in an EBITDA ratio of 3.6.

	EUR 150.7 million Sales revenue	-6% on 2019 +8% on the plan
	EUR 12.3 million EBITDA	-12% on 2019 +21% on the plan
	EUR 3.6 million Net profit	- 15% on 2019 - 184% on the plan
	EUR 44.4 million Net debt	-18% on 2019* -8% on the plan*
	3.6 Net debt/EBITDA	-7% on 2019* -24% on the plan*

* The negative sign means a decrease in net debt and the net debt to EBITDA ratio by more than planned or relative to the situation/balance as of the end of last year.

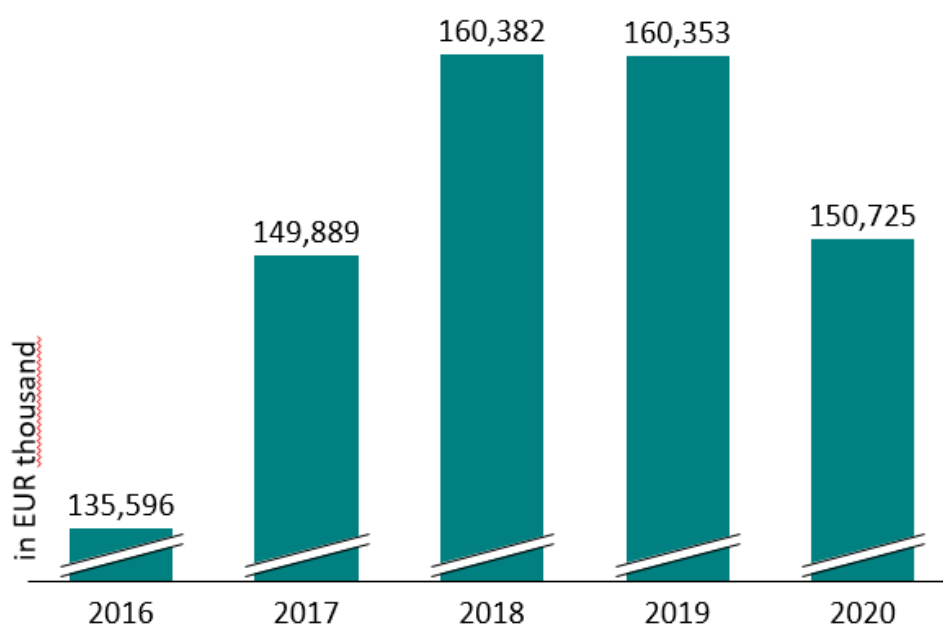
¹ Information regarding the business results of the Intereuropa Group was drawn up on the basis of unaudited data.

² EBITDA: operating profit + depreciation/amortisation + revaluation operating expenses for intangible assets and property, plant and equipment – revaluation operating revenues from the reversal of impairments of intangible assets and property, plant and equipment

³Net debt: financial liabilities – loans granted and deposits – cash

The most significant decline in the sales revenue of the Group in 2020 relative to 2019 was recorded by the parent company and the Montenegrin subsidiary. The second largest group company, the company in Croatia, managed to maintain the level of revenue from the previous year in 2020, while the sales revenue of subsidiaries in Serbia, the Ukraine and North Macedonia increased.

Picture 1: Changes in the sales revenue of the Intereuropa Group between 2016 and 2020



Sales revenue in the amount of EUR 150.7 million were 8% higher than planned,⁴ with sales above the planned figures in all three business lines, in absolute terms the highest sales revenue figures being in land transport. All group companies except for the subsidiary in Montenegro and two smaller subsidiaries in Slovenia recorded figures that were higher than the planned revenue.

In 2020, the Intereuropa Group successfully continued the trend of growth in the average sales margin from the previous year, and recorded an increase in the average sales margin in 2020 by 0.5 percentage points relative to 2019.

