

**UNAUDITED BUSINESS REPORT
OF THE INTEREUROPA GROUP
AND INTEREUROPA, D. D.**

JANUARY–MARCH 2020



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INTRODUCTION

Pursuant to the Financial Instruments Market Act and the Ljubljana Stock Exchange Rules, Intereuropa, d. d. hereby publishes the Unaudited business report of the Intereuropa Group and Intereuropa, d. d. for the period January–March 2020.

The consolidated and separate financial statements for the periods January–March 2020 and January–March 2019 have not been audited, while the financial statements for the entire 2019 financial year have been audited. The financial statements are prepared in accordance with the International Financial Reporting Standards.

The Supervisory Board of Intereuropa, d. d. discussed the Unaudited business report of the Intereuropa Group and Intereuropa, d. d. for the period January–March 2020 at its session on 21 May 2020.

The document Unaudited business report of the Intereuropa Group and Intereuropa, d. d. for the period January–March 2020 is available at the registered office of Intereuropa, d. d., Vojkovo nabrežje 32, 6504 Koper and will also be published on Intereuropa, d. d.'s website at www.intereuropa.si on 21 May 2020.

STATEMENT OF MEMBERS OF THE MANAGEMENT BOARD

The Management Board of Intereuropa, d. d. hereby declares that, to the best of its knowledge, the financial report of Intereuropa, Globalni logistični servis, d. d. and the Intereuropa Group for the period January–March 2020 has been prepared in accordance with IAS 34, and must be read in conjunction with the audited annual financial statements prepared for the financial year ending 31 December 2019.

The financial report provides a true and fair picture of the assets, liabilities, financial position and operating results of Intereuropa Group and the parent company Intereuropa, Globalni logistični servis, d. d.

The business report includes a fair presentation of information regarding material transactions with related parties and is prepared in accordance with the applicable accounting standards.

Koper, 12 May 2020

Intereuropa, d. d.
Management Board

Marko Cegnar
President of the Management Board



Marko Rems
Member of the Management Board



Matija Vojsk, MSc
Member of the Management Board



KEY PERFORMANCE HIGHLIGHTS

Table 1: Key operating indicators of the Intereuropa Group and the parent company Intereuropa, d. d.

in EUR thousand	INTEREUROPA GROUP			INTEREUROPA, D. D.		
	Jan–Mar 2020	Jan–Mar 2019**	Index 20/19	Jan–Mar 2020	Jan–Mar 2019**	Index 20/19
Sales revenue	38,370	39,697	97	26,726	28,711	93
EBITDA	3,020	3,123	97	2,031	2,278	89
Operating profit (EBIT)	1,137	1,288	88	912	1,190	77
Loss from financing activities	-460	-363	-	-245	-344	-
Profit from ordinary operations	678	928	73	667	846	79
Net profit	515	807	64	603	766	79
EBITDA margin (in %)	7.9	7.9	100	7.6	7.9	96
EBIT margin (in %)	3.0	3.2	91	3.4	4.1	82
Sales revenue per employee/month	9.727	10.418	93	15.314	16.715	92
Value added per employee/month	2.551	2.634	97	3.786	3.975	95
ROE (in %)*	1.7	2.7	63	2.8	3.6	77
	31 Mar 2020	31 Dec 2019	Index 20/19	31 Mar 2020	31 Dec 2019	Index 20/19
Assets	224,766	223,351	101	179,145	176,748	101
Equity	121,760	122,358	100	87,831	87,228	101
Net debt	48,376	54,352	89	53,789	57,293	94
No. of employees	1,360	1,356	100	603	609	99
	Jan–Mar 2020	Jan–Dec 2019	Index 20/19			
Number of shares at the end of period	27,488,803	27,488,803	100			
Earnings per share (in EUR)	0.02	0.12	17			
Closing price at the end of period (in EUR)	1.40	1.43	98			
Book value per share at the end of period (in EUR)	3.20	3.18	101			
P/B	0.44	0.45	98			
P/E	17.50	11.92	147			

EBITDA: operating profit + depreciation/amortisation + revaluation operating expenses for intangible assets and property, plant and equipment – revaluation operating income from the reversal of impairment losses on intangible assets and property, plant and equipment.

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

P/B = closing price at the end of period / book value per share.

P/E = closing price at the end of period / earnings per share on an annual basis.

* Recalculated on an annual basis.

** The comparative interim financial statements were restated taking into account the published data for the comparative period.

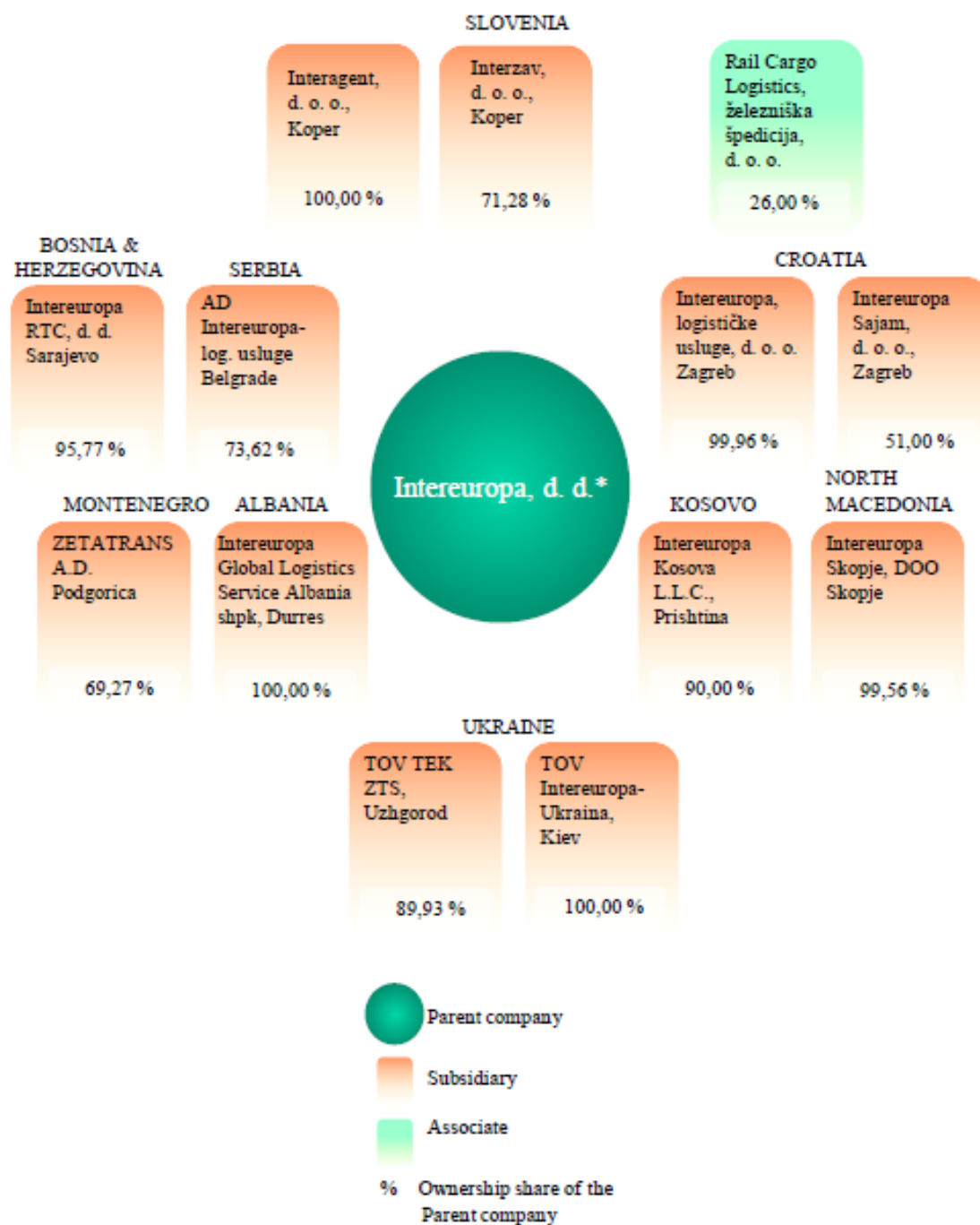
BASIC INFORMATION ABOUT THE GROUP

Table 2: Basic information about Intereuropa, d. d. and the Intereuropa Group as at 31 March 2020

Parent company	Intereuropa, Globalni logistični servis, d. d.
Abbreviated name	Intereuropa, d. d.
Country of the parent company	Slovenia
Registered office of the parent company	Vojkovo nabrežje 32, 6000 Koper
Registration no.	5001684
Tax no.	56405006
Entry in the companies register	Registered with the Koper District Court, entry no. 1/00212/00
Share capital	EUR 27,488,803
Number of shares issued and paid up	27,488,803 no-par-value shares, of which 16,830,838 are ordinary shares (IEKG) and 10,657,965 are preference shares (IEKN)
Share listing	IEKG shares are listed on the prime market of the Ljubljana Stock Exchange, CEESSEG.
Management Board	Marko Cegnar, President of the Management Board Marko Rems, member of the Management Board Matija Vojsk, MSc, member of the Management Board
Supervisory Board	Boris Novak, MSc, Chairman of the Supervisory Board Andrej Rihter, MSc, Deputy-Chairman of the Supervisory Board Vinko Filipič Milan Perović, Tjaša Benčina Zlatka Čretnik
Intereuropa Group	
No. of employees	1,360
Total closed warehousing area*	214,000 m ² of own warehousing area
Total land area	1,616,000 m ²
Membership in international organisations and logistics networks	FIATA, IATA, FONASBA, BIMCO, GS1, WCA, FETA, HCL
Quality certificates	ISO 9001:2015 certificate: o Intereuropa, d. d., Koper o Intereuropa, logističke usluge, d. o. o., Zagreb o Intereuropa RTC, d. d., Sarajevo
Own branch network	Slovenia, Croatia, Montenegro, Bosnia and Herzegovina, Serbia, Kosovo, North Macedonia, Albania and Ukraine

* Closed warehousing area, excluding tents and canopies, owned by Intereuropa

Figure 1: Intereuropa Group as at 31 March 2020¹



* The majority owner of Intereuropa, d. d. as at 31 March 2020 was Pošta Slovenije, d. o. o., which was the holder of 68.79% of ordinary shares and 100.00% of preference shares.

¹ The subsidiary in Albania has been excluded from consolidation since 1 January 2019.

BUSINESS PLAN FOR 2020

While drafting the business plan for 2020, the Intereuropa Group took into account the starting position of the Group as a whole at the end of 2019 and the planned points of departure set out in the Strategic Plan of the Intereuropa Group for the period 2018 to 2022, as well as trends in the logistics sector and forecasts of economic trends on the Group's key markets. The business plan for 2020 did not take into account synergies and other effects of Intereuropa's inclusion in the Pošta Slovenije Group, nor did it take into account the effects of the COVID-19 epidemic, as the plan was adopted prior to the outbreak of that virus.

The following business and financial objectives were set for the Intereuropa Group in the business plan for 2020:

- to generate EUR 170.7 million in sales revenue through growth in all business lines of the core activity, on all markets except Bosnia and Herzegovina and at the majority of companies. To strengthen cooperation with customers that require integrated logistics solutions through the entire supply chain in the region, to increase emphasis on the development and expansion of the partner and agent network, and to actively secure new business;
- to develop products with higher value added in categories where the Group enjoys a competitive advantage, and to achieve higher growth in products where there are numerous opportunities for growth;
- to control direct costs and the sales margin in the context of growth in sales, through the active management of the costs of direct services via more favourable purchasing terms, in particular on account of the centralisation of certain procurement functions;
- to generate EBITDA of EUR 13.0 million and an operating profit (EBIT) of EUR 6.4 million. The planned values of EBITDA and EBIT for 2020 are lower than the target values for 2019, for the most part as the result of the planned drop in revenues and EBITDA at the subsidiary in Bosnia and Herzegovina due to diminishing dependence on custom terminal transactions, and due to rising labour costs at Group companies in Slovenia due to changes in the Minimum Wage Act; and
- to ensure financial stability and reduce debt through the divestment of real estate that is not used in the performance of the logistics activity.

To achieve the above-described objectives, the Group is planning the following:

- investments of EUR 6.9 million in property, plant and equipment and intangible assets, primarily in the upgrading and renovation of the warehousing infrastructure and warehouse equipment, in the upgrading of IT equipment and in intangible assets;
- ensuring the optimal number of competent and motivated employees;
- investments in the effective development of employees, and the implementation of a systematic plan of measures to ensure health and well-being within the Intereuropa Group;
- an increase in employee productivity through the computerisation and optimisation of processes, taking into account limits on overtime hours and the sound organisation of employees' work time;
- maintaining the proportion of flexible forms of employment at a minimum of 10%;
- the continued centralisation of IT management within the Group and the implementation of shared IT solutions;

- the continued updating and promotion of corporate integrity and compliance at all Group companies. Crucial in this regard are the project to implement legislation in the area of personal data protection and the project to introduce fraud management;
- the continued intensive identification of risks to which Group companies are exposed and the management of those risks, with a greater emphasis on monitoring the success of measures;
- ensuring the cost-effectiveness of support functions for the performance of logistics processes;
- the effective management of working capital; and
- the implementation of activities aimed at the sale of assets not required for business purposes.

SIGNIFICANT EVENTS

IN THE PERIOD JANUARY–MARCH 2020

January

- On 16 January, Intereuropa, d. d. received a decision from the Securities Market Agency (SMA) regarding the takeover bid of the acquiring company Pošta Slovenije, d. o. o. for the shares of the target company Intereuropa, d. d., in which the SMA found the aforementioned bid successful.
- On 30 January, Intereuropa, d. d. and Pošta Slovenije, d. o. o. participated in a conference held in Ljubljana entitled 'Pošta Slovenije Group – regional link in logistics', to which representatives of the Ministry of Foreign Affairs were invited. The conference was also attended by Foreign Minister Dr Miro Cerar, representatives of the Directorate for Economic and Public Diplomacy and representatives of the Department for Bilateral Economic Cooperation within the Ministry of Foreign Affairs.
- On 31 January, Intereuropa, d. d. successfully completed the refinancing of several loans arranged under the financial restructuring agreement in 2012. Intereuropa, d. d. and a syndicate of banks, including Nova Ljubljanska banka, d. d. acting as the organiser and agent, concluded a long-term loan agreement in the amount of EUR 54,850,000. The new loan comprises two tranches, one with a maturity of seven years and the other with a maturity of four years. Pošta Slovenije, d. o. o. contributed to that successful refinancing by issuing a guarantee covering 80% of the amount of that loan.

