



Intereuropa®

Globalni logistični servis

2021

**REPORT
OF THE
SUPERVISORY
BOARD**

REPORT OF THE SUPERVISORY BOARD FOR 2021

1.	COMPOSITION OF THE SUPERVISORY BOARD	3
2.	WORK OF THE SUPERVISORY BOARD IN 2021	3
3.	PERFORMANCE OF THE INTEREUROPA GROUP IN 2021	5
4.	APPROVAL OF THE 2021 ANNUAL REPORT	5

REPORT OF THE SUPERVISORY BOARD FOR 2021

In 2021, the Supervisory Board monitored the operations of Intereuropa, d. d. (hereinafter: Company) and the Intereuropa Group, and responsibly supervised its management. It was briefed periodically on reports on different business lines, discussed various aspects of their performance, and adopted the appropriate resolutions in this regard and monitored the implementation thereof. Certain topics were discussed in advance in detail by committees, e.g. the Audit Committee and the Nomination and Remuneration Committee, before being discussed by the Supervisory Board. The Supervisory Board adopted the appropriate resolutions on the basis of their findings and recommendations.

1. COMPOSITION OF THE SUPERVISORY BOARD

The composition of the Supervisory Board changed in 2021. Chairman of the Supervisory Board Mr Boris Novak resigned in March 2021. Mr Tomaž Kokot was appointed by the General Meeting of Shareholders held on 31 May 2021 to serve as new member of the Supervisory Board. The latter was also appointed Chairman of the Supervisory Board on 18 June 2021. Member of the Supervisory Board Mr Andrej Rihter resigned on 5 September 2021, as did Mr Vinko Filipič on 15 September 2021. Member of the Supervisory Board Mr Milan Perović was also dismissed at the General Meeting of Shareholders held on 18 November 2021. Three new Supervisory Board members were appointed at the same general meeting, i.e. Mr Sebastijan Gostenčnik, Mrs Karmen Lebe Grajf and Mr Gregor Korene.

The Company's Supervisory Board functioned in a composition of six members in 2021. That composition is presented in the section Corporate governance statement (Composition of the Supervisory Board and its committees), in the business report part of the annual report.

2. WORK OF THE SUPERVISORY BOARD IN 2021

The work of the members of the Supervisory Board and the work of committee members was professional and focused on the effective performance of their function. In adopting the appropriate resolutions, the Supervisory Board was supported in terms of appropriate content by the recommendations of its committees. The Supervisory Board continuously informed interested parties about its most important decisions.

The materials that served as the basis for conducting sessions and adopting the relevant decisions were made available in a timely manner and in accordance with the Rules of Procedure of the Supervisory Board and the Rules of Procedure of the Audit Committee. Reports drafted by the Management Board for the purpose of the work of the Supervisory Board and the Supervisory Board's committees were suitable for the quality assessment of information and the fulfilment of the obligations of Supervisory Board members that are prescribed by the law and the Articles of Association.

Cooperation with the Management Board was appropriate, and complied with legislation and best practices. To the best of its knowledge and with due diligence, the Supervisory Board requested the necessary clarifications from the Management Board to assess the position of the Company, and formulated the appropriate resolutions based on those clarifications. The Supervisory Board continuously monitored the implementation of its own resolutions.

The Supervisory Board met at 16 sessions, four of which were correspondence sessions. All members of the Supervisory Board attended sessions regularly. Attendance was 100% at all of the Supervisory Board's sessions. The Supervisory Board and Management Board focused their efforts on defining and monitoring the development strategy and the annual plan, and managing business risks, which is important for the successful future operations of the Company and the Intereuropa Group.

The important matters that the Supervisory Board discussed in 2021 are presented below:

- It discussed and approved interim reports regarding the current operations of the entire Intereuropa Group and of individual subsidiaries on a quarterly basis. It also monitored the compliance of reports with adopted business and strategic plans.
- It adopted the audited annual report of the Intereuropa Group for 2020, together with the report of the certified audit firm Ernst & Young, d. o. o., and was briefed in advance on the findings of the audit.
- It took a position regarding the corporate governance statement and statement regarding non-financial operations in accordance with the ZGD-1.