The Intereuropa Group generated EBITDA of EUR 12.3 million in 2020, down by 12% relative to the previous year, but 21% higher than planned. Contributing significantly to the higher-than-planned EBITDA in 2020 in addition to higher-than-planned sales revenue was higher-than-planned other operating revenues (up EUR 0.6 million on the plan), which was mostly the result of revenues from the reversal of non-current provisions in the amount of EUR 0.3 million. On the other hand labour costs were also higher than planned.

⁴Revised business plan of the Intereuropa Group for 2020, adopted on 9 July 2020.

The EBITDA gap that lags behind figures in 2019 was mostly attributed to lower sales, and also to lower other operating revenues, mostly as a result of lower revenues from the reversal of impairment losses on property, plant and equipment, and investment property. On the other hand EBITDA was positively impacted by lower other operating expenses in 2020. The latter were high in 2019 on account of fraud identified at the Croatian subsidiary, higher expenses from revaluation operating expenses for property, plant and equipment, and investment property, and higher expenses from the creation of provisions.

Normalised EBITDA amounted to EUR 11.4 million in 2020, a decrease of 16% relative to normalised EBITDA in 2019.

Labour costs and the costs of hired labour combined rose slightly in 2020, as was the case for average labour costs per employee.

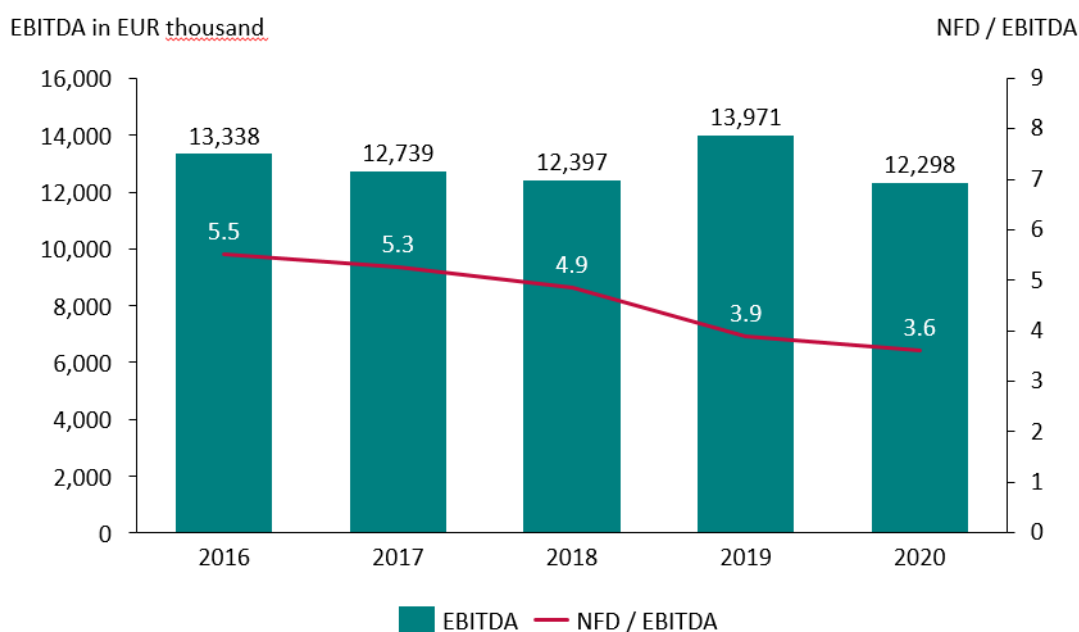
The Intereuropa Group's operating profit amounted to EUR 5.8 million in 2020, which was down EUR 1.8 million, or 23% on the previous year, mostly attributed to lower sales revenue, as well as the Group, contrary to 2019, having no major one-time revenues from the repayment of disputed operating receivables. A positive effect on the operating profit in 2020, relative to 2019, was brought by lower depreciation costs due to the extension of the lifecycle of real estate on the basis of the assessment made in 2020, and lower other operating expenses in 2020. Operating profit in 2020 exceeded the planned figures by EUR 3.14 million or 120%.