February

- On 10 February, the Management Board of Intereuropa, d. d. signed a new collective agreement with representatives of the ŠAK KS90 Trade Union and the Trade Union of Transportation and Communication Workers.
- On 10 February, the Supervisory Board of Intereuropa, d. d. adopted the Intereuropa Group's planning document for 2020.
- The subsidiary in Croatia sold two properties in Zagreb in February 2020.
- In February 2020, Intereuropa, d. d. submitted a letter of intent to purchase the remaining participating interest in Intereuropa RTC, d. d., Sarajevo, by which it will become 100% owner of that company.

March

- Intereuropa, d. d. was recognised as a 'senior-friendly company'. That recognition is awarded every year to employers who dedicate attention to older employees, identify their potential and value their experience, knowledge and diligence. Recognition was received as part of a contest organised for a third consecutive year under the auspices of the Golden Thread project in cooperation with the Public Scholarship, Development, Disability and Maintenance Fund of the Republic of Slovenia in the scope of that fund's project aimed at the comprehensive support of companies for the active ageing of the workforce (ASI).

EVENTS AFTER THE REPORTING PERIOD

April

- At its session held on 16 April, Intereuropa, d. d.'s Supervisory Board adopted the audited annual report of the Intereuropa Group for the 2019 financial year, together with the independent auditor's report.

IMPACT OF COVID-19 ON THE GROUP'S OPERATIONS

The outbreak of COVID-19 is having a significant impact on health-related, economic and other developments across the world. The World Health Organisation declared a pandemic on 11 March 2020, and the Slovenian government followed suit the next day by declaring an epidemic. Intereuropa, d. d. and Intereuropa Group companies are carefully monitoring current events in Slovenia and around the world, and are doing everything necessary, in accordance with the measures adopted by the competent institutions and the recommendations of experts, to protect the health of employees and business partners, and to ensure the business continuity of all Group companies. Companies are regularly adjusting their activities to the situation in the countries where the Intereuropa Group provides services, while carrying out all the key activities to meet the needs of customers. Even in these difficult conditions, they are ensuring the flow of goods along the entire supply chain, which in Slovenia, where Intereuropa, d. d. is the largest logistics company with a comprehensive range of services, is crucial for the continuous functioning of those chains in extraordinary conditions.

Since the middle of March, the impact on operations has been seen in a drop in sales revenue in all areas of operations. That drop is expected to continue in the coming months. The payment habits of certain customers have also deteriorated somewhat due to the epidemic.

Concern for the health and safety of employees in the workplace is paramount. We have enabled the employees of Group companies to work from home to the greatest extent possible, and provided protective equipment for employees who must be present in the business process due to the nature of their work. Employees are regularly informed of newly adopted measures and developments at individual companies.

On 20 March 2020, the National Assembly of the Republic of Slovenia adopted the Intervention Measure Act on the Deferral of Payments of Borrowers' Obligations (ZIUPOK), which was supplemented to a lesser degree by the Intervention Measures to Mitigate the Effects of the COVID-19 Infectious Disease Epidemic on Citizens and the Economy Act (ZIUZEOP) adopted on 2 April 2020. Intereuropa, d. d. has already and will continue to take advantage of possibilities for economic assistance prescribed under both the ZIUPOK and ZIUZEOP.

BUSINESS REPORT

1. BUSINESS RESULTS OF THE INTEREUROPA GROUP

1.1 Financial results of the Intereuropa Group

Table 3: Financial results of the Intereuropa Group for the period January–March 2020, in EUR thousand

Item/Indicator	Jan–Mar 2020	Plan Jan–Mar 2020	Jan–Mar 2019**	Index 2020/plan	Index 20/19
Sales revenue	38,370	41,147	39,697	93	97
Land transport	19,969	21,298	20,520	94	97
Logistics solutions	6,550	6,754	6,441	97	102
Intercontinental transport	10,194	11,621	10,996	88	93
Other services	1,657	1,473	1,740	112	95
EBITDA	3,020	2,754	3,123	110	97
Operating profit	1,137	1,109	1,288	103	88
Loss from financing activities	-460	-301	-363	-	-
Profit from ordinary operations	678	808	928	84	73
Corporate income tax and deferred tax	163	117	121	140	135
Net profit	515	692	807	74	64
EBITDA margin (in %)	7.9	6.7	7.9	118	100
EBIT margin (in %)	3.0	2.7	3.2	110	91
Sales revenue per employee/month	9.727	10.421	10.418	93	93
Value added per employee/month	2.551	2.570	2.634	99	97
ROE (in %)*	1.7	3.4	2.7	49	63

Item/Indicator	31 Mar 2020	31 Dec 2019	Index 20/19
Assets	224,766	223,351	101
Equity	121,760	122,358	100
Net debt	48,376	54,352	89
Current assets/current liabilities	1.33	0.51	262

* Recalculated on an annual basis. Planned ROE is disclosed for the entire year.

** The comparative interim financial statements were restated taking into account the published data for the comparative period.

Operating profit and EBITDA

- The sales revenue generated by the Intereuropa Group during the first quarter of this year was down by 3% relative to the same period last year, and was 7% lower than planned. Contributing to that decrease in March was a decline in operations due to COVID-19. The sales margin was up relative to last year and higher than planned. Section 1.2 Sales presents a detailed analysis of sales revenue by business line and market.
- EBITDA amounted to EUR 3.0 million, a decrease of 3% relative to the same period in 2019, but 10% higher than planned. The main reasons for higher-than-planned EBITDA were the positive impact of lower labour costs due to a lower number of employees and the receipt of government assistance under the ZIUZEOP.

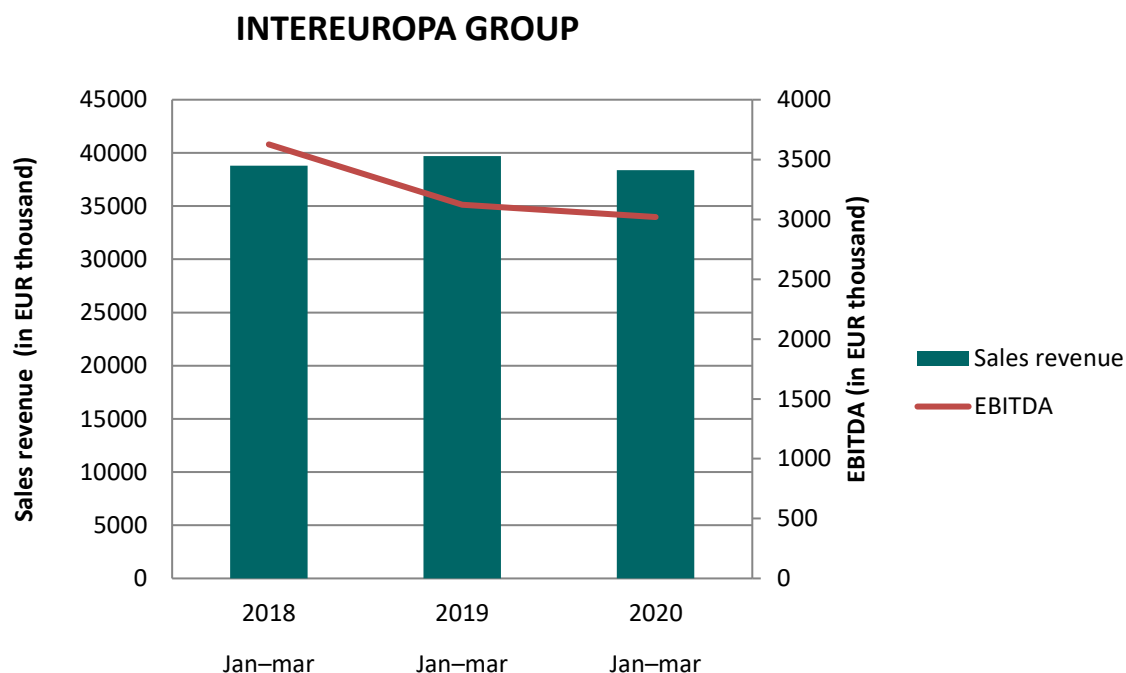
Loss from financing activities

- The loss from financing activities was worse than last year's result and worse than planned mostly due to higher net expenses from exchange rate differences due to the depreciation of the Ukrainian currency.

Profit from ordinary operations and net profit

- The Group's net profit amounted to EUR 0.5 million, which was 26% lower than planned and a decrease of 36% relative to the same period last year.

Figure 2: Change in EBITDA and sales revenue in the period January–March between 2018 and 2020



Structure of the statement of financial position

- The Group's net debt amounted to EUR 48.4 million at the end of the first quarter of the year, a decrease of EUR 6.0 million relative to the end of 2019.
- The ratio of equity to total assets was down by 0.6 percentage points during the first quarter to stand at 54.2%.
- The current ratio amounted to 1.34, an increase of 0.8 relative to the end of 2019, primarily due to the completion of the refinancing of the parent company's loans in January 2020.

An additional challenge for operating during times of crisis is maintaining an appropriate level of liquidity when the Group is faced with falling demand and significant delays in the payment of receivables by customers. A great many activities during the first quarter of the year focused on the integration of the Intereuropa Group with the Pošta Slovenije Group, and on the search for potential synergies.

1.2 Sales

The Intereuropa Group generated **sales revenue of EUR 38.4 million** during the first quarter of 2020, a decrease of 3% relative to the same period last year and 7% below the planned level. The main factor in falling sales and the Group's failure to achieve planned targets was the COVID-19 epidemic. The reduced volume of imports from China was seen in the intercontinental transport segment as early as January, while all other business lines recorded a sharp fall in sales during the second half of March. The crisis is also expected to affect the operations of Group companies during the second quarter. The exception is the air freight segment, which exceeded last year's and planned results due to the organisation of the charter transport of both goods and passengers.

Table 4: Sales revenue of the Intereuropa Group by business line, in EUR thousand

Operating segment	Jan–Mar 2020	Structure	Index 20/19	Index 2020/plan
Land transport	19,969	52%	97	94
Logistics solutions	6,550	17%	102	97
Intercontinental transport	10,194	27%	93	88
Other services	1,657	4%	95	112
TOTAL SALES REVENUE	38,370	100%	97	93

Table 5: Sales revenue of the Intereuropa Group by country (with respect to a company's head office), in EUR thousand

Geographical area (according to company's head office)	Jan–Mar 2020	Structure	Index 20/19
Slovenia*	25,887	67%	92
Croatia	5,803	15%	101
Bosnia and Herzegovina	1,645	4%	98
Serbia	1,384	4%	172
Montenegro	1,228	3%	88
Ukraine	1,206	3%	162
Other	1,217	3%	98
TOTAL SALES REVENUE	38,370	100%	97
EU countries	31,690	83%	94
Non-EU countries	6,680	17%	114

* Data include consolidation restatements.

Companies in Slovenia together generated 67% of the Group's sales revenue during the first quarter of 2020, in the context of an 8% decline in sales revenue relative to the same period last year. Sales of land transport services were also down relative to the same period last year in Bosnia and Herzegovina, Montenegro and Kosovo, while sales were also down in the

intercontinental transport segment in Kosovo. Sales of the aforementioned segment were up at the subsidiaries in Serbia and Croatia. Sales of railway transport services were up in the land transport segment in Ukraine.

Table 6: Sales revenue of the Intereuropa Group by country (with respect to a customer's head office), in EUR thousand

Geographical area (according to customer's head office)	Jan–Mar 2020	Structure	Index 20/19
Slovenia	15,292	40%	98
Croatia	5,049	13%	103
Austria	1,887	5%	99
Germany	1,465	4%	79
Bosnia and Herzegovina	1,494	4%	101
Ukraine	136	0%	137
Other countries	13,046	34%	95
Other EU countries	6,837	18%	91
Rest of the world	6,209	16%	99
TOTAL	38,370	100%	97

The largest proportion of the Intereuropa Group's sales revenue (40%) was generated by sales to customers with head offices in Slovenia, while 27% was generated by sales to customers in the countries of the former Yugoslavia. Sales to customers with head offices in all other countries accounted for 33% of total sales revenue.

LAND TRANSPORT

The land transport segment generated EUR 20.0 million in sales revenue during the first quarter of 2020. Sales revenue in this segment was down by 3% relative to the same period last year. The parent company in Slovenia generated sales revenue of EUR 12.1 million from land transport services, with that amount representing 61% of the total sales of that segment. Achieved sales results were down 6% relative to last year, primarily as the result of the COVID-19 epidemic. Sales results were also down relative to the previous year at the subsidiaries in Croatia, Bosnia and Herzegovina, Montenegro and Kosovo. Growth in sales revenue was recorded at the subsidiaries in Serbia, Ukraine and North Macedonia.

The poorer sales results of the land transport segment relative to last year were primarily the result of a drop in revenues at key customers due to the consequences of the COVID-19 epidemic. The impact of the crisis can be seen in the sales results of all land transport products, which were lower than planned during the first quarter of the year.

Activities are being implemented continuously by all Intereuropa Group companies to ensure the business continuity of all land transport products and to mitigate potential effects on quality and productivity, with the aim of ensuring the uninterrupted provision of services to all of the Intereuropa Group's customers.

Changes in the disclosure of products due to the optimisation of implementing processes and the continued introduction of the standardised WexVS IT solution in the warehousing and storage segment continue to impact the sales results of the land transport segment. In the period January–March 2020, those changes were seen primarily in the reclassification of sales of customs, groupage and domestic transport services to the distribution product within the logistics solutions segment.

