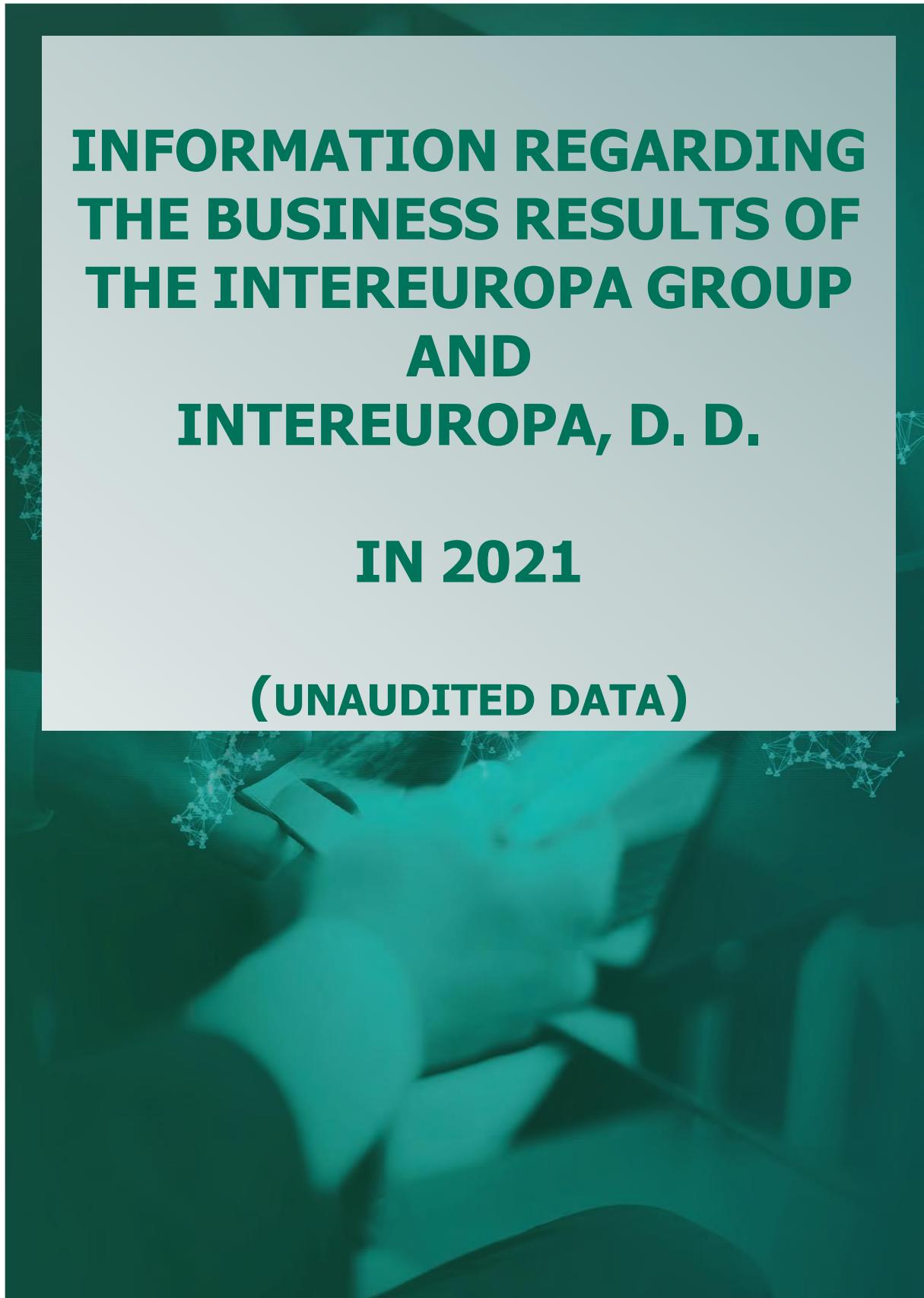


# **INFORMATION REGARDING THE BUSINESS RESULTS OF THE INTEREUROPA GROUP AND INTEREUROPA, D. D.**

**IN 2021**

**(UNAUDITED DATA)**



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## BUSINESS RESULTS OF THE INTEREUROPA GROUP<sup>1</sup>

A successful financial year is behind the Intereuropa Group. Despite two waves of the COVID-19 epidemic and the adverse economic situation due to the energy crisis during the second half of the year, the Intereuropa Group achieved the highest level of sales revenue in the nine years in 2021, when it recorded double-digit growth in the aforementioned item. In the context of the successful management of operational costs, the Intereuropa Group generated its highest net profit since 2007 and further reduced its net debt in 2021. A great deal of effort was invested in maintaining the health of employees and providing uninterrupted logistics support to customers along the entire supply chain.