- Together with the Management Board, the Supervisory Board drafted the agenda and proposed resolutions with justifications for the 36th General Meeting of Intereuropa, d. d., which was held on 2 July 2021.
- It was briefed quarterly on sales activities, changes in the balance of receivables, risk management reports, reports on the sale of real estate and reports on the progress of the implementation of priority projects.
- The Supervisory Board adopted the business and financial plan of the Intereuropa Group for 2022, with projections for 2023 and 2024.
- It was briefed on the semi-annual and annual report on the work of the Internal Audit Department and gave its consent to the Internal Audit Department's annual work plan for 2021.
- It assessed the effectiveness of the work of the Supervisory Board in 2020 according to the methodology of the Slovenian Directors' Association, and adopted an action plan for future work improvements on the basis of the results of that assessment.
- The Supervisory Board regularly monitored the implementation of strategic projects.
- It was briefed on the report of the Works Council of Intereuropa, d. d. as it relates to employee participation in management.
- It was briefed annually and semi-annually on the report on the corporate integrity system.
- It discussed the reports of the Audit Committee and the Nomination and Remuneration Committee.
- It was briefed on the amended Rules of Procedure of the Management Board.
- It approved the financial calendar of announcements for 2022, in which the Company's major public announcements are planned, and adopted its work plan with the envisaged content of sessions for 2022.
- The Supervisory Board monitored and was actively included in the integration processes of Intereuropa, d. d. and Pošta Slovenije, d. o. o., which require a great deal of engagement by both the Management Board and Supervisory Board.
- It was briefed on other information relating to Intereuropa, d. d., the Intereuropa Group and its subsidiaries.
- It also reappointed the Vice-President of the Management Board, Mr Rems, to a new four-year term of office.
- It also appointed Mr Vajs as the new President of the Management Board, who assumed his position on 1 January 2022, as the term of office of Mr Cegnar, the previous President of the Management Board, was terminated by mutual agreement on 31 December 2021.

The work of the Supervisory Board was in line with the provisions of applicable legislation, the Articles of Association, the Rules of Procedure of the Supervisory Board, the internal acts of Intereuropa, d. d., the Corporate Governance Policy of Intereuropa, d. d. and the Slovenian Corporate Governance Code (hereinafter: Code). All members of the Supervisory Board issued statements of dependence or independence. The Company publishes the statements of Supervisory Board members on its website. In their work and decision-making, Supervisory Board members, even those that disclosed their dependence on a major shareholder, solely took into account the interests and objectives of the Company, and subordinated any other personal interests or the individual interests of third parties, the Management Board, shareholders and the public to those interests and objectives. The members of the Supervisory Board are qualified, and possess the appropriate competences, diverse knowledge and experience with respect to the frameworks and requirements in which the Company operates. The Supervisory Board believes that its composition and size facilitate effective discussions and high-quality decision-making based on the diverse experience of its members.

The remuneration of members of the Supervisory Board and its committees is disclosed in the financial report of the parent company in note no. 32 Other explanations. Other costs associated with the work of the Supervisory Board and its committees comprise the costs of liability insurance for members of the Supervisory Board, membership fees for the Slovenian Directors' Association and training costs for Supervisory Board members. The aforementioned costs amounted to EUR 21,164 in 2021.

Two committees functioned under the aegis of the Supervisory Board in 2021: the Audit Committee and the Nomination and Remuneration Committee. The composition of the Supervisory Board's committees is described in the section Corporate governance statement (Composition of the Supervisory Board and its committees). Members prepared themselves adequately for topics discussed at individual committee sessions and put forward constructive proposals, and through their active participation contributed to the performance of the Supervisory Board's tasks. The work of committees contributed significantly to the effective work of the Supervisory Board.