Table 7: Revenues from the sale of land transport products, in EUR thousand

INTEREUROPA GROUP	Jan–Mar 2020	Structure	Index 20/19
LAND TRANSPORT	19,969	100%	97
Groupage services	4,085	20%	100
Domestic transport	2,822	14%	97
Road transport	10,005	50%	94
Customs services	1,618	8%	95
Railway transport	1,439	7%	122

- Revenues from the sale of groupage services during the first quarter were comparable with the results recorded during the same period last year. The results of the parent company in Slovenia, which generates 72% of sales revenue from groupage services, were down relative to last year. The subsidiary in Croatia recorded the highest growth in revenues from the sale of groupage services. The drop in sales in Slovenia and growth in sales in Croatia was partly the result of the reorganisation of certain groupage lines.
- The sales revenue generated by the domestic transport segment during the first quarter was down by 3% relative to the same period last year. Sales revenue was down by 3% at the parent company in Slovenia, despite an increase in the number of shipments. This was primarily the result of an increase in the number of shipments by existing customers and a decrease in the average weight of shipments in the context of additional pressure from customers to reduce selling prices. Sales revenue was up by 5% at the subsidiary in Croatia, while the number of shipments was at last year's level. Sales revenue was also up by 7% at the subsidiary in Bosnia and Herzegovina, while the number of shipments was also up. Domestic transport represents an important support service for the Group's other products and is subject to extreme price pressures on local markets. All Group companies carry out continuous activities aimed at the optimisation of processes, the control of costs and the search for the optimal operational implementation solutions that will preserve the quality of services at the highest level and reduce implementation costs.
- Sales revenue from road transport services was down by 6% relative to the same period last year. Sales at the parent company in Slovenia and at the subsidiaries in Croatia and Bosnia and Herzegovina were down relative to last year, while other subsidiaries exceeded last year's sales results.
- Sales revenue from customs clearance services was down by 5% during the first three months of 2020 relative to the same period last year. The lower sales revenue relative to the same period last year at the parent company in Slovenia was the result of a change in the disclosure of sales due to the implementation of the standardised WexVS IT solution in the warehousing and storage segment. Results were also down relative to the previous year at the subsidiaries in Croatia, Bosnia and Herzegovina, Serbia and Montenegro due to a drop in the number of orders and lower selling prices. The subsidiaries in Kosovo and North Macedonia recorded growth in sales of customs services.
- Sales of railway transport services were up by 22% relative to last year's results at the Group level due to growth in sales at the Ukrainian company, where sales revenue was up by an extraordinary 65% relative to last year.
- The land transport segment faced rapid changes in the ratio between supply and demand for logistics solutions. A sudden increase was followed in March by a decline in demand which, according to assessments, is expected to continue during the second quarter of 2020.

LOGISTICS SOLUTIONS

The Intereuropa Group's logistics solutions segment generated EUR 6.6 million in sales revenue during the first quarter of 2020 or 17% of the Group's total sales. The Group achieved 2% growth relative to the same period in 2019, while results were 3% lower than planned due to the extraordinary conditions, as the result of the epidemic during the second half of March 2020, primarily on the Slovenian market. The parent company in Slovenia and the subsidiaries in Montenegro and Kosovo recorded growth in sales during the aforementioned period. Weaker sales growth was recorded by the subsidiary in Croatia, in part due to a new logistics project in which the company was forced to temporarily empty its warehouse in Zagreb due to technical preparations of warehouse capacities for a new customer that will begin operations at the end of the second quarter of 2020. Sales were down on last years' results at the companies in Bosnia and Herzegovina, Serbia and North Macedonia. The latter two companies also failed to meet planned sales targets.

Numerous activities were carried out, particularly at companies in Bosnia and Herzegovina and Serbia to utilise storage capacities and secure new transactions with higher value added. During this period, the Group continued with the intensive implementation of the WexVS IT solution to support warehousing and storage activities in Slovenia and Croatia where almost the majority of clients supported the new solution, including the simultaneous electronic exchange of data between Intereuropa's information system and the information systems of customers. Implementation of the WexVS IT solution to support warehousing and storage activities in Bosnia and Herzegovina began at the end of the first quarter.

Table 8: Revenues from the sale of logistics solutions, in EUR thousand

INTEREUROPA GROUP	Jan–Mar 2020	Structure	Index 20/19
LOGISTICS SOLUTIONS	6,550	100%	102
Warehousing and storage	5,150	79%	101
Distribution	1,400	21%	103

- The Intereuropa Group generated EUR 5.1 million in revenues from the sale of warehousing and storage services during the first quarter of 2020, which translates to 13% of the Group's total sales and 79% of the sales revenue generated by the logistics solutions segment.
- A total of EUR 1.4 million in revenues was generated from the sale of distribution services during the first quarter of 2020, which represents 4% of the Intereuropa Group's total sales and 21% of sales revenue from logistics solutions. Sales were up by 3% during the accounting period relative to the same period in 2019.

INTERCONTINENTAL TRANSPORT

Sales revenue in the intercontinental transport segment totalled EUR 10.2 million during the first quarter of 2020, representing 27% of the Intereuropa Group's total sales. The Intereuropa Group recorded a 7% drop in sales revenue relative to the same period in 2019, while sales revenue was 12% lower than planned.

Table 9: Revenues from the sale of intercontinental transport products, in EUR thousand

INTEREUROPA GROUP	Jan–Mar 2020	Structure	Index 20/19
INTERCONTINENTAL TRANSPORT	10,194	100%	93
Sea freight	7,045	69%	82
Car logistics	1,172	11%	95
Shipping agency	92	1%	84
Air freight	1,885	18%	181

- The results generated by the sea freight segment during the first quarter of 2020 were down by 18% relative to the same period last year. The majority of the decline relates to the transactions of the parent company. The subsidiaries in Montenegro, Serbia, Croatia and Bosnia and Herzegovina exceeded last year's results on account of additional marketing activities, while sales at the companies in North Macedonia and Kosovo were down relative to last year's results.
- The 22% drop in revenues from the sale of container transport services was primarily a reflection of a reduction in the volume of imported containers with highly perishable goods relative to last year due to changes in delivery routes on the market. Also having a significant impact on results was the arrangement of delivery terms of certain major customers and the resulting reduction in demurrage and detention and port storage costs in connection with sea containers. Customers' transactions with the Turkish market were down due to problems with transshipment through the Port of Trieste. On the import side, there was a notable decrease in the volume of imports from China due to the impact of COVID-19, as planned volumes were not achieved following Chinese New Year.
- In the conventional freight segment, key customers recorded a reduced number of deliveries and transshipments, which was reflected in 10% fewer transshipment transactions, although the latter were still 6% higher than planned.
- The sales revenue generated by the RO-RO segment was not down on the same period last year, but a planned major transaction was postponed to the second quarter of this year.
- The shipping agency segment operated below expectations, with results down 11% relative to the same period last year due to fewer transshipments of salt and the associated agent bookings. The representation of RO-RO shipping companies was in line with expectations during the first quarter of the year.
- The results of the car logistics segment were down 5% relative to the same period last year, but were 17% higher than planned primarily due to the increased turnover of vehicles at terminals and additional demand for car transport services. Turnover and demand fell sharply at the end of March due to COVID-19.
- The significant impact of COVID-19 was felt already at the beginning of the year in the air freight segment as a drop in the number of transactions, demand and shipments from China. Nevertheless, the Group recorded an 81% increase in sales revenue relative to the same period last year as the result of one-off transactions in the form of charter flights of both goods and passengers. Companies in Slovenia and Serbia generated 90% of the total sales revenue of the air freight segment.
- Numerous airports across the world have closed their airspace for passenger transport, which resulted in a major drop in capacities and sharp growth in prices. This was the reason for the sharp increase in sales in March. The development of a partner network and increased activities on the sales side will continue to be priorities in this product segment. In March, the Intereuropa Group became a member of the new Aviation Logistics Network, which specialises primarily in time-sensitive shipments for the aviation industry.

1.3 Investments in fixed assets

The Intereuropa Group invested EUR 333 thousand in fixed assets during the first quarter of 2020, a decrease of 57% relative to the same period last year. Of the aforementioned amount, EUR 78 thousand was invested in property and EUR 255 thousand was invested in equipment and intangible assets. A total of 5% of the entire investment plan was thus achieved. Intereuropa Group companies have temporarily suspended investments in fixed assets due to the COVID-19 epidemic.

The parent company Intereuropa, d. d. invested EUR 156 thousand in property, plant and intangible assets, while other Group companies invested EUR 177 thousand in fixed assets.

Table 10: Breakdown of investments in the period January–March 2020, in EUR thousand

Company	Jan– Mar 2020	Total property		Total equipment and intangible assets		TOTAL INVESTMENTS		Percentage of annual plan realised		
		2020 plan	Jan– Mar 2019	Jan– Mar 2020	2020 plan	Jan– Mar 2019	Jan– Mar 2020	2020 plan	Jan– Mar 2019	
Intereuropa, d. d.	32	2,120	133	124	2,028	270	156	4,148	403	4
Subsidiaries	46	933	232	131	1,796	136	177	2,729	368	7
TOTAL	78	3,053	365	255	3,824	406	333	6,877	771	5

Figure 3: Structure of investments in the Intereuropa Group in the period January–March 2020, in EUR thousand

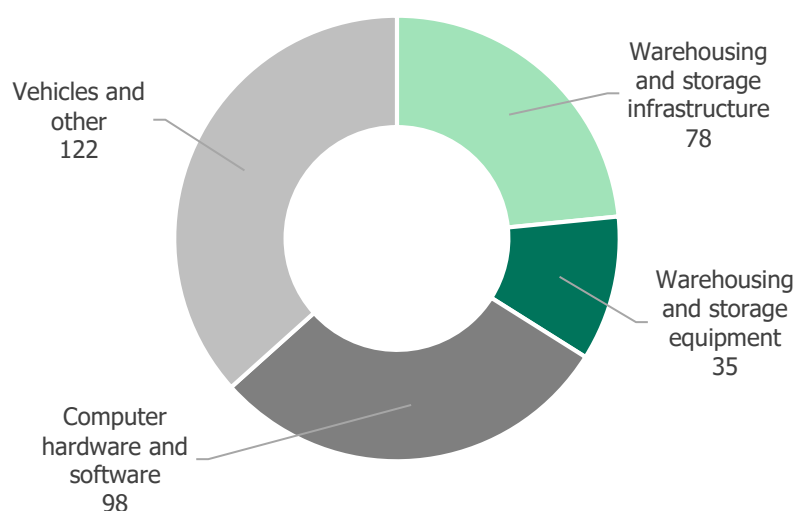


Table 11: Breakdown of investments by type in the period January–March 2020, in EUR thousand

INVESTMENTS BY TYPE	TOTAL INVESTMENTS			Property		Equipment	
	Actual	Plan	Percentage of annual plan realised	Actual	Plan	Actual	Plan
Warehousing and storage infrastructure	78	3,053	3	78	3,053		
Warehousing and storage equipment	35	1,023	3			35	1,023
Vehicles	0	638	0			0	638
IT equipment and intangible assets	98	1,149	9			98	1,149
Other investments	122	1,013	12			122	1,013
TOTAL	333	6,876	5	78	3,053	255	3,823

Major investments in 2020 include:

- computer equipment for users and licences;
- heating equipment in Maribor and Koper;
- the arrangement of warehouse A in Celje, the warehouse in Zagreb and premises for lessees in Koper; and
- warehouse equipment: warehouse door and loading platforms.

1.4 Sales of fixed assets

The Intereuropa Group sold fixed assets with a total carrying amount of EUR 2.0 million during the period January–March 2020. Sales of fixed assets included a warehouse in Zagreb with the appurtenant functional land and office-commercial premises in the area of goods terminals in Zagreb.

1.5 Human resource management

CHANGE IN NUMBER OF EMPLOYEES

The Intereuropa Group had 1,360 employees as at 31 March 2020, an increase of four employees relative to the last day of 2019.

The Group hired 42 new employees in the first quarter of 2020. Of that number, 23 were employed due to the increased scope of work or the acquisition of new transactions and 10 were hired to replace employees who left the Group or were temporarily absent, while nine former agency workers entered into an employment relationship with the Group.

A total of 38 employees left the Intereuropa Group during the first quarter of 2020. Of those, 26 workers' employment relationship was terminated by agreement at their own initiative or due to retirement (eight employees).

The turnover rate of key and perspective personnel who left their jobs at their own initiative was 1%, at the Group level, an increase of 0.3 percentage points relative to the same period last year.

An average of 213 workers, recalculated as FTEs, performed work via employment agencies and student services during the reporting period, a decrease of 28 employees relative to the comparable period last year. A total of 14% of all employees worked via flexible forms of employment.

Table 12: Number of employees in the Intereuropa Group by country as at 31 March 2020

	31 Mar 2020	31 Dec 2019	Difference (20 - 19)	Index 2020/2019
Slovenia	615	621	-6	99
Croatia	290	295	-5	98
Bosnia and Herzegovina	145	144	1	101
Serbia	83	83	0	100
North Macedonia	41	38	3	108
Kosovo	46	33	13	139
Montenegro	111	113	-2	98
Ukraine	29	29	0	100
TOTAL	1,360	1,356	4	100

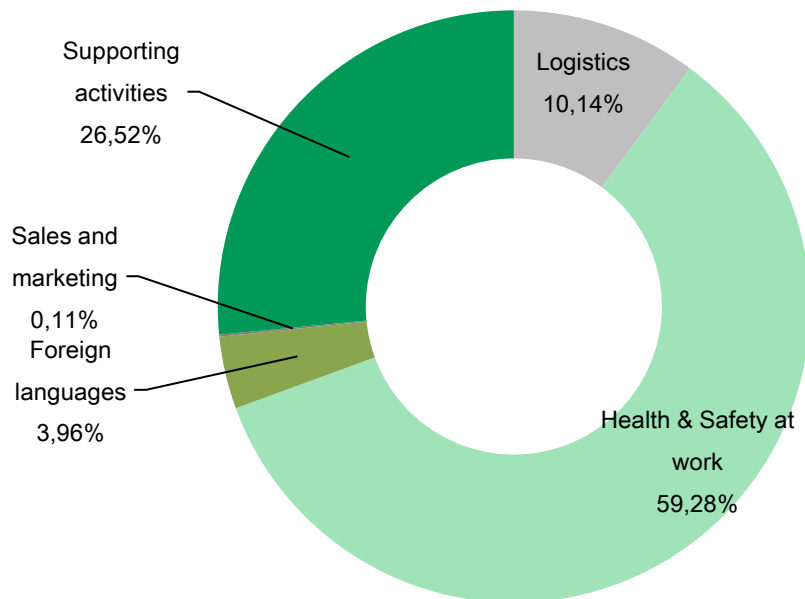
As is evident from the table, the number of employees was up at the subsidiaries in Kosovo, North Macedonia and Bosnia and Herzegovina, and was down in Slovenia and Croatia and at the subsidiary in Montenegro.

DEVELOPMENT, EDUCATION AND TRAINING

During the first quarter of the year, the Intereuropa Group earmarked EUR 21 thousand of the EUR 48 thousand planned for the aforementioned period for the acquisition of new knowledge and skills, an increase of EUR 12 thousand relative to the same period last year. The parent company is reimbursed for half of the funds it invests in training as part of the public tender for Competence Centre 3 (LOGINS).