The Group's net debt amounted to EUR 44.4 million at the end of 2020, a reduction of EUR 10.0 million during the year, which was seen in an improvement in the Group's net debt / EBITDA ratio, which stood at 3.6 in 2020, a decrease of 7.3% relative to the previous year. The decrease in net debt was mainly attributed to an increase in the balance of cash and cash equivalents, which was contributed significantly by the conclusion of annex 1 to the loan agreement with the syndicate of banks⁵, by way of which the parent company deferred the payment of the principal and interest for one year.

Due to more favourable lending terms that the parent company negotiated in the loan refinancing process in 2020 and which are also impacted by the guarantee for the loan (80% of the loan amount) issued by Pošta Slovenije d.o.o., finance costs for interest also decreased in 2020 by EUR 1.0 million or 54%.

⁵ The parent company concluded the annex in May 2020 in order to mitigate the effects of the COVID-19 epidemic and to strengthen the company's liquidity position.

Picture 2: Changes in EBITDA and the net debt / EBITDA ratio of the Intereuropa Group between 2016 and 2020



NFD / EBITDA: net debt at the end of the year / EBITDA for the year

The Intereuropa Group generated a net profit of EUR 3.6 million in 2020, a decrease of EUR 0.6 million relative to the previous year and EUR 2.3 million more than planned.

The Group invested EUR 2.1 million in property, plant and equipment and intangible assets in 2020. Of that amount, EUR 0.6 million was invested in real estate and EUR 1.5 million in equipment and intangible assets.

The carrying amount of the Group's fixed assets sold in 2020 was EUR 2.3 million.

Table 1: Key operating indicators of the Intereuropa Group (in EUR thousand)

in EUR thousand	2020	2019	Index 20/19
Sales revenue	150,725	160,353	94
Gains/losses from the derecognition of operating receivables	-15	-46	-
Other operating revenues	2,121	2,892	73
Costs of goods, materials and services	108,788	116,356	93
Labour costs	29,124	28,934	101
Depreciation/amortisation	6,464	7,224	89
Losses due to the impairment of receivables	269	-462	-
Other operating expenses	2,422	3,623	67
<i>Revaluation operating expenses for intangible assets and property, plant and equipment</i>	<i>167</i>	<i>557</i>	<i>30</i>
<i>Other operating expenses</i>	<i>2,255</i>	<i>3,066</i>	<i>74</i>

in EUR thousand	2020	2019	Index 20/19
Operating profit (EBIT)	5,764	7,524	77
Finance income	100	816	12
Finance costs	1,303	1,898	69
Profit/loss from financing activities	-1,202	-1,082	-
Profit from ordinary operations	4,563	6,442	71
Corporate income tax (current and deferred taxes)	995	2,245	44
Net profit	3,568	4,197	85
EBITDA⁶	12,298	13,971	88
Normalised EBITDA ⁷	11,369	13,568	84
EBITDA margin (in %)	8.16	8.71	94
EBIT margin (in %)	3.82	4.69	82
Sales revenue per employee/month	9.684	10.338	94
Value added per employee/month	2.662	2.766	96
ROE in %	2.9	3.5	83

	31 December 2020	31 December 2019	Index 20/19
Assets	220,444	223,351	99
Equity	124,850	122,358	102
Net debt ⁸	44,371	54,352	82
Investments in property, plant and equipment, and intangible assets	2,105	2,889	73
Number of employees ⁹	1,297	1,293	100

⁶ EBITDA: operating profit + depreciation/amortisation + revaluation operating expenses for intangible assets and property, plant and equipment – revaluation operating revenues from the reversal of impairments of intangible assets and property, plant and equipment

⁷ Normalised EBITDA: excludes the effect of other operating revenues, expenses from the creation of provisions, expenses for the participation of employees and hired labour in profits, labour costs from the award of a crisis bonus, expenses from the correction of errors in previous years at group subsidiaries, and in 2019 in addition to all items listed above also expenses associated with the effect of fraud at a subsidiary, revenues from the reversal of value adjustments as the result of the repayment of old operating receivables based on a court settlement, and expenses from the exclusion of a subsidiary from consolidation.