Based on unaudited figures, the Intereuropa Group generated EUR 176.7 million in sales revenue in 2021, an increase of 17% relative to 2020. Operating cash flows (hereinafter: EBITDA<sup>2</sup>) were up by 12% and totalled EUR 13.8 million. The Group's net debt<sup>3</sup> was down by EUR 8.6 million to stand at EUR 35.8 million at the end of 2021, resulting in an EBITDA ratio of 2.6.

	<b>EUR 176.7 million</b>	+17% relative to 2020
	Sales revenue	+11% relative to the plan
	<b>EUR 13.8 million</b>	+12% relative to 2020
	EBITDA	+6% relative to the plan
	<b>EUR 6.7 million</b>	+88% relative to 2020
	Net profit or loss	+81% relative to the plan
	<b>EUR 35.8 million</b>	-19% relative to 2020*
	Net debt	+3% relative to the plan*
	<b>2.6</b>	-28% relative to 2020*
	Net financial debt/EBITDA	-3% relative to the plan*

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

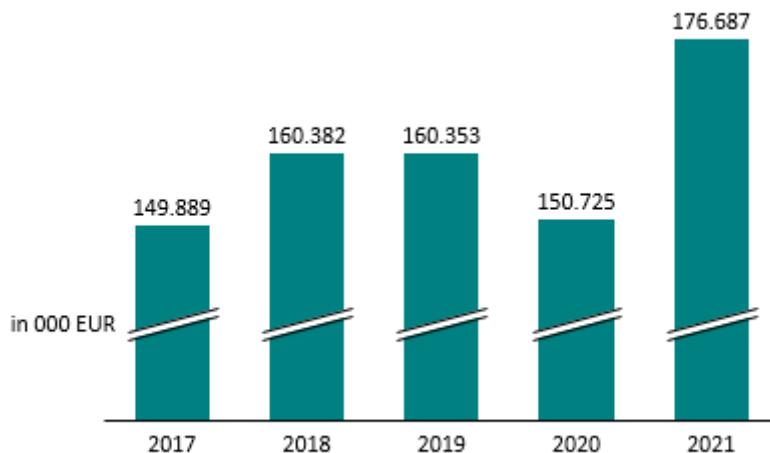
<sup>2</sup> EBITDA: operating profit + depreciation/amortisation + revaluation operating expenses for intangible assets and property, plant and equipment – revaluation operating revenues from the reversal of impairments of intangible assets and property, plant and equipment

<sup>3</sup> Net debt: financial liabilities – loans granted and deposits – cash

\* 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.

Sale revenue was up at the majority of Intereuropa Group companies in 2021, except at the subsidiaries in Serbia and Ukraine. Amongst Group companies, the subsidiary Intereuropa, logističke usluge, d. o. o., Zagreb recorded the highest growth in sales revenue.

**Figure 1:** Changes in the sales revenue of the Intereuropa Group between 2017 and 2021



Sales revenue in the amount of EUR 176.7 million was 11% higher than planned. Sales were higher than planned in all three business lines, with the intercontinental transport segment recording the highest growth in absolute terms as the result of an increase in the volume of sales and growth in sea freight rates and the prices of air freight due to a lack of transport capacities.

Growth in direct costs tracked the high growth in sales revenue, particularly in the sea and air freight segments, which reduced the sales margin in relative terms.

Also having a significant impact on operating results were other operating revenues, which amounted to EUR 1.1 million in 2021. That item was EUR 1.0 million higher than planned, but down by EUR 1.1 million relative to 2020. At that time, the most important item of other operating revenues was government aid to contain the negative effects of the COVID-19 pandemic in the amount of EUR 1.1 million. Accounting for the highest proportion of other operating revenues in 2021 were gains on the sale of fixed assets in the amount of EUR 0.4 million and government support in the amount of EUR 0.2 million. Revenues from government aid to contain the negative effects of the COVID-19 pandemic amounted to EUR 76 thousand.