Employees completed 1,795 training hours, a decrease of 103 hours relative to the same period last year. Internal lecturers conducted 20% more training last year, which explains the increase in costs despite fewer training hours this year. Certain previously planned and agreed training events were cancelled due to the COVID-19 epidemic.

Figure 4: Breakdown of education and training at the Intereuropa Group in terms of hours and content



At the Intereuropa Group level, employees received an average of 1.3 hours of training, while employees at the subsidiary Intereuropa, logističke usluge, d. o. o., Zagreb received the most training (an average of three hours). A total of 7% of all education and training was carried out by internal experts. This included training in the area of occupational health and safety at the parent company.

OCCUPATIONAL HEALTH AND SAFETY

The absenteeism rate due to sick leave was 5% at the Group level during the first quarter of the year, a decrease of 0.4 percentage points relative to the same period last year, but still above the planned rate of 4.5%. The sick leave rate at the parent company was up by 1 percentage point, from 6.3% during the same period last year to stand at 7.3% this year. The sick leave rate was also higher than planned at the subsidiary in Serbia, where it was 4.6%.

The sick leave rate was below 4.5% at other subsidiaries.

A total of six employees suffered workplace injuries at the Group level, which is two less than in the same period in 2019 and translates to 0.4% of the total number of employees, which is below the target rate of 1.5%. A total of three employees suffered workplace injuries at the parent company, which is one more than in the same period in 2019, translating to 0.4% of the total number of employees.

The following major activities were carried out in the areas of occupational health and safety, and fire safety:

- At the Group level, 65 employees were referred for preventive, preliminary, specific-purpose and periodic medical examinations, a decrease of 49% relative to the same period in 2019. A total of 39 employees were referred for preventive, preliminary, specific-purpose and periodic medical examinations at the parent company, a decrease of 44% relative to 2019.

- A total of 75 employees received training in the areas of occupational health and safety, and fire safety at the Group level, an increase of 1% relative to the same period in 2019, while that figure was 52 employees at the parent company, a decrease of 16% relative to the same period in 2019.
- Special attention was given to ensuring the management of fire risks and to the proper functioning of fire-safety equipment. Periodic inspections were carried out of facilities, and active and passive fire-fighting equipment, such as fire alarms, fire extinguishers and hydrants.

1.6 Risk management

The risk management policy of Intereuropa Group companies is defined in the Risk Management Rules of the Intereuropa Group, which were updated in 2018 and amended in 2019. Those rules define the risk management process at all Group companies, and include:

- the responsibilities and competences of key persons in the risk management process;
- the definition and types of risks;
- the definition of the risk management process;
- the methodology for the measurement of exposure to risks;
- the process of managing loss events and establishing a register of loss events;
- the method of establishing a risk register; and
- informing and reporting methods.

Group companies encounter various risks in their operations. Those risks are classified to the following five risk categories in accordance with the applicable rules: strategic risks, operational risks, financial risks, regulatory compliance risks and reputation risks.

At the end of the first quarter of the year, a total of 48 risks were identified and assessed at the Group level, two assessed as very high, two assessed as high, 12 assessed as medium and 32 assessed as low.

One new operational risk was identified during the first quarter: the risk of the outbreak of an epidemic and its negative impact on operations.

Strategic risk comprises the risk associated with losses as a result of incorrect business decisions, the inadequate implementation of adopted decisions and insufficient responsiveness to changes in the business environment. That risk depends on compliance between the outlined strategic objectives and the business strategy employed to achieve those objectives, the funds invested to achieve those objectives, and on the quality of implementation. Of the eight strategic risks identified at the Group level, two were assessed as very high, i.e. the risk of the loss of customs terminal status and the risk that managers at Group companies do not work to the benefit of owners and the company itself, but rather to their own benefit.

The highest number of risks is in the operational risk category, where 28 risks have been identified at the Group level. Operational risk represents the possibility of loss due to the inadequate or failed implementation of internal procedures, processes, people and systems, or due to external events. The majority of identified operational risks are assessed as low, while the highest risks amongst the six assessed as medium are the risk of a contraction in

the scope of operations in the logistics solutions segment at the subsidiary in Serbia due to the loss of customers, and the risk of a drop in sales due to a potential warehouse fire. Two operational risks identified during the first quarter were assessed as high: the newly identified risk of the outbreak of an epidemic and its negative impact on operations, and risk in connection with fraud and other criminal acts.

The risk of the outbreak of an epidemic, which was realised during the first quarter of 2020, has had a significant impact on the Group's operations and resulted in the tightening of the Group's liquidity position. Several measures were adopted by the Group to prevent the spread of infection and to mitigate the impact of the epidemic on the Group's operations and to improve its liquidity position.

Financial risks comprise risks associated with the ability to generate finance income, to control finance costs and to preserve the value of financial assets. Five financial risks were identified at the Group level. Two of those risks were assessed as medium: liquidity risk and currency risk. Detailed information regarding exposure to financial risks is presented in the financial report.

Regulatory compliance risks comprise risks associated with compliance with laws and other regulations that relate to corporate governance, relations with employees, industry standards, internal control systems and the security policy, the personal accountability of executive staff and the members of supervisory boards, and the liability of legal entities. Seven regulatory compliance risks were identified and assessed at the end of the first quarter. No regulatory compliance risks were assessed as high or very high. Two were assessed as medium: the risk of a breach of personal data protection and the risk of sanctions due to failure to comply with an environmental permit. Other risks were assessed as low.

1.7 Financial results of the operations of Intereuropa, d. d.

Table 13: Operations of Intereuropa, d. d. in the period January–March 2020, in EUR thousand

Item/Indicator	Jan–Mar 2020	Plan Jan–Mar 2020	Jan–Mar 2019**	Index 2020/plan	Index 20/19
Sales revenue	26,726	29,220	28,711	91	93
Land transport	12,118	12,876	12,913	94	94
Logistics solutions	4,878	5,037	4,648	97	105
Intercontinental transport	8,473	10,023	10,034	85	84
Other services	1,256	1,284	1,117	98	112
EBITDA	2,031	1,930	2,278	105	89
Operating profit	912	881	1,190	103	77
Loss from financing activities	-245	-180	-344	-	-
Profit from ordinary operations	667	701	846	95	79
Corporate income tax and deferred tax	63	49	80	129	79
Net profit	603	652	766	93	79
EBITDA margin (in %)	7.6	6.6	7.9	115	96
EBIT margin (in %)	3.4	3.0	4.1	113	82
Sales revenue per employee/month	15.314	16.934	16.715	90	92
Value added per employee/month	3.786	3.900	3.975	97	95
ROE (in %)*	2.8	4.5	3.6	61	77

Item/Indicator	31 Mar 2020	31 Dec 2019	Index 20/19
Assets	179,145	176,748	101
Equity	87,831	87,228	101
Net debt	53,789	57,293	94
Current assets/current liabilities	1.09	0.36	305

* Recalculated on an annual basis. Planned ROE is disclosed for the entire year.

** The comparative interim financial statements were restated taking into account the published data for the comparative period.

Operating profit and EBITDA

- The Company generated revenues of EUR 26.7 million during the first quarter, which was 9% lower than planned and down by 7% relative to the same period last year. In the context of falling sales, the sales margin was up relative to both the planned value and last year's figure.
- EBITDA amounted to EUR 2.0 million, which was 5% higher than planned, but down 11% relative to the same period last year. Contributing significantly to the higher-than-planned EBITDA during the first quarter of 2020 were lower labour costs, lower costs of services, most notably the costs of hired labour, and government assistance received under the ZIUZEOP. Contributing most to the lag behind the first quarter of 2019, when the Company generated a gain of EUR 0.2 million from the sale of fixed assets, were this year's higher labour costs.

- The profit from ordinary operations in the amount of EUR 912 thousand was 3% higher than planned, but down by 23% relative to the same period last year.

Loss from financing activities

- The loss from financing activities in the period January–March 2020 was EUR 65 thousand worse than planned, but EUR 0.1 million better than in the same period last year. Having a negative impact on the failure to achieve the planned value was unrealised income from participation in the profits of Group companies. Interest expense was down by EUR 196 thousand relative to last year.

Profit from ordinary operations and net profit

- Intereuropa, d. d.'s profit from ordinary operations in the first quarter of 2020 was 5% lower than planned, primarily as the result of the aforementioned planned but unrealised income from participation in the profits of Group companies. The Company's profit from ordinary operations was down by 21% relative to last year's results. The Company's net profit amounted to EUR 0.6 million, which was 7% lower than planned and 21% below last year's result.

Structure of the statement of financial position

- The ratio of equity to total assets was 49% at the end of the first quarter of 2020, a decrease of 0.4 percentage points relative to the end of 2019.
- The Company's net debt amounted to EUR 53.8 million as at 31 March 2020, a decrease of EUR 3.5 million relative to the end of 2019 and a decrease of EUR 9.1 million relative to the end of the first quarter of 2019.
- The current ratio amounted to 1.1, an increase of 0.7 relative to the previous period, primarily as the result of the refinancing of loans in January 2020.

1.8 IEKG shares and ownership structure

The share capital of Intereuropa, d. d. comprises 16,830,838 ordinary (IEKG) and 10,657,965 preference (IEKN) shares. Only ordinary IEKG shares are traded on the regulated securities market.

Table 14: Basic data regarding the shares of Intereuropa, d. d. as at 31 March 2020

	31 Mar 2020	31 Dec 2019
Share capital in EUR	27,488,803	27,488,803
Total number of shares	27,488,803	27,488,803
Number of preference shares (IEKN)	10,657,965	10,657,965
Number of ordinary shares (IEKG)	16,830,838	16,830,838
of which treasury shares	18,135	18,135
Number of shareholders	2,477	3,608
Book value per share in EUR	3.20	3.18
Earnings per ordinary share in EUR*	0.02	0.12

* Data for the period.

Book value = equity / (number of all shares – number of treasury shares).

Earnings per ordinary share = earnings per ordinary share / (number of ordinary shares – number of treasury shares).

KEY DATA REGARDING IEKG SHARES

Table 15: Key data regarding IEKG shares for the period January–March 2020

	Jan–Mar 2020	Jan–Dec 2019
Closing price at the end of period in EUR*	1.40	1.43
Weighted average price in EUR	1.41	2.29
Highest price in EUR	1.87	2.80
Lowest price in EUR	1.35	1.40
Market capitalisation in EUR thousand*	23,563	24,068
Turnover (in EUR thousand)	337	1,207
P/B	0.44	0.45
P/E	17.50	11.9
Capital yield	-2.1%	-45.0%

* As at the last day of the period.

Market capitalisation = closing price at the end of period * number of shares listed on the stock exchange.

P/B = closing price at the end of period / book value per share.

P/E = closing price at the end of period / earnings per share on an annual basis.

Capital yield = growth in share price during period.

TRADING IN IEKG SHARES

Trading in IEKG shares amounted to EUR 337 thousand during the first quarter of 2020, an increase of 1% relative to the same period in 2019. The share price fluctuated between EUR 1.35 and EUR 1.87 per share, while the share price closed at EUR 1.40 at the end of the reporting period. The Slovenian SBITOP index lost 20.8% of its value over the same period.

The market capitalisation of IEKG shares amounted to EUR 23.6 million at the end of March, accounting for 0.4% of the market capitalisation of all shares on the Ljubljana Stock Exchange.

Figure 5: Changes to the closing price of IEKG shares and the SBITOP index in the period January–March 2020

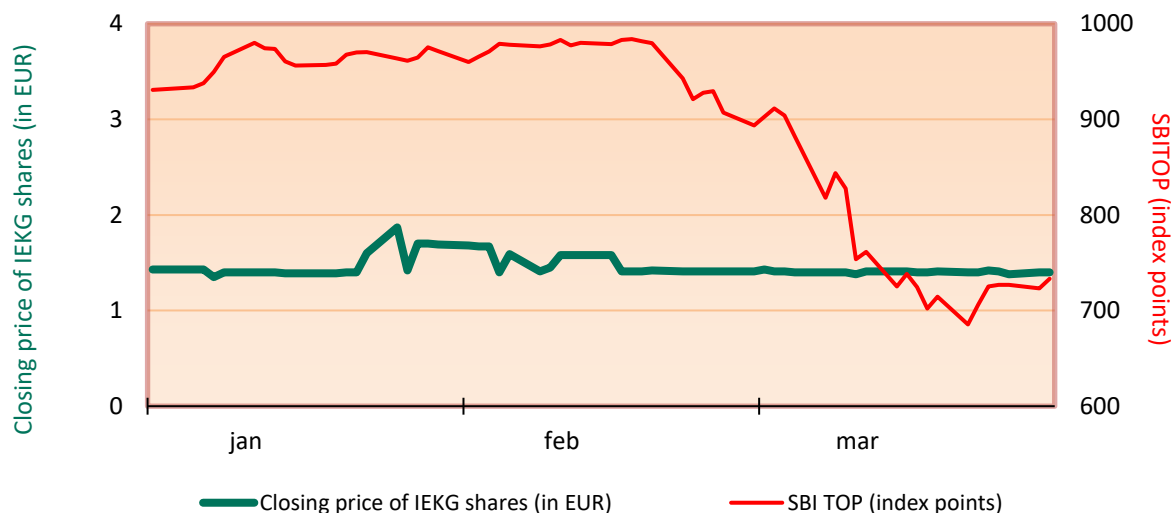
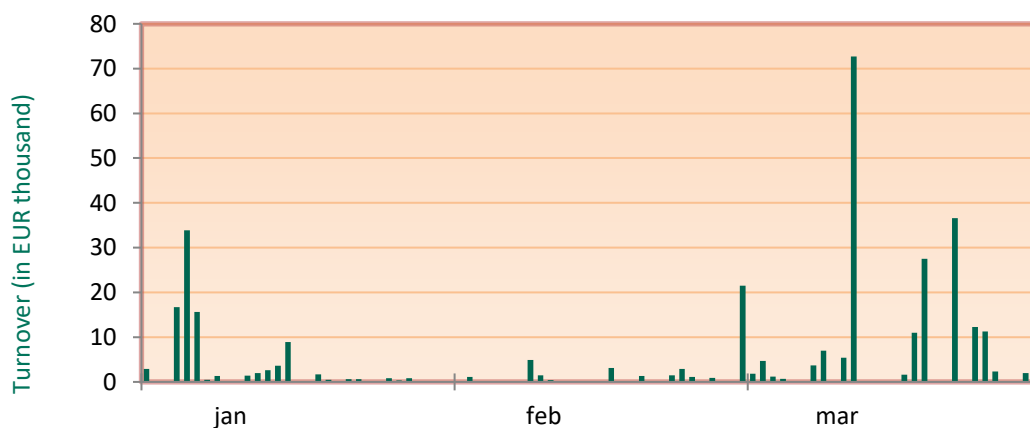


Figure 6: Turnover in IEKG shares in the period January–March 2020



OWNERSHIP STRUCTURE

Following the purchase of a majority holding of shares of Intereuropa, d. d. in November 2019 by Pošta Slovenije, d. o. o., the concentration of ownership continued with a takeover bid from Pošta Slovenije, which was completed in the middle of January. Through that bid, the Company’s largest owner acquired an additional 8.8% of capital. The ten largest shareholders held 94.6% of the company’s shares at the end of the period.