⁸ Net debt: financial liabilities – loans granted and deposits – cash

⁹ Number of employees: calculated on full-time equivalent basis

BUSINESS RESULTS OF THE PARENT COMPANY INTEREUROPA, D. D.¹⁰

On the basis of unaudited data the parent company Intereuropa d.d. (also hereinafter: the company) generated EUR 104.0 million in sales revenue in 2020, which was down 7% on 2019 and 9% above planned revenue.¹¹ Growth in sales was achieved in the logistics solutions segment, while sales in the land transport and intercontinental transport segments were down relative to the previous year. In 2020 the company continued its positive growth trend in its sales margin from the previous year when it began to rise after several years of decline. The sales margin in 2020 was up by 1.2 percentage points on 2019.

The company generated EBITDA of EUR 8.1 million, down by 12% on 2019 and 27% higher than planned. The greatest impact on EBITDA in 2020 was accounted for by a decrease in sales revenue due to the effects of COVID-19 and higher loss due to adjustments to receivables than in 2019, when loss due to the impairment of receivables was decreased by revenues from the reversal of adjustments to operating receivables from previous years that were impaired in full in the past.

Normalised EBITDA amounted to EUR 8.0 million in 2020, a decrease of 14% relative to normalised EBITDA in 2019.

The company's operating profit amounted to EUR 4.3 million in 2020, which was down 14% or EUR 0.7 million on the previous year, and EUR 2.4 million or 125% above the planned figures. Lower depreciation, resulting from an extension of the lifecycle of real estate in 2020, had a significant effect on higher operating profit in 2020.

The company reduced its debt by EUR 3.7 million in 2020. In May 2020, the company concluded annex 1 to a loan agreement with a syndicate of banks with the aim of mitigating the effects of the COVID-19 epidemic and strengthening its liquidity position. The payment of principal and interest was deferred for one year under that annex.

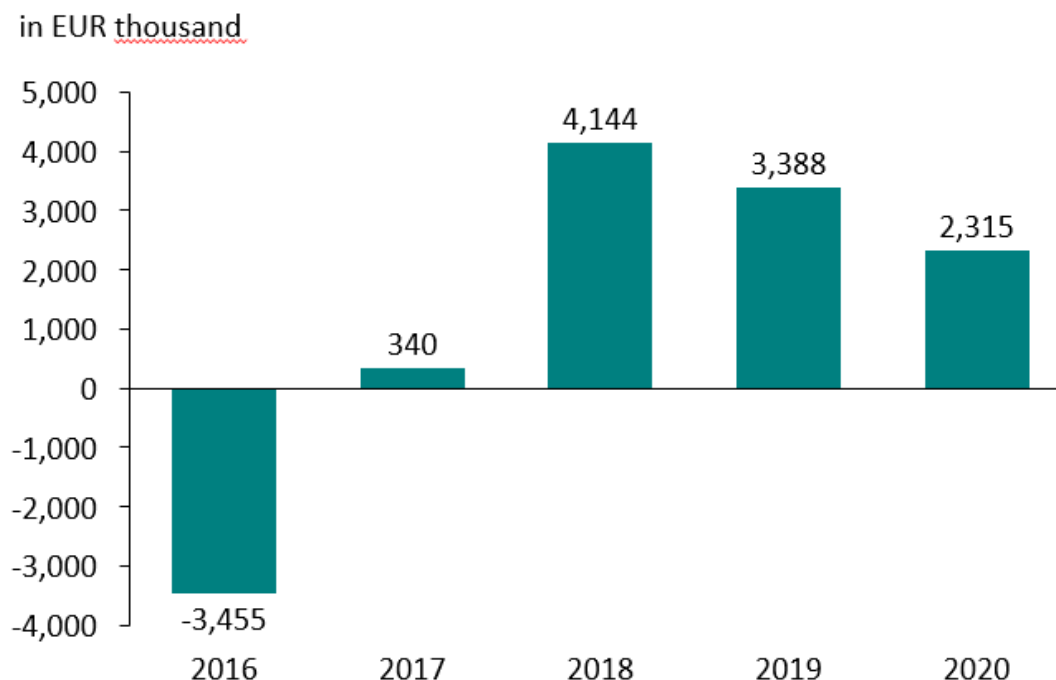
Profit from ordinary operations in 2020 totalled EUR 3.0 million, which was 140% higher than planned, but down 41% on the 2019 figures. A significant factor in the decline relative to 2019 was the loss from financing activities, which is the result of a loss of income from participation in the profits of group companies and net expenses from the valuation of financial assets; while there was a positive effect from the valuation of financial assets in 2019. On the other hand, interest expenses declined in 2020.