The Intereuropa Group generated EBITDA of EUR 13.8 million in 2021, an increase of 12% relative to the previous year and 6% higher than planned. Contributing significantly to the higher-than-planned EBITDA in 2021, in addition to higher-than-planned sales revenue, was the above-described higher-than-planned other operating revenues. On the other hand, the costs of services were higher than planned, most notably the costs of hired labour and

intellectual services, while labour costs also were higher than planned. Contributing significantly to higher labour costs, including higher labour, were expenses for the participation of employees in profits, which were up by EUR 0.4 million, while growth in the costs of intellectual services was mainly the result of unplanned costs from the centralisation of certain support services at Pošta Slovenije, d. o. o.

Labour costs and the costs of hired labour combined were up by 7% in 2021 relative to the previous year. Primarily higher energy costs contributed to growth in costs of materials, which were 8% higher than planned and up by 14% relative to 2020.

Activities in the area of working capital management led to reduction in impairments of operating receivables relative to the previous year.

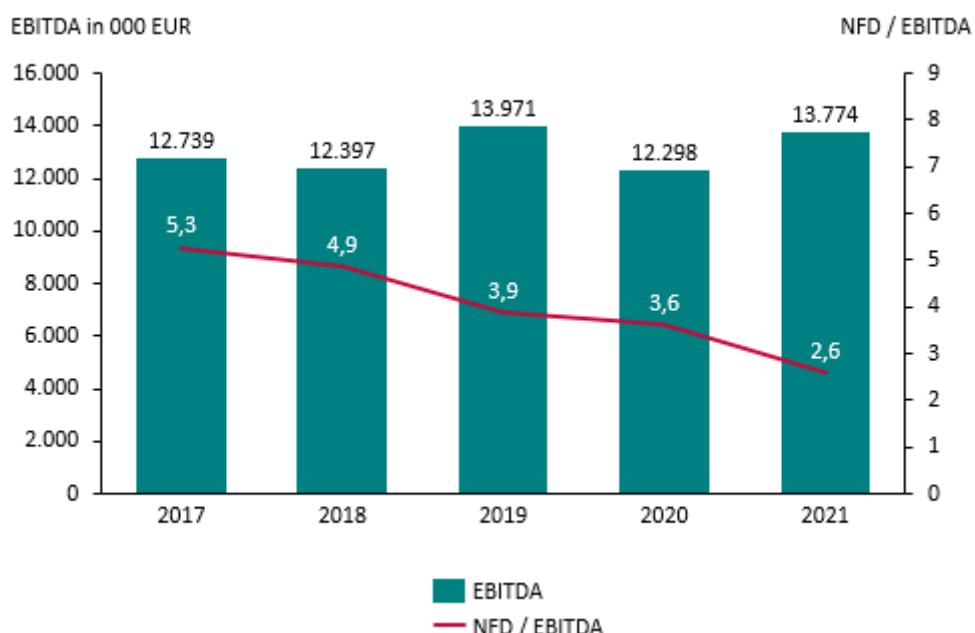
Normalised EBITDA amounted to EUR 14.0 million in 2021, an increase of 23% relative to normalised EBITDA in 2020.

The Intereuropa Group's operating profit amounted to EUR 7.1 million in 2021, an increase of EUR 1.3 million or 23% relative to the previous year. Operating profit in 2021 exceeded the planned figure by EUR 2.0 million or 40%.

Net financial debt amounted to EUR 35.8 million at the end of 2021, a decrease of EUR 8.6 million relative to the end of the previous financial year. This was seen in an improvement in the net financial debt/EBITDA ratio, which stood at 2.6 in 2021 and was 28% lower than the previous year and 3 leaving points lower than planned.

The decrease in net financial debt was the result of an increase in cash and cash equivalents on the one hand, and a decrease in financial liabilities on the other.

**Figure 2:** Changes in EBITDA and the net debt / EBITDA ratio of the Intereuropa Group between 2017 and 2021



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

Further contributing to profit from ordinary operations in 2021 that was up relative to the previous year and higher than planned was one-off finance income from the reversal of impairments of investments in shares and participating interests and a loan in the amount of EUR 0.4 million.

The Intereuropa Group generated a net profit of EUR 6.7 million in 2021, an increase of EUR 3.1 million relative to the previous financial year and EUR 3.0 million higher than planned.

The Group invested EUR 4.5 million in property, plant and equipment and intangible assets in 2021. Of that amount, EUR 2.5 million was invested in real estate and EUR 2.0 million in equipment and intangible assets. On the other hand, the Group sold obsolete assets with carrying amount of EUR 2.5 million.