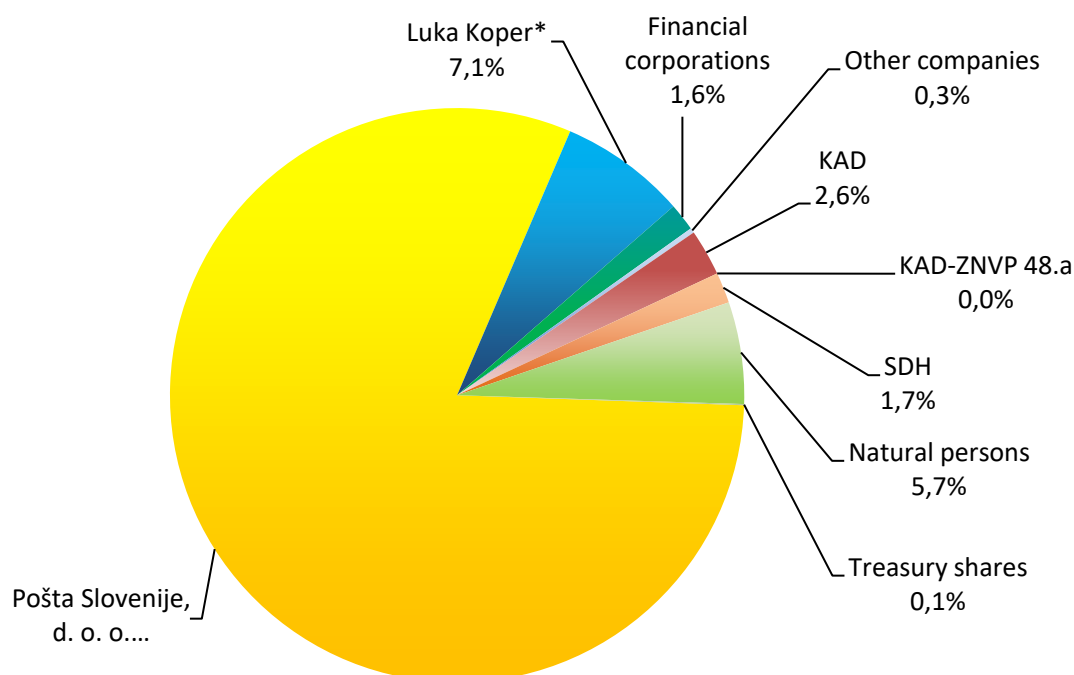
Table 16: Top ten shareholders of Intereuropa, d. d. as at 31 March 2020 relative to 31 December 2019

Shareholder	31 Mar 2020		31 Dec 2019		Index 20 /19
	Number of shares	Participating interest (in %)	Number of shares	Participating interest (in %)	
1. Pošta Slovenije, d. o. o.	22,235,236	80.9	19,826,390	72.1	112
2. Luka Koper, d. d.	1,344,783	4.9	1,344,783	4.9	100
3. Kapitalska družba, d. d.	719,797	2.6	719,797	2.6	100
4. Luka Koper INPO, d. o. o.	615,730	2.2	615,730	2.2	100
5. SDH, d. d.	474,926	1.7	474,926	1.7	100
6. Zavarovalnica Triglav, d. d.	332,918	1.2	332,918	1.2	100
7. Natural person 1	76,873	0.3	76,873	0.3	100
8. Natural person 2	73,196	0.3	73,196	0.3	100
9. Raiffeisen Bank International AG	66,512	0.2	71,024	0.3	94
10. Natural person 3	61,332	0.2	46,704	0.2	131
Others	1,487,500	5.4	3,906,462	14.2	38
TOTAL	27,488,803	100.0	27,488,803	100.0	100

The proportion of shares held by foreign investors was down by 0.4 percentage points relative to the situation as at 31 December 2019, and stood at 0.3% at the end of the period.

At the end of the period, 118 ordinary shares were held on a special account of Kapitalska družba, d. d. Those shares were waived by their holders or belonged to the Republic of Slovenia, which may not exercise its voting rights in accordance with Article 48a of the Book-Entry Securities Act.

Figure 7: Ownership structure of Intereuropa, d. d. as at 31 March 2020



* Includes the participating interest of Luka Koper, d. d. and its 100%-owned subsidiary Luka Koper INPO, d. o. o.

OWNERSHIP OF IEKG SHARES BY MEMBERS OF THE MANAGEMENT BOARD AND SUPERVISORY BOARD

Members of the Management Board did not hold any shares of Intereuropa, d. d. as at 31 March 2020. The shareholdings of Supervisory Board members are presented in the table below.

Table 17: Number of shares held by Supervisory Board members as at 31 March 2020

Supervisory Board	Number of shares	Participating interest (in %)
Tjaša Benčina, member of the Supervisory Board	40	0.0001

TREASURY SHARES

Intereuropa, d. d. did not trade treasury shares during the first quarter of 2020. It held 18,135 treasury shares (IEKG) as at 31 March 2020, representing 0.0660% of all shares. The proportion of treasury shares has not changed since 31 December 2019. The Company has no voting rights arising from its treasury shares in accordance with Article 249 of the Companies Act (ZGD-1).

DIVIDEND POLICY

The Company did not pay dividends between 2009 and 2019.

NOTIFICATION OF SHAREHOLDERS

The Company's communication strategy follows the principle of transparent communication, and the equal and timely provision of information to all stakeholders. Shareholders have significant influence over strategic decisions and business policies. The Company therefore sees regular and open communication with existing and potential shareholders as the proper way to strengthen the commercial success of Intereuropa.

The following channels are used to communicate with shareholders:

- ordinary general meetings of shareholders;
- presentations by the Company at conferences for investors in financial centres;
- the regular publication of business results and other price-sensitive information;
- regular communication via the SEOnet electronic system;
- regular communication with the media; and
- the regular publication of information regarding operations on the Company's website.

The Company collects the remarks and suggestions of shareholders at:
vlagatelj@intereuropa.si.

**FINANCIAL REPORT
OF THE INTEREUROPA GROUP AND
THE PARENT COMPANY INTEREUROPA D.D.
for the period January–March 2020**

INTRODUCTORY NOTES

The Intereuropa Group comprises the parent company Intereuropa, d. d., Koper and its subsidiaries. Intereuropa, d. d. (hereinafter: the Company) is a company established in Slovenia, with its registered office at Vojkovo nabrežje 32, 6000 Koper. It is deemed a large company according to the criteria set out in the Companies Act. The Company's securities are traded on the regulated market. As the parent company, it is obliged to prepare consolidated financial statements. The financial statements for the period January–March 2020 and the comparable period January–March 2019 are unaudited, while the financial statements for the comparable period ending 31 December 2019 are audited.

Composition of the Intereuropa Group

The consolidated financial statements of the Intereuropa Group for the period January–March 2020 include the financial statements of the parent company Intereuropa d. d., the financial statements of subsidiaries and the attributable results of an associate.

Subsidiaries included in the consolidated financial statements:

In Slovenia:

- Interagent, d. o. o., Koper – 100%
- Interzav, d. o. o., Koper – 71.28 %

Abroad:

- TOV Intereuropa–Kiev, Ukraine – 100%
- Intereuropa, logističke usluge, d. o. o., Zagreb, Croatia – 99.96%
- Intereuropa Skopje, d. o. o., Skopje, North Macedonia – 99.56 %
- Intereuropa RTC, d. d., Sarajevo, Bosnia and Herzegovina – 95.77%
- Intereuropa Kosova L. L. C., Prishtina, Kosovo – 90%
- TOV TEK ZTS, Uzhhorod, Ukraine – 89.93%
- AD Intereuropa logističke usluge, Belgrade, Serbia – 73.62%
- Zetatrans A.D., Podgorica, Montenegro – 69.27 %
- Intereuropa Sajam, d. o. o., Zagreb, Croatia – 51%

Associate included in the consolidated financial statements:

- Rail Cargo Logistic, železniška špedicija, d. o. o. – 26 %

Intereuropa Global logistics Service Albania Shpk, Durrës, Albania is not included in the consolidated financial statements because it is not material for the fair presentation of the Group's financial position, as its operations are limited.

1 FINANCIAL STATEMENTS OF THE INTEREUROPA GROUP AND INTEREUROPA, D. D.

1.1 Income statement

in EUR	Intereuropa Group		Intereuropa, d. d.	
	Jan–Mar 2020	Jan–Mar 2019*	Jan–Mar 2020	Jan–Mar 2019*
Sales revenue	38,370,011	39,697,462	26,725,887	28,711,469
Losses from the derecognition of operating receivables and assets from contracts with customers	-9,076	666	-1,632	98
Other long-term income	495,652	251,039	133,022	203,418
Costs of goods, materials and services	-27,988,908	-29,154,524	-19,871,258	-21,709,384
Labour costs	-7,041,933	-6,914,750	-4,575,683	-4,549,986
Amortisation and depreciation	-1,876,675	-1,757,921	-1,119,273	-1,087,738
Impairment losses on receivables (including the reversal of impairment losses)	-266,665	-103,785	-116,992	-115,044
Other operating expenses	-545,069	-730,643	-262,561	-262,468
Operating profit	1,137,337	1,287,544	911,510	1,190,365
Interest income	21,867	28,314	32,456	34,365
Other finance income	0	76,523	0	90,691
Finance costs – costs of financing	-279,213	-467,834	-254,758	-454,294
Impairment losses on loans granted and deposits	-295	0	5	0
Other finance costs	-202,392	0	-22,444	-15,218
Loss from financing activities	-460,033	-362,997	-244,741	-344,456
Investment result recognised according to the equity method	647	3,319	0	0
Profit from ordinary operations	677,951	927,866	666,769	845,909
Corporate income tax (including deferred taxes)	-162,829	-120,872	-63,399	-80,134
Net profit for the accounting period	515,122	806,994	603,370	765,775
Net profit pertaining to controlling interests	555,244	778,477	0	0
Net profit or loss pertaining to non-controlling interests	-40,123	28,517	0	0
Basic and diluted earnings per ordinary share (in EUR)	0.03	0.04	0.02	0.02

* The comparative interim financial statements were restated taking into account the published data for the comparative period.

1.2 Statement of other comprehensive income

in EUR	Intereuropa Group		Intereuropa, d. d.	
	Jan–Mar 2020	Jan–Mar 2019	Jan–Mar 2020	Jan–Mar 2019
Net profit for the accounting period	515,122	806,994	603,370	765,775
Other comprehensive income or loss	-1,113,434	-137,994	0	16,223
Items that will be reclassified to profit or loss	-1,116,791	-155,103	0	0
Change in the fair value of available-for-sale financial assets	-2,009	-1	0	0
Foreign currency translation differences	-1,114,782	-155,102	0	0
Items that will not be reclassified to profit or loss	3,357	17,109	0	16,223
Transfer of revaluation surplus for land to retained earnings	-480,980	-598,862	0	-598,862
Change in deferred taxes	86,988	57,220	0	56,892
Change in retained earnings from the transfer of the revaluation surplus for land	480,980	598,862	0	598,862
Actuarial losses for termination benefits upon retirement	1,488	0	0	0
Corporate income tax on retained earnings	-85,119	-40,111	0	-40,669
Total comprehensive income	-598,312	669,000	603,370	781,998
Total comprehensive income pertaining to controlling interests	-543,938	643,091	0	0
Total comprehensive income pertaining to non-controlling interests	-54,374	25,910	0	0

1.3 Statement of financial position

in EUR	Intereuropa Group		Intereuropa, d. d.	
	31 Mar 2020	31 Dec 2019	31 Mar 2020	31 Dec 2019
ASSETS				
Property, plant and equipment	143,147,836	145,261,598	76,939,017	77,641,425
Investment property	23,668,083	23,961,885	17,037,029	17,187,730
Intangible assets	3,247,969	3,363,229	3,047,621	3,153,801
Other non-current assets	23,931	23,105	23,931	23,105
Non-current operating receivables	282,582	303,320	276,394	291,236
Deferred tax assets	7,550,357	7,595,723	5,542,096	5,523,068
Long-term loans granted and deposits	44,662	52,544	0	0
Investment in associate	64,111	63,464	39,059	39,059
Other non-current financial assets	29,706	122,046	44,850,440	44,850,440
TOTAL NON-CURRENT ASSETS	178,059,237	180,746,914	147,755,587	148,709,864
Available-for-sale assets	691,973	2,700,944	0	0
Inventories	94,798	93,390	7,458	7,458
Short-term loans granted and deposits	1,269,806	1,010,109	2,607,702	2,325,951
Assets from contracts with customers	930,125	533,431	607,393	349,130
Current operating receivables	33,368,417	31,398,184	23,762,386	22,409,866
Current receivables for corporate income tax	152,341	189,744	2,065	0
Other current assets	817,456	395,199	649,528	189,326
Cash and cash equivalents	9,381,572	6,283,037	3,753,118	2,756,729
TOTAL CURRENT ASSETS	46,706,488	42,604,038	31,389,650	28,038,460
TOTAL ASSETS	224,765,725	223,350,952	179,145,237	176,748,324
EQUITY				
Equity pertaining to controlling interests	114,179,134	114,723,072	87,830,998	87,227,628
Share capital	27,488,803	27,488,803	27,488,803	27,488,803
Share premium account	18,454,667	18,454,667	18,454,667	18,454,667
Profit reserves	5,160,392	5,160,392	2,748,880	2,748,880
Fair value reserves	44,628,951	45,023,339	30,627,173	30,627,173
Foreign currency translation differences	-7,768,927	-6,668,465	0	0
Retained earnings	25,660,004	21,366,581	7,908,105	4,520,157
Net profit	555,244	3,897,755	603,370	3,387,948
Equity pertaining to non-controlling interests	7,580,445	7,634,819	0	0
TOTAL EQUITY	121,759,579	122,357,891	87,830,998	87,227,628
LIABILITIES				
Provisions	2,628,209	2,696,699	1,967,065	1,971,620
Non-current deferred income	56,017	65,433	56,017	65,433
Non-current financial liabilities	53,376,886	2,719,484	52,036,257	870,375
Non-current operating liabilities	1,178,996	1,026,501	1,158,636	1,009,644
Deferred tax liabilities	10,697,980	10,820,454	7,336,921	7,336,921
TOTAL NON-CURRENT LIABILITIES	67,938,088	17,328,571	62,554,896	11,253,993
Current financial liabilities	5,694,751	58,978,257	8,113,262	61,505,027
Liabilities from contracts with customers	547,404	547,740	29,057	15,941
Current operating liabilities	28,319,342	23,792,951	20,411,337	16,606,986
Current corporate income tax liabilities	439,864	309,640	173,497	126,735
Current deferred income	66,697	35,902	32,190	12,014
TOTAL CURRENT LIABILITIES	35,068,058	83,664,490	28,759,343	78,266,703
TOTAL EQUITY AND LIABILITIES	224,765,725	223,350,952	179,145,237	176,748,324