The **Audit Committee** of Intereuropa, d. d. (hereinafter: Audit Committee) met at eight sessions in 2021. All members of the Audit Committee were present at all sessions. Members of the Supervisory Board who are not members of the Audit Committee were kept abreast about the latter's work by viewing the minutes of and materials for sessions published on an external portal for members of the Audit Committee. The chair of the Audit Committee also regularly reported on the committee's work and findings at sessions of the Supervisory Board under agenda item Report on the work of the Audit Committee. The Audit Committee addressed issues in accordance with the ZGD-1, recommendations for the work of audit committees, the Audit Committee's rules of procedure, the adopted work

plan of the Audit Committee and the resolutions of the Audit Committee.

The Audit Committee was regularly briefed on periodic and quarterly reports on the operations of the Intereuropa Group and Group companies, and on assessments of the interim operating results of Intereuropa, d. d. and the Group. Special attention was given to financial and accounting data, liquidity, borrowing and the fulfilment of commitments to banks. The committee regularly monitored periodic risk management and compliance reports for the Company and Group.

In 2021, the Audit Committee was briefed on the Internal Audit Department's annual report for 2020 and on the latter's work plan for 2021. It was also regularly briefed throughout the year on quarterly reports on the Internal Audit Department's work, and on the report on the implementation of the Internal Audit Department's recommendations and the recommendations of the statutory auditor.

The Audit Committee held several meetings in 2021 with the auditors of Ernst & Young, d. o. o. during the preliminary audit and audit of the financial statements. During those meetings, it was actively involved in the definition of areas subject to auditing, monitored the independence and the quality of the work of the certified auditor and was briefed on the course of and key findings from the preliminary audit/audit of the financial statements of the Company and Intereuropa Group. It examined the unaudited and audited annual report of the Company and the Intereuropa Group for 2020, with the opinion of the independent auditor. It drafted a report on its work in 2020, with an assessment of the annual report of the Company and the Intereuropa Group for 2020. It was also briefed on the findings and recommendations from the letter to the management drafted by the audit firm, and on response reports of the management of Intereuropa Group companies.

The Audit Committee was also briefed on the business-financial plan of the Intereuropa Group for 2022 with projections for 2023 and 2024, and also adopted the Audit Committee's plan of activities for 2022.

In 2021, the Supervisory Board's **Nomination and Remuneration Committee** met at four sessions. The main topics discussed were the procedure of appointing the President of the Management Board and the Vice-President of the Management Board, and the remuneration of the Management Board.

3. PERFORMANCE OF THE INTEREUROPA GROUP IN 2021

The Intereuropa Group is a leading logistics company that is consolidating its position as the leading provider of logistics solutions in Slovenia and Southeast Europe. The performance of the Company and the Intereuropa Group focuses on achieving long-term growth.

The Intereuropa Group generated EUR 176.7 million in sales revenue in 2021, an increase of 17% relative to 2020 and 11% above planned sales revenue. The Intereuropa Group generated EUR 13.8 million in cash flows from operating activities (EBITDA) in 2021, an increase of 12% relative to 2020 and 6% higher than planned. Operating profit (EBIT) was also up by 23% in 2021 relative to 2020, but was 40% higher than planned to stand at EUR 7.1 million in 2021. The Intereuropa Group ended the 2021 financial year with a net profit of EUR 6.7 million, the highest level since 2007.

The Supervisory Board assesses that Intereuropa, d. d. performed well and achieved the key outlined objectives of Intereuropa, d. d. and the Intereuropa Group. It also bases its findings on the independent auditor's report on the financial statements of Intereuropa, d. d. and the Intereuropa Group for 2021, and on the submitted Management Board reports. In addition to its regular tasks, the Supervisory Board devoted special attention in 2021 to the implementation of the Strategic development programme of the Intereuropa Group and its business and financial plan, and to the integration process with Pošta Slovenije, d. o. o.