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

in EUR thousand	2021	2020	Index 21/20
<b>Sales revenue</b>	<b>176,687</b>	<b>150,725</b>	<b>117</b>
Gains/losses from the derecognition of operating receivables	-10	-15	-
Other operating revenues	1,102	2,142	51
Costs of goods, materials and services	131,436	108,788	121
Labour costs	30,492	29,124	105
Amortisation and depreciation	6,594	6,464	102
Impairment losses on receivables	42	269	16
Other operating expenses	2,134	2,443	87
<i>Revaluation operating expenses for intangible assets and property, plant and equipment</i>	<i>99</i>	<i>189</i>	<i>52</i>
<i>Other operating expenses</i>	<i>2,035</i>	<i>2,255</i>	<i>90</i>
<b>Operating profit (EBIT)</b>	<b>7,082</b>	<b>5,764</b>	<b>123</b>
Finance income	684	100	681
Finance costs	726	1,303	56
<b>Loss from financing activities</b>	<b>-43</b>	<b>-1,202</b>	<b>-</b>
<b>Profit from ordinary operations</b>	<b>7,050</b>	<b>4,563</b>	<b>155</b>
Corporate income tax (including deferred taxes)	345	995	35
<b>Net profit</b>	<b>6,704</b>	<b>3,568</b>	<b>188</b>
<b>EBITDA<sup>4</sup></b>	<b>13,774</b>	<b>12,298</b>	<b>112</b>
Normalised EBITDA <sup>5</sup>	14,008	11,369	123

<sup>4</sup> 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

<sup>5</sup> 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, and in 2020 in addition to the items listed above, labour costs from the crisis bonus and expenses from the correction of errors in previous years at Group subsidiaries.

in EUR thousand	2021	2020	Index 21/20
EBITDA margin (in %)	7.80	8.16	96
EBIT margin (in %)	4.01	3.82	105
Sales revenue per employee/month	11.627	9.685	120
Value added per employee/month	2.913	2.662	109
ROE (in %)	5.4	2.9	183

in EUR thousand	31 Dec 2021	31 Dec 2020	Index 21/20
Assets	230,152	220,444	104
Equity	131,426	124,850	105
Net debt <sup>6</sup>	35,763	44,371	81
Investments in property, plant and equipment, and intangible assets	4,451	2,105	211
Number of employees <sup>7</sup>	1,266	1,297	98

<sup>6</sup> Net debt: financial liabilities – loans granted and deposits – cash

<sup>7</sup> Number of employees: calculated on full-time equivalent basis

## **BUSINESS RESULTS OF THE PARENT COMPANY INTEREUROPA, D. D.<sup>8</sup>**

On the basis of unaudited data, the parent company Intereuropa d.d. (hereinafter: the Company) generated EUR 122.3 million in sales revenue in 2021, an increase of 18% relative to 2020 and 15% higher than planned. Growth in sales was achieved in all three business lines, most notably in the intercontinental transport segment, primarily as the result of growth in sea freight rates.

The parent company generated EBITDA of EUR 8.0 million, which was 4% higher than planned, but down 1% relative to 2020. Contributing most to the decrease relative to the previous financial year were lower other operating revenues from government support and higher labour costs and costs of hired labour.

Normalised EBITDA amounted to EUR 8.9 million in 2021, an increase of 11% relative to normalised EBITDA in 2020.

The Company's operating profit amounted to EUR 4.1 million in 2021, a decrease of 5% or EUR 0.2 million relative to the previous year, but EUR 1.1 million or 36% higher than planned.

Net financial debt amounted to EUR 48.2 million at the end of 2021, a decrease of EUR 5.9 million relative to the end of the previous financial year. Contributing most to the decrease in net financial debt was a decrease in financial liabilities