1.4 Statement of cash flows

in EUR	Intereuropa Group		Intereuropa, d. d.	
	Jan–Mar 2020	Jan–Mar 2019*	Jan–Mar 2020	Jan–Mar 2019*
Cash flows from operating activities				
Net profit for the accounting period	515,122	806,994	603,370	765,775
Restatements for:				
amortisation and depreciation	1,876,675	1,757,921	1,119,273	1,087,738
impairments and write-offs of property, plant and equipment, and investment property	0	77,813	0	0
gains on the sale of property, plant and equipment, and assets held for sale	-281,274	-187,733	0	-170,773
losses from the sale of property, plant and equipment	5,606	0	0	0
losses from the derecognition of operating receivables and assets from contracts with customers	9,076	1,002	1,632	0
impairment losses on receivables (including the reversal of impairment losses)	266,665	103,785	116,992	115,044
impairments and write-offs of inventories	0	1,081	0	0
other non-monetary expenses from the exclusion of a subsidiary from the consolidated financial statements	0	49,001	0	0
finance income from interest	-21,867	-28,314	-32,456	-34,365
other finance income	0	-77,114	0	-90,691
finance costs – costs of financing	279,213	467,834	254,758	454,294
other finance costs	202,392	0	22,439	15,218
impairment losses on loans granted and deposits	295	0	0	0
investment result recognised according to the equity method	-647	-3,319	0	0
corporate income tax (including deferred taxes)	162,829	120,872	63,399	80,134
Operating profit before changes in net working capital and taxes	3,014,085	3,089,823	2,149,407	2,222,374
Changes in net working capital and provisions				
Changes in assets from contracts with customers	-396,694	-68,102	-213,871	20,692
Changes in receivables	-2,190,465	-2,891,011	-1,495,873	-2,388,100
Changes in inventories	-1,408	-16,120	0	0
Changes in other current assets	-423,083	-192,041	-461,028	-276,647
Changes in liabilities from contracts with customers	337	-45,140	13,115	8,305
Changes in operating liabilities	4,602,539	2,213,302	4,119,244	1,523,150
Changes in provisions	-36,207	46,002	-4,555	3,362
Changes in non-current deferred income	-9,416	-4,501	10,760	16,549
Corporate income tax	-75,137	-123,054	-37,730	-3,279
Net cash flow from operating activities	4,484,551	2,009,158	4,079,469	1,126,406
Cash flows from investing activities				
Interest received	16,346	26,220	27,029	38,365
Dividends received and shares in profit	0	0	0	50,691
Inflows from the sale of property, plant and equipment	2,282,600	2,741,011	622	2,706,773
Inflows from long-term loans granted	0	0	8,254	23,995
Inflows from long-term deposits placed	10,000	0	10,000	0
Net cash flow from short-term loans granted	0	0	-300,000	0
Net cash flow from short-term deposits placed	-270,000	0	0	0
Inflows from the sale of other financial assets	97,917	0	0	0
Outflows for the acquisition of property, plant and equipment	-478,358	-1,560,203	-260,363	-984,120
Outflows for the acquisition of intangible assets	-74,492	0	-30,171	0
Outflows for increase in capital of subsidiaries	0	0	-20,000	-15,000
Exclusion of a subsidiary from the consolidated financial statements	0	-78,205	0	0
Net cash flow from investing activities	1,584,013	1,128,823	-564,629	1,820,704
Cash flows from financing activities				
Inflows from long-term loans received	54,850,000	0	54,850,000	0
Interest paid	-424,368	-491,022	-402,745	-480,122
Outflows for the repayment of long-term loans (and finance leases during the comparative period)	-56,848,460	-3,851,230	-56,848,460	-3,814,804
Net cash flow from short-term loans	-254,334	-3,897,001	0	-3,887,100
Payment of lease liabilities	-290,800	-208,723	-117,246	-67,906
Dividends paid	-1,999	-48,315	0	0
Net cash flow from financing activities	-2,969,961	-8,496,291	-2,518,451	-8,249,932
Opening balance of cash and cash equivalents	6,283,037	9,578,271	2,756,729	5,429,972
Exchange rate differences relating to cash	-68	8,103	0	0
Net cash flow for the period from ordinary operations	3,098,603	-5,358,310	996,389	-5,302,822
Closing balance of cash and cash equivalents	9,381,572	4,228,064	3,753,118	127,150

* The comparative interim financial statements were restated taking into account the published data for the comparative period.

1.5 Statement of changes in equity for the period January–March 2020

in EUR	PROFIT RESERVES						FAIR VALUE RESERVES					RETAINED EARNINGS				Total equity
	Share capital	Share premium account	Legal reserves	Reserves for treasury shares	Treasury shares (as deduction item)	Reserves under the Articles of Association	Other reserves	Fair value reserves for land	Fair value reserves for financial assets	Provisions for actuarial losses	Foreign currency translation differences	Retained earnings	Net profit for the accounting period	Equity pertaining to controlling interests	Equity pertaining to non-controlling interests	
	Intereuropa Group															
Balance as at 1 January 2020	27,488,803	18,454,667	4,655,544	180,394	-180,394	15,000	489,848	45,825,180	-46,387	-755,454	-6,668,465	21,366,581	3,897,755	114,723,072	7,634,819	122,357,891
Total comprehensive income	0	0	0	0	0	0	0	-393,867	-2,009	1,488	-1,100,462	395,668	555,244	-543,938	-54,374	-598,312
Net profit for the financial year	0	0	0	0	0	0	0	0	0	0	0	0	555,244	555,244	-40,123	515,121
Other comprehensive income	0	0	0	0	0	0	0	-393,867	-2,009	1,488	-1,100,462	395,668	0	-1,099,182	-14,251	-1,113,433
Transactions with owners																
Transfer of net profit from the previous year to retained earnings	0	0	0	0	0	0	0	0	0	0	0	3,897,755	-3,897,755	0	0	0
Closing balance as at 31 March 2020	27,488,803	18,454,667	4,655,544	180,394	-180,394	15,000	489,848	45,431,313	-48,396	-753,966	-7,768,927	25,660,004	555,244	114,179,134	7,580,445	121,759,579
	Intereuropa, d. d.															
Balance as at 1 January 2020	27,488,803	18,454,667	2,748,880	180,394	-180,394	0	0	0	31,278,452	-651,279	0	4,520,157	3,387,948	0	0	87,227,628
Total comprehensive income	0	0	0	0	0	0	0	0	0	0	0	0	603,370	0	0	603,370
Net profit for the financial year	0	0	0	0	0	0	0	0	0	0	0	0	603,370	0	0	603,370
Transactions with owners																
Transfer of net profit from the previous year to retained earnings	0	0	0	0	0	0	0	0	0	0	0	3,387,948	-3,387,948	0	0	0
Closing balance as at 31 March 2020	27,488,803	18,454,667	2,748,880	180,394	-180,394	0	0	0	31,278,452	-651,279	0	7,908,105	603,370	0	0	87,830,998

1.6 Statement of changes in equity for the period January–March 2019

in EUR	PROFIT RESERVES						FAIR VALUE RESERVES					RETAINED EARNINGS				Total equity
	Share capital	Share premium account	Legal reserves	Reserves for treasury shares	Treasury shares (as deduction item)	Reserves under the Articles of Association	Other reserves	Fair value reserves for land	Fair value reserves for financial assets	Provisions for actuarial losses	Foreign currency translation differences	Retained earnings	Net profit for the accounting period	Equity pertaining to controlling interests	Equity pertaining to non-controlling interests	
	Intereuropa Group															
Restated balance as at 1 January 2019	27,488,803	18,454,667	4,658,544	180,394	-180,394	15,000	915,551	47,231,758	-46,746	-106,114	-6,487,064	15,924,119	4,522,123	112,570,641	7,658,809	120,229,450
Total comprehensive income	0	0	0	0	0	0	0	-485,078	0	0	-152,496	502,187	778,477	643,090	25,910	669,000
Net profit for the financial year	0	0	0	0	0	0	0	0	0	0	0	0	778,477	778,477	28,517	806,994
Other comprehensive income	0	0	0	0	0	0	0	-485,078	0	0	-152,496	502,187	0	-135,387	-2,607	-137,994
Transactions with owners																
Transfer of net profit from the previous year to retained earnings	0	0	0	0	0	0	0	0	0	0	0	4,522,123	-4,522,123	0	0	0
Transfer of reserves to retained earnings due to exclusion of a subsidiary from the consolidated financial statements	0	0	-3,000	0	0	0	-61,000	0	0	0	0	64,000	0	0	0	0
Closing balance as at 31 March 2019	27,488,803	18,454,667	4,655,544	180,394	-180,394	15,000	854,551	46,746,680	-46,746	-106,114	-6,639,560	21,012,429	778,477	113,213,731	7,684,719	120,898,450
	Intereuropa, d. d.															
Balance as at 1 January 2019	27,488,803	18,454,667	2,748,880	180,394	-180,394	0	0	32,279,432	0	-94,188	0	94,188	4,034,132	0	0	85,005,914
Total comprehensive income	0	0	0	0	0	0	0	-485,078	0	0	0	501,302	765,774	781,998	0	781,998
Net profit for the financial year	0	0	0	0	0	0	0	0	0	0	0	0	765,774	765,774	0	765,774
Other comprehensive income	0	0	0	0	0	0	0	-485,078	0	0	0	501,302	0	16,224	0	16,224
Transactions with owners																
Transfer of net profit from the previous year to retained earnings	0	0	0	0	0	0	0	0	0	0	0	4,034,132	-4,034,132	0	0	0
Closing balance as at 31 March 2019	27,488,803	18,454,667	2,748,878	180,394	-180,394	0	0	31,794,354	0	-94,188	0	4,629,622	765,774	781,998	0	85,787,910

1.7 Basis for preparation and notes to the financial statements

1.7.1 BASIS FOR PREPARATION

The explanatory notes are included in the report in order to explain the business events and transactions that are material for understanding the changes in the financial position and profit or loss of the parent company in the period since the last annual report.

1.7.2 Use of estimates and judgements

The management has verified estimates, judgements and assumptions, and concluded that they were the same as those that applied at the time the financial statements as at 31 December 2019 were prepared.

1.7.3 Notes to the income statement

Sales revenue

Intereuropa Group in EUR	Slovenia		Croatia		Bosnia and Herzegovina		Serbia		Montenegro	
	Jan–Mar 2020	Jan–Mar 2019	Jan–Mar 2020	Jan–Mar 2019	Jan–Mar 2020	Jan–Mar 2019	Jan–Mar 2020	Jan–Mar 2019	Jan–Mar 2020	Jan–Mar 2019
Revenues by business line										
Land transport	12,118,087	12,912,690	4,110,158	4,156,856	1,189,464	1,278,215	633,812	546,404	688,512	781,300
Logistics solutions	4,878,423	4,647,637	992,568	1,087,943	155,645	159,827	181,721	239,214	237,737	229,788
Intercontinental transport	8,566,334	10,147,655	767,850	487,859	111,164	77,667	673,174	149,734	114,624	72,424
Other services	1,299,680	1,155,411	202,030	188,265	300,566	301,762	25,921	0	201,778	324,064
Total	26,862,524	28,863,393	6,072,606	5,920,923	1,756,839	1,817,471	1,514,628	935,352	1,242,651	1,407,576
Revenues generated by country (with respect to a customer's head office)										
Slovenia	15,115,677	15,396,403	266,714	255,301	61,684	80,449	107,154	90,985	14,572	34,305
Croatia	494,193	411,810	4,899,724	4,731,404	20,556	10,517	15,710	19,224	17,760	9,985
Bosnia and Herzegovina	275,635	259,353	139,555	43,001	1,333,466	1,391,681	12,940	17,363	29,902	14,560
Montenegro	73,948	82,647	1,807	4,709	0	665	12,192	14,403	1,032,778	1,127,101
Other countries	10,903,071	12,713,180	764,806	886,508	341,133	334,159	1,366,632	793,377	147,638	221,625
Total	26,862,524	28,863,393	6,072,606	5,920,923	1,756,839	1,817,471	1,514,628	935,352	1,242,650	1,407,576

in EUR	Ukraine		Other countries		Exclusions		Total	
	Jan–Mar 2020	Jan–Mar 2019	Jan–Mar 2020	Jan–Mar 2019	Jan–Mar 2020	Jan–Mar 2019	Jan–Mar 2020	Jan–Mar 2019
Revenues by business line								
Land transport	1,205,993	746,508	1,203,088	1,180,946	1,181,705	1,082,861	19,967,408	20,520,059
Logistics solutions	0	0	108,959	85,939	4,702	9,543	6,550,351	6,440,805
Intercontinental transport	0	0	100,533	171,401	139,901	110,351	10,193,778	10,996,389
Other services	186	163	81,691	83,493	453,377	312,949	1,658,474	1,740,209
Total	1,206,179	746,671	1,494,271	1,521,779	1,779,685	1,515,704	38,370,011	39,697,462
Revenues generated by country (with respect to a customer's head office)								
Slovenia	49,652	77,890	179,986	248,299	503,447	491,684	15,291,993	15,691,947
Croatia	0	0	1,479	1,254	400,056	304,047	5,049,365	4,880,147
Bosnia and Herzegovina	0	0	3,900	0	300,964	247,975	1,494,434	1,477,983
Montenegro	0	0	0	0	84,326	95,851	1,036,399	1,133,675
Other countries	1,156,527	668,781	1,308,906	1,272,226	490,892	376,147	15,497,820	16,513,710
Total	1,206,179	746,671	1,494,271	1,521,779	1,779,685	1,515,704	38,370,011	39,697,462

Intereuropa, d. d.		
in EUR	Jan–Mar 2020	Jan–Mar 2019
Revenues by business line		
Land transport	12,118,087	12,912,690
Logistics solutions	4,878,423	4,647,637
Intercontinental transport	8,472,923	10,033,900
Other services	1,256,454	1,117,242
Total	26,725,887	28,711,469
Revenues generated by country (with respect to a customer's head office)		
Slovenia	15,063,649	15,346,414
Croatia	494,193	411,810
Bosnia and Herzegovina	275,635	259,353
Montenegro	73,948	82,647
Other countries	10,818,462	12,611,245
Total	26,725,887	28,711,469

The Group and Company disclose rental income in sales revenue. The Group generated rental income of EUR 1,472,981 in the period January–March 2020 (EUR 1,348,078 in the same period last year), while the Company generated rental income of EUR 1,086,288 (EUR 946,746 in the same period last year). Sales revenue less rental income is equal to revenues from contracts with customers.