4. APPROVAL OF THE 2021 ANNUAL REPORT

Pursuant to paragraph 3 of Article 272 of the Companies Act (ZGD-1), Intereuropa, d. d.'s Management Board submitted the annual report of the Intereuropa Group and Intereuropa, d. d. for 2021, together with the auditor's report for 2021, immediately after compilation and the issuance of the auditor's opinion. The annual report was discussed by the Supervisory Board at its regular session of 26 April 2022. The annual report of the Intereuropa Group and Intereuropa, d. d. for 2021 was audited by the audit firm Ernst & Young revizija, poslovno svetovanje, d. o. o., which issued an unmodified opinion regarding the financial statements of the Intereuropa Group and Intereuropa, d. d. for 2021. At its session of 26 April 2022, the Audit Committee of Intereuropa, d. d.'s Supervisory Board discussed the audited annual report of

the Intereuropa Group and Intereuropa, d. d. for 2021 and found that the annual report was compiled in a timely, clear and transparent manner, and in accordance with the provisions of the Companies Act (ZGD-1), the applicable International Financial Reporting Standards, as adopted by the European Union, and other relevant legislation. The Audit Committee had no comments with respect to the annual report of the Intereuropa Group and Intereuropa, d. d. for 2021, and proposed that the Supervisory Board adopt a decision in accordance with Article 282 of the Companies Act (ZGD-1) regarding the approval of the annual report of the Intereuropa Group and Intereuropa, d. d. for 2021. Based on the auditor's opinion, the positions of the Audit Committee of Intereuropa, d. d.'s Supervisory Board, and data and disclosures in the annual report of the Intereuropa Group and Intereuropa, d. d. for 2021, the Company's Supervisory Board assesses that the auditor performed its work independently and professionally in accordance with valid legislation and business practices, that the annual report was compiled, in all material aspects, in accordance with the requirements of the Companies Act (ZGD-1), and that the financial statements fairly present, in all material aspects, the financial position of the Intereuropa Group and Intereuropa, d. d. as at 31 December 2021, and their operating results and cash flows for the year then ended in accordance with the International Financial Reporting Standards, as adopted by the European Union. The Supervisory Board has no remarks regarding the auditor's report. It also has no comments regarding the annual report of the Intereuropa Group and Intereuropa, d. d. for 2021 that would in any way inhibit its decision to approve the annual report. Thus, in accordance with paragraph 3 of Article 282 of the Companies Act (ZGD-1), the Supervisory Board of Intereuropa, d. d. approved the annual report of the Intereuropa Group and Intereuropa, d. d. for 2021. The 2021 annual report was approved by the prescribed deadline, i.e. one month from its submission to the Supervisory Board by the Company's Management Board.

In accordance with Article 545 of the ZGD-1, the Company's Management Board drafted the report on relations with affiliates indicating all the legal transactions that the company concluded with the controlling company or any undertaking related thereto in the previous financial year, at the initiative of or in the interest of these companies, and all other acts that were committed or omitted at the initiative or in the interest of these companies in the previous financial year.

The Management Board of Intereuropa, d. d. explained that the Company did not suffer any deprivation on account of the transactions and acts presented in the report on relations with affiliates.

Pursuant to Article 546 of the ZGD-1, the auditor audited the report on relations with affiliates. The auditor had no comments regarding that report and issued a resolution:

- that it confirms that the statements in the report on relations with affiliates for the year ended 31 December 2021 are accurate in all material respects;
- that the value of the Company's legal transactions stated in the report is not disproportionately high given the circumstances that were known at the time the legal transactions were executed; and
- that there are no circumstances relating to other acts stated in the report that would suggest a substantially different assessment of deprivation than the one given by the management.

In accordance with Article 546a, the Supervisory Board was briefed on the report on relations with affiliates and on the auditor's opinion on the report, and had no comments on the Management Board's statement regarding relations with affiliates.

When adopting the annual report, the Supervisory Board also took a position regarding the corporate governance statement and the statement of compliance with the reference code, which are included in the business report section of the annual report of the Intereuropa Group and Intereuropa, d. d. for 2021, and assessed that they reflect the actual state of corporate governance in 2021.

The Supervisory Board was also briefed on the Management Board's proposal regarding the distribution of profit and agrees with the proposal that distributable profit in the amount of EUR 13,606,814.64 remains undistributed.

Koper, 26 April 2022

Tomaž Kokot,
Chairman of the Supervisory Board