The company's net profit amounted to EUR 2.3 million in 2020, which was 100% higher than planned, but 32% below last year's result.

¹⁰ Information regarding the business results of the Intereuropa Group was drawn up on the basis of unaudited data.

¹¹ Revised business plan of the Intereuropa Group for 2020, adopted on 9 July 2020.

Picture 3: Changes in the net profit of the parent company Intereuropa, d. d. in the period 2016 to 2020



The parent company invested EUR 1.3 million in 2020. Of that amount, EUR 0.4 million was invested in real estate and EUR 0.9 million in equipment and intangible assets.

Table 2: Key operating indicators of the parent company Intereuropa, d. d., in EUR thousand

in EUR thousand	2020	2019	Index 20/19
Sales revenue	103,964	111,828	93
Gains/losses from the derecognition of operating receivables	-10	-46	-
Other operating revenues	977	706	138
Costs of goods, materials and services	76,747	83,393	92
Labour costs	18,900	18,915	100
Depreciation/amortisation	3,772	4,427	85
Losses due to the impairment of receivables	128	-532	-
Other operating expenses	1,043	1,244	84
<i>Revaluation operating expenses for intangible assets and property, plant and equipment</i>	13	52	26
<i>Other operating expenses</i>	1,030	1,192	86
Operating profit (EBIT)	4,340	5,041	86
Finance income	244	2,318	11
Finance costs	1,590	2,253	71
Profit/loss from financing activities	-1,346	65	-

in EUR thousand	2020	2019	Index 20/19
Profit from ordinary operations	2,994	5,107	59
Corporate income tax (current and deferred taxes)	679	1,719	40
Net profit	2,315	3,388	68
EBITDA¹²	8,125	9,269	88
Normalised EBITDA ¹³	8,002	9,295	87
EBITDA margin (in %)	7.82	8.29	94
EBIT margin (in %)	4.17	4.51	93
Sales revenue per employee/month	15.138	16.013	95
Value added per employee/month	3.935	4.036	98
ROE in %	2.7	4.0	66
	31 December 2020	31 December 2019	Index 20/19
Assets	172,272	176,748	97
Equity	89,225	87,228	102
Net debt ¹⁴	54,115	57,293	94
Investments in property, plant and equipment, and intangible assets	1,279	1,603	80
Number of employees ¹⁵	572	582	98

Koper, 11 March 2021

Intereuropa, d. d.

Management Board

¹² EBITDA: operating profit + depreciation/amortisation + revaluation operating expenses for intangible assets and property, plant and equipment – revaluation operating revenues from the reversal of impairments of intangible assets and property, plant and equipment

¹³ Normalised EBITDA: excludes the effect of other operating revenues, expenses from the creation of provisions, expenses for the participation of employees and hired labour in profits, labour costs from the award of a crisis bonus, and in 2019 in addition to all items listed above also revenues from the reversal of value adjustments as the result of the repayment of old operating receivables based on a court settlement.

¹⁴ Net debt: financial liabilities – loans granted and deposits – cash

¹⁵ Number of employees: calculated on full-time equivalent basis