Other operating income

in EUR	Intereuropa Group		Intereuropa, d. d.	
	Jan–Mar 2020	Jan–Mar 2019	Jan–Mar 2020	Jan–Mar 2019
Gains on the sale of property, plant and equipment	281,274	187,733	0	170,773
Income from the reversal of provisions	67,296	3,167	0	0
Government grants received	129,334	11,725	124,757	10,689
Other operating income	17,748	48,414	8,265	21,956
Total	495,652	251,039	133,022	203,418

Costs of goods, materials and services

in EUR	Intereuropa Group		Intereuropa, d. d.	
	Jan–Mar 2020	Jan–Mar 2019	Jan–Mar 2020	Jan–Mar 2019
Costs of materials and cost of goods sold	1,125,175	1,246,112	528,938	563,393
Costs of services within the Group	0	0	498,421	484,849
Costs of services				
direct costs	23,813,911	24,804,752	16,856,273	18,626,766
costs of hired labour and student work	879,752	912,544	754,370	780,180
maintenance of property, plant and equipment	400,246	410,400	226,785	264,007
maintenance of intangible assets	208,528	211,962	185,445	181,423
costs of short-term leases of property, plant and equipment	45,337	11,946	10,515	6,258
costs of leases of intangible assets	104,514	200,805	104,398	99,955
insurance premiums	257,983	195,922	175,321	161,451
costs of asset security	226,214	217,068	142,408	127,445
costs of intellectual services	154,928	107,003	48,724	37,042
costs associated with the Supervisory Board and its committees	48,959	45,502	48,959	45,305
other costs of services	723,361	790,508	290,701	331,310
Total	27,988,908	29,154,524	19,871,258	21,709,384

Published data regarding the costs of short-term leases of property, plant and equipment in the period January–March 2019 were restated due to a change in the associated assessment, and amounted to EUR 53,537 at the Group level and EUR 47,148 at the Company.

Labour costs

in EUR	Intereuropa Group		Intereuropa, d. d.	
	Jan–Mar 2020	Jan–Mar 2019	Jan–Mar 2020	Jan–Mar 2019
Costs of wages and salaries	5,109,955	4,890,924	3,250,633	3,091,890
Social security costs	996,747	1,068,212	592,686	656,878
Other labour costs:				
annual leave allowance	219,101	208,690	184,725	182,400
transportation and meal allowances	536,053	494,887	389,399	389,725
other labour costs	58,166	54,584	36,329	31,640
expenses for employee participation in profits	121,911	197,453	121,911	197,453
Total	7,041,933	6,914,750	4,575,683	4,549,986

Amortisation and depreciation

in EUR	Intereuropa Group		Intereuropa, d. d.	
	Jan–Mar 2020	Jan–Mar 2019	Jan–Mar 2020	Jan–Mar 2019
Amortisation of intangible assets	1,376,742	1,342,705	875,593	854,105
Depreciation of property, plant and equipment, and investment property	137,196	135,950	128,718	126,186
Depreciation of right-of-use assets under leases	362,737	279,266	114,962	107,447
Total	1,876,675	1,757,921	1,119,273	1,087,738

Published data regarding the depreciation of right-of-use assets under lease in the period January–March 2019 were restated due to a change in the associated assessment, and amounted to EUR 126,625 at the Group level and EUR 58,003 at the Company.

Impairment losses on receivables (including the reversal of impairment losses)

Impairment losses on receivables (including the reversal of impairment losses) in the period January–March 2020 amounted to EUR 266,665 at the Group level and EUR 116,992 at the Company (EUR 103,785 at the Group level and EUR 115,044 at the Company during the same period last year), and primarily comprised adjustments to the value of receivables. The aforementioned effect is disclosed in the tables 'Changes in impairment losses on current trade receivables' and 'Changes in impairment losses on other current operating receivables'.

Other operating expenses

in EUR	Intereuropa Group		Intereuropa, d. d.	
	Jan–Mar 2020	Jan–Mar 2019	Jan–Mar 2020	Jan–Mar 2019
Building land use fees and similar expenses	335,521	366,686	216,371	233,377
Other levies	26,694	14,373	1,627	1,859
Impairments and write-offs of property, plant and equipment, and investment property	5,606	77,813	0	35
Expenses from impairments and write-offs of inventories	0	1,081	0	0
Costs from the recognition of provisions	0	0	0	2,910
Other operating expenses	177,248	270,690	44,563	24,287
Total	545,069	730,643	262,561	262,468

Finance income and costs

in EUR	Intereuropa Group		Intereuropa, d. d.	
	Jan–Mar 2020	Jan–Mar 2019	Jan–Mar 2020	Jan–Mar 2019
Interest income from Group companies	0	0	17,117	12,228
Interest income from others	21,867	28,315	15,339	22,137
Income from dividends and other shares in profit from Group companies	0	0	0	90,691
Net exchange rate differences	0	76,522	0	0
Total finance income	21,867	104,837	32,456	125,056
Interest expense	-279,213	-467,834	-254,758	-454,294
Impairment losses on loans granted and deposits	-295	0	5	0
Finance costs from impairments and write-offs of financial assets	-4,267	0	-20,000	-15,000
Net exchange rate differences	-198,125	0	-2,444	-218
Total finance costs	-481,900	-467,834	-277,197	-469,512
Loss from financing activities	-460,033	-362,997	-244,741	-344,456

Operating result

Intereuropa Group

The Group generated a profit from ordinary operations of EUR 677,951 in the period January–March 2020 (EUR 927,866 in the same period last year).

Corporate income tax for the reporting period amounted to EUR 162,829, comprising current tax expenses of 157,246 and deferred tax expenses of EUR 5,583. Within the item deferred tax, the Group accrued income arising from the recognition of additional deferred tax assets from tax losses (EUR 20,574), income for deferred tax arising from tax relief for employee participation in profits (EUR 19,630), expenses arising from property, plant and equipment (EUR 31,329) and expenses arising from provisions (EUR 14,458) during the reporting period.

The Group generated a net profit of EUR 515,122 during the reporting period. Of that amount, EUR 555,245 pertains to the controlling owner, while the negative amount of EUR 40,123 pertains to non-controlling owners (the Group generated a net profit of 806,994 during the same period last year, with EUR 778,477 of that amount pertaining to the controlling owner and EUR 28,517 pertaining to non-controlling owners).

Intereuropa, d. d.

Intereuropa generated a profit from ordinary operations in the amount of EUR 666,769 during the period January–March 2020 (EUR 845,909 during the same period last year), comprising operating profit in the amount of EUR 911,510 and a loss from financing activities in the amount of EUR 244.741.

Corporate income tax for the reporting period amounted to EUR 63,399, comprising current tax of 82,427 and income arising from deferred tax of EUR 19,028. Within the item deferred tax, the Company accrued income arising from the recognition of additional deferred tax assets from tax losses in the actual amount of EUR 102,119 and estimated income for deferred tax arising from tax relief for employee participation in profits (EUR 19,630).

A net profit in the amount of EUR 603,370 (EUR 765,775 in the same period last year) was thus achieved taking into account corporate income tax.

1.7.4 Notes to the statement of financial position

Property, plant and equipment

in EUR	Intereuropa Group		Intereuropa, d. d.	
	31 Mar 2020	31 Dec 2019	31 Mar 2020	31 Dec 2019
Land and buildings				
Land	70,442,785	70,842,976	41,444,722	41,444,722
Buildings	61,956,786	63,095,614	29,735,421	30,158,600
Plant and equipment	6,408,414	6,739,067	4,191,117	4,445,098
Right-of-use assets under leases	3,671,235	4,010,069	1,247,157	1,362,118
Investments in foreign fixed assets	30,109	30,069	5,912	6,089
Property, plant and equipment in acquisition	638,507	543,803	314,688	224,798
Total	143,147,836	145,261,598	76,939,017	77,641,425

The carrying amount of property, plant and equipment (land and buildings) pledged as collateral was EUR 42,969,075 at the Group as at 31 March 2020 (comprising collateral for loans received and contingent liabilities), and EUR 20,844,350 at the Company (comprising collateral for loans received and contingent liabilities). The Group and Company had no other legal restrictions on the disposal of aforementioned assets.

Investment property

The carrying amount of investment property was EUR 23,668,083 at the Group level as at 31 March 2020 (EUR 23,961,885 during the same period last year) and EUR 17,037,029 at the Company (EUR 17,187,730 during the same period last year).

The carrying amount of investment property pledged as collateral at the end of March 2020 was EUR 2,369,205 at the Group level and EUR 1,402,530 at the Company. In both cases, that amount represents additional collateral for liabilities for which the underlying collateral comprises pledged items of property, plant and equipment.

Intangible assets

in EUR	Intereuropa Group		Intereuropa, d. d.	
	31 Mar 2020	31 Dec 2019	31 Mar 2020	31 Dec 2019
Long-term property rights	403,414	463,970	246,487	299,356
Goodwill	41,775	41,721	0	0
Other intangible assets	2,239,692	2,316,988	2,238,046	2,313,895
Intangible assets under construction	563,088	540,550	563,088	540,550
Total	3,247,969	3,363,229	3,047,621	3,153,801

Loans granted and deposits

in EUR	Intereuropa Group		Intereuropa, d. d.	
	31 Mar 2020	31 Dec 2019	31 Mar 2020	31 Dec 2019
Long-term loans and deposits	44,662	52,544	0	0
Loans to others	1,234	1,559	0	0
Deposits	43,428	50,985	0	0
Short-term loans and deposits	1,269,806	1,010,109	2,607,702	2,325,951
Loans to subsidiaries	0	0	2,607,702	2,315,956
Loans to others	1,076	1,111	0	0
Deposits	1,268,730	1,008,998	0	9,995
Total	1,314,468	1,062,653	2,607,702	2,325,951

Non-current financial assets

in EUR	Intereuropa Group		Intereuropa, d. d.	
	31 Mar 2020	31 Dec 2019	31 Mar 2020	31 Dec 2019
Non-current investments in shares and participating interests in subsidiaries	0	0	44,823,281	44,823,281
Non-current investment in a participating interest in an associate	64,111	63,464	39,059	39,059
Other non-current financial assets	29,706	122,046	27,159	27,159
Total	93,817	185,510	44,889,499	44,889,499

Available-for-sale assets

The Group's available-for-sale assets totalled EUR 691,973 as at the reporting date (EUR 2,700,944 on the final day of 2019). The Company did not have any available-for-sale assets. Available-for-sale assets comprise real estate, the sale of which is planned in a short period of time. The reduction in the amount of EUR 2,008,971 is the result of the sale of those assets.

Current operating receivables

in EUR	Intereuropa Group		Intereuropa, d. d.	
	31 Mar 2020	31 Dec 2019	31 Mar 2020	31 Dec 2019
Current operating receivables from Group companies	0	0	844,395	706,806
Current operating receivables from Group companies for interest	0	0	211,791	201,709
Current trade receivables	31,140,568	29,548,893	21,342,950	20,394,556
Other current operating receivables	2,227,849	1,849,291	1,363,250	1,106,795
Total	33,368,417	31,398,184	23,762,386	22,409,866

Other current assets

Other current assets amounted to EUR 817,456 at the Group level at the end of March 2020 (EUR 395,199 at the end of 2019) and to EUR 649,528 at the Company (EUR 189,326 at the end of 2019), and comprise current deferred costs.

Provisions

in EUR	Intereuropa Group		Intereuropa, d. d.	
	31 Mar 2020	31 Dec 2019	31 Mar 2020	31 Dec 2019
Provisions for termination benefits upon retirement and employee anniversary bonuses	2,252,047	2,259,900	1,784,425	1,788,980
Provisions for lawsuits	376,162	436,799	182,640	182,640
Total	2,628,209	2,696,699	1,967,065	1,971,620

Financial liabilities

in EUR	Intereuropa Group		Intereuropa, d. d.	
	31 Mar 2020	31 Dec 2019	31 Mar 2020	31 Dec 2019
Loans received from others	51,257,977	0	51,257,977	0
Lease liabilities	2,118,909	2,719,484	778,280	870,375
Total non-current financial liabilities	53,376,886	2,719,484	52,036,257	870,375
Loans from Group companies	0	0	4,100,000	4,100,000
Loans received from others	3,492,657	57,141,194	3,469,685	56,845,360
Lease liabilities	1,766,147	1,399,549	543,577	559,667
Liabilities for dividends and other shares in profit	435,947	437,514	0	0
Total current financial liabilities	5,694,751	58,978,257	8,113,262	61,505,027

On 31 January 2020, the Company successfully completed the refinancing of several loans arranged under the financial restructuring agreement concluded in 2012. The Company and a syndicate of banks, including Nova Ljubljanska banka, d. d. acting as the organiser and agent, concluded a long-term loan agreement in the amount of EUR 54,850,000. The new loan was concluded in two tranches, one with a maturity of seven years and the other with a maturity of four years.

The Group had approved and undrawn revolving loans in the amount of EUR 5,530,000 as at 31 March 2020, while the Company had approved and undrawn revolving loans in the amount of EUR 4,000,000.