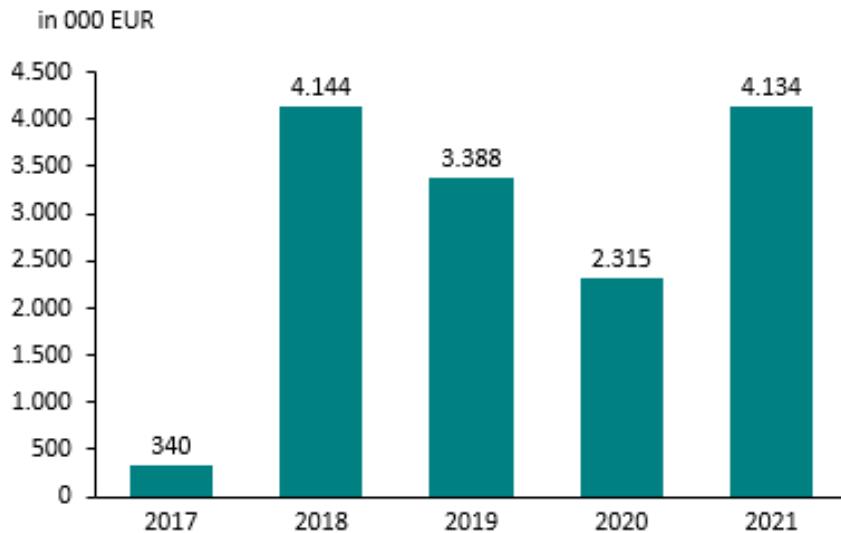
Profit from ordinary operations in 2021 totalled EUR 3.8 million, which was 14% higher than planned and up 27% relative to 2020. A significant factor in the increase relative to 2020 was the improved result from financing activities in the amount of EUR 1.0 million as the result of higher revenues from participation in the profits of Group companies, and revenues from the reversal of impairments of investments in shares and participating interests and a loan. Finance costs were close to the same level: interest expense and impairment losses on loans granted were down, while impairment losses on investments in subsidiaries were up.

The Company's net profit amounted to EUR 4.1 million in 2021, which was 40% higher than planned and up 79% relative to the previous financial year.

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<sup>8</sup> Information regarding the business results of the Intereuropa Group was drawn up on the basis of unaudited data.

**Figure 3:** Changes in the net profit of the parent company Intereuropa, d. d. in the period 2017 to 2021



The parent company invested EUR 1.1 million in 2021. Of that amount, EUR 0.1 million was invested in real estate and EUR 1.0 million in equipment and intangible assets. The carrying amount of the Company's fixed assets sold in 2021 was EUR 0.3 million.

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

in EUR thousand	2021	2020	Index 21/20
<b>Sales revenue</b>	<b>122,312</b>	<b>103,964</b>	<b>118</b>
Gains/losses from the derecognition of operating receivables	-24	-10	-
Other operating revenues	363	977	37
Costs of goods, materials and services	93,939	76,747	122
Labour costs	19,575	18,900	104
Amortisation and depreciation	3,892	3,772	103
Impairment losses on receivables	18	128	14
Other operating expenses	1,122	1,043	108
<i>Revaluation operating expenses for intangible assets and property, plant and equipment</i>	<i>13</i>	<i>13</i>	<i>95</i>
<i>Other operating expenses</i>	<i>1,109</i>	<i>1,030</i>	<i>108</i>
<b>Operating profit (EBIT)</b>	<b>4,105</b>	<b>4,340</b>	<b>95</b>

in EUR thousand	2021	2020	Index 21/20
Finance income	1,251	244	514
Finance costs	1,550	1,590	98
<b>Loss from financing activities</b>	<b>-300</b>	<b>-1,346</b>	-
<b>Profit from ordinary operations</b>	<b>3,805</b>	<b>2,994</b>	<b>127</b>
Corporate income tax (including deferred taxes)	-328	679	-
<b>Net profit</b>	<b>4,134</b>	<b>2,315</b>	<b>179</b>
<b>EBITDA<sup>9</sup></b>	<b>8,009</b>	<b>8,125</b>	<b>99</b>
Normalised EBITDA <sup>10</sup>	8,878	8,002	111
EBITDA margin (in %)	6.55	7.82	84
EBIT margin (in %)	3.36	4.17	80
Sales revenue per employee/month	19.102	15.138	126
Value added per employee/month	4.308	3.935	109
ROE (in %)	4.6	2.7	174

in EUR thousand	31 Dec 2021	31 Dec 2020	Index 21/20
Assets	175,137	172,272	102
Equity	93,343	89,225	105
Net debt <sup>11</sup>	48,168	54,115	89
Investments in property, plant and equipment, and intangible assets	1 060	1,279	83
Number of employees <sup>12</sup>	534	572	93

Koper, 9 March 2022

Intereuropa, d. d.

Management Board

<sup>9</sup> 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

<sup>10</sup> 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, and in 2020 in addition to the items listed above, labour costs from the crisis bonus.

<sup>11</sup> Net debt: financial liabilities – loans granted and deposits – cash

<sup>12</sup> Number of employees: calculated on full-time equivalent basis