Current operating liabilities

in EUR	Intereuropa Group		Intereuropa, d. d.	
	31 Mar 2020	31 Dec 2019	31 Mar 2020	31 Dec 2019
Current operating liabilities to Group companies	0	0	393,283	373,722
Current trade payables (excluding the Group)	23,017,674	19,259,199	16,135,487	12,973,942
Other current operating liabilities	5,301,668	4,533,752	3,882,567	3,259,322
Total	28,319,342	23,792,951	20,411,337	16,606,986

1.7.5 Other notes

Contingent liabilities

in EUR	Intereuropa Group		Intereuropa, d. d.	
	31 Mar 2020	31 Dec 2019	31 Mar 2020	31 Dec 2019
Contingent liabilities from bank guarantees and guarantees given to Group companies	0	0	155,857	155,857
Contingent liabilities from bank guarantees and guarantees given to others	14,885,212	17,299,390	9,555,000	9,555,000
Contingent liabilities from lawsuits	558,741	303,043	7,000	7,000
Contingent liabilities to D.S.U., družba za svetovanje in upravljanje, d. o. o.	65,706	65,706	65,706	65,706
Total	15,509,659	17,668,139	9,783,563	9,783,563

Fair value

Fair value of financial instruments

in EUR	Intereuropa Group			
	31 Mar 2020		31 Dec 2019	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Financial assets measured at fair value through other comprehensive income	2,547	2,547	2,625	2,625
Financial assets measured at fair value through profit or loss	27,159	27,159	119,421	119,421
Loans and deposits	1,314,468	1,314,468	1,062,653	1,062,653
Operating receivables	33,650,999	33,650,999	31,701,504	31,701,504
Cash and cash equivalents	9,381,572	9,381,572	6,283,037	6,283,037
Total	44,376,745	44,376,745	39,169,240	39,169,240
Loans and leases				
at fixed interest rates	20,475	20,475	2,811,811	2,811,811
at variable interest rates	54,730,159	54,730,159	57,141,194	57,141,194
Lease liabilities	3,885,056	3,885,056	4,119,033	4,119,033
Liabilities for dividends and other shares in profit	435,947	435,947	437,514	437,514
Operating liabilities	29,498,338	29,498,338	24,819,452	24,819,452
Total	88,569,975	88,569,975	89,329,004	89,329,004

in EUR	Intereuropa, d. d.			
	31 Mar 2020		31 Dec 2019	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Financial assets measured at fair value through profit or loss	27,159	27,159	27,589	271,589
Loans and deposits	2,607,702	2,607,702	1,717,824	1,717,482
Operating receivables	24,038,780	24,038,780	23,636,439	23,636,439
Cash and cash equivalents	3,753,118	3,753,118	5,429,972	5,429,972
Total	30,426,759	30,426,759	30,811,824	31,055,482
Loans and leases				
at fixed interest rates	20,475	20,475	0	0
at variable interest rates	58,807,187	58,807,187	71,777,099	71,777,099
Lease liabilities	1,321,857	1,321,857	1,429,972	1,429,972
Operating liabilities	21,569,973	21,569,973	19,457,414	19,457,414
Total	81,719,492	81,719,492	92,664,485	92,664,485

Fair value hierarchy of assets

in EUR	Intereuropa Group					
	31 Mar 2020			31 Dec 2019		
	Level 1	Level 3	Total	Level 1	Level 3	Total
Land	0	70,442,785	70,442,785	0	70,842,976	70,842,976
Financial assets measured at fair value through other comprehensive income	2,547	0	2,547	2,625	0	2,625
Financial assets measured at fair value through profit or loss	0	27,159	27,159	0	119,421	119,421
Total	2,547	70,469,944	70,472,491	2,625	70,962,397	70,965,022

in EUR	Intereuropa, d. d.					
	31 Mar 2020			31 Dec 2019		
	Level 1	Level 3	Total	Level 1	Level 3	Total
Land	0	41,444,722	41,444,722	0	41,444,722	41,444,722
Financial assets measured at fair value through profit or loss	0	27,159	27,159	0	27,159	27,159
Total	0	41,471,881	41,471,881	0	41,471,881	41,471,881

The table only includes assets measured at fair value. The Group assesses that the carrying amount of financial assets and financial liabilities not measured at fair value reflects their fair value.

1.7.6 Transactions with related parties

in EUR	Intereuropa Group			Intereuropa, d. d.				
	Associate		Pošta Slovenije Group companies	Subsidiaries		Associate		Pošta Slovenije Group companies
	Jan–Mar 2020	Jan–Mar 2019	Jan–Mar 2020	Jan–Mar 2020	Jan–Mar 2019	Jan–Mar 2020	Jan–Mar 2019	Jan–Mar 2020
Revenues from the sale of services	63,483	109,175	46,019	970,145	885,013	63,483	109,175	46,019
Interest income	0	0	0	17,116	12,228	0	0	0
Income from participating interests	0	0	0	0	90,691	0	0	0
Costs of services	487,277	1,395,871	55,407	498,421	484,849	853,615	1,395,871	55,407
Interest expenses	0	0	0	11,509	7,935	0	0	0
	31 Mar 2020	31 Dec 2019	31 Mar 2020	31 Mar 2020	31 Dec 2019	31 Mar 2020	31 Dec 2019	31 Mar 2020
Non-current investments in shares and participating interests	0	0	0	44,823,281	44,823,281	39,059	39,059	0
Balance of operating receivables	36,535	59,041	20,118	1,056,186	908,516	36,535	59,041	20,118
Loans granted	0	0	0	2,607,702	2,315,956	0	0	0
Balance of operating liabilities	422,214	483,159	47,297	393,283	373,722	1,719	178	47,297
Loans received	0	0	0	4,100,000	4,100,000	0	0	0

The Intereuropa Group's transactions with related parties include transactions with an associate and transactions with Pošta Slovenije Group companies, while the Company's transactions with related parties include transactions between the parent company and subsidiaries, transactions with an associate and transactions with Pošta Slovenije Group companies.

Transactions with companies in which the state has a direct controlling interest

Parties related to owners include those companies in which the Republic of Slovenia and SDH together hold a direct participating interest of at least 20%. A list of the aforementioned companies is published on SDH's website (<https://www.sdh.si/sl-si/upravljanje-nalozb/seznam-nalozb>).

Intereuropa Group

During the first quarter of 2020, the Intereuropa Group generated revenues in the amount of EUR 77,681, and incurred costs in the amount of EUR 2,505,254 and interest expense in the amount of EUR 127,457 with companies in which the state has a direct controlling interest. As at 31 March 2020, the Intereuropa Group disclosed operating receivables in the amount of EUR 174,346, operating liabilities in the amount of EUR 2,213,688, financial liabilities in the amount of EUR 54,850,000 and contingent assets and liabilities in the amount of EUR 9,495,000 vis-à-vis the aforementioned companies. Financial liabilities comprise a loan raised under market terms.

Intereuropa, d. d.

During the first quarter of 2020, Intereuropa, d. d. generated revenues in the amount of EUR 74,116, and incurred costs in the amount of EUR 1,963,546 and interest expense in the amount of EUR 127,457 with companies in which the state has a direct controlling interest. As at 31 March 2020, Intereuropa disclosed operating receivables in the amount of EUR 174,346, operating liabilities in the amount of EUR 1,922,736, financial liabilities in the amount of EUR 54,850,000 and contingent assets and liabilities in the amount of EUR 9,495,000 vis-à-vis the aforementioned companies. Financial liabilities comprise a loan raised under market terms.

1.7.7 Information by business segment

Information regarding geographical areas for the Intereuropa Group

in EUR	Slovenia		Croatia		Bosnia and Herzegovina		Serbia		Montenegro	
	Jan–Mar 2020	Jan–Mar 2019*	Jan–Mar 2020	Jan–Mar 2019*	Jan–Mar 2020	Jan–Mar 2019*	Jan–Mar 2020	Jan–Mar 2019*	Jan–Mar 2020	Jan–Mar 2019*
Revenues from external customers	25,906,623	27,988,034	5,802,836	5,739,572	1,644,801	1,679,509	1,384,016	804,305	1,228,475	1,390,746
Revenues from transactions with other segments	955,901	839,335	269,770	180,947	112,038	137,935	130,612	131,048	14,175	16,831
Total revenues	26,862,524	28,827,369	6,072,606	5,920,520	1,756,838	1,817,444	1,514,628	935,352	1,242,651	1,407,576
Amortisation and depreciation	1,119,580	1,088,707	381,172	370,486	110,552	107,178	58,858	51,108	112,514	90,390
Operating profit or loss	925,798	-1,253,041	478,725	34,842	-147,020	25,574	-154,402	-101,502	41,478	134,147
Interest income	33,002	34,758	2,773	249	0	0	7	10	15,779	16,819
Interest expense	254,758	447,568	10,494	8,578	3,437	5,251	13,865	13,039	4,551	5,071
Profit or loss from ordinary operations	682,638	885,007	474,957	27,502	-149,916	20,249	-169,461	-114,254	52,406	154,733
Investment result recognised according to the equity method	0	0	0	0	0	0	0	0	0	0
Corporate income tax	66,445	82,433	103,670	5,396	0	5,624	0	0	13,287	11,724
Net profit or loss	616,193	802,574	371,287	21,858	-149,916	14,625	-169,461	-114,254	39,119	134,171

in EUR	Ukraine		Other		Total		Restatements (including eliminations)		Group	
	Jan–Mar 2020	Jan–Mar 2019*	Jan–Mar 2020	Jan–Mar 2019*	Jan–Mar 2020	Jan–Mar 2019*	Jan–Mar 2020	Jan–Mar 2019*	Jan–Mar 2020	Jan–Mar 2019*
Revenues from external customers	1,206,179	746,671	1,216,906	1,238,765	38,389,835	39,623,627	-19,824	73,835	38,370,011	39,697,462
Revenues from transactions with other segments	0	0	277,365	283,012	1,759,861	1,589,107	-1,759,861	-1,589,107	0	0
Total revenues	1,206,179	746,671	1,494,271	1,521,778	40,149,696	41,212,734	-1,779,684	-1,515,272	38,370,011	39,661,438
Amortisation and depreciation	8,518	6,924	85,481	18,246	1,876,676	1,757,921	0	0	1,876,676	1,757,921
Operating profit or loss	-177	-16,625	13,446	10,140	1,157,848	1,311,446	-20,512	-23,904	1,137,337	1,287,544
Interest income	21	176	0	0	51,581	52,011	-29,714	-23,705	21,867	28,314
Interest expense	9,866	9,434	11,955	254	308,926	479,668	-29,714	-11,834	279,212	467,834
Profit or loss from ordinary operations	-300,302	37,211	2,497	10,064	592,819	1,020,511	85,132	-88,254	677,951	927,866
Investment result recognised according to the equity method	0	0	0	0	0	0	647	3,319	647	3,319
Corporate income tax	-20,574	0	0	15,694	162,829	120,871	0	0	162,829	120,872
Net profit or loss	-279,728	37,211	2,497	-5,630	429,991	890,555	85,132	-88,254	515,122	806,994

* The comparative interim financial statements were restated taking into account the published data for the comparative period.

in EUR	Slovenia		Croatia		Bosnia and Herzegovina		Serbia		Montenegro	
	31 Dec 2019	31 Dec 2019	31 Dec 2019	31 Dec 2019	31 Dec 2019	31 Dec 2019	31 Dec 2019	31 Dec 2019	31 Dec 2019	31 Dec 2019
Assets	180,183,895	177,697,373	49,331,706	49,851,205	14,264,626	14,373,185	10,053,902	10,273,463	18,397,338	18,221,970
Non-current assets	147,764,799	148,719,385	39,574,801	41,040,017	11,947,438	12,017,805	9,210,608	9,214,673	12,039,357	12,146,639
Operating liabilities	22,138,686	18,087,058	4,571,556	4,163,737	1,272,579	1,172,668	1,031,228	963,979	632,603	502,635
Financial liabilities	60,149,519	62,375,402	965,279	1,040,692	320,454	329,317	1,698,486	1,801,787	821,200	843,422
Investment in associate	39,059	39,059	0	0	0	0	0	0	0	0

in EUR	Ukraine		Other		Total		Restatements (including eliminations)		Group	
	31 Dec 2019	31 Dec 2019	31 Dec 2019	31 Dec 2019	31 Dec 2019	31 Dec 2019	31 Dec 2019	31 Dec 2019	31 Dec 2019	31 Dec 2019
Assets	1,869,886	1,855,097	3,954,311	3,854,009	278,055,664	276,126,301	-53,289,939	-52,775,350	224,765,724	223,350,952
Non-current assets	607,647	608,482	1,671,040	1,757,067	222,815,689	225,504,068	-44,756,454	-44,757,155	178,059,235	180,746,913
Operating liabilities	811,158	690,530	1,168,133	1,117,346	31,625,944	26,697,952	-2,051,001	-1,878,453	29,574,943	24,819,499
Financial liabilities	1,477,671	1,295,872	690,698	739,215	66,132,306	68,425,709	-7,059,015	-6,736,634	59,073,292	61,689,075
Investment in associate	0	0	0	0	39,059	39,059	25,053	24,406	64,111	63,464

1.7.8 Financial risks

The financial risks to which the Group and Company are exposed include:

1. liquidity risk,
2. currency risk,
3. credit risk, and
4. interest-rate risk.

Liquidity risk

The Group and Company manage liquidity risk through the active management of cash, which includes:

- the monitoring and planning of cash flows;
- regular collection activities and daily contact with major customers; and
- the option of using short-term credit lines via banks.

The table regarding liquidity risk illustrates estimated undiscounted cash flows, including future interest.

		31 Mar 2020						
		Intereuropa Group						
in EUR	Carrying amount	Contractual cash flows	6 months or less	6 to 12 months	1 to 2 years	2 to 5 years	More than 5 years	
Loans from banks and others	54,750,634	56,973,925	2,002,349	2,019,164	5,725,639	36,657,832	10,568,941	
Operating lease liabilities	3,421,389	3,663,422	1,769,802	555,131	571,989	677,824	287	
Finance lease liabilities	463,667	489,266	55,533	302,565	131,168	0	0	
Liabilities for dividends and other shares in profit	435,947	435,947	435,947	0	0	0	0	
Trade payables	23,142,185	22,791,901	22,981,080	27,486	18,006	69,977	45,628	
of which trade payables for short-term leases	5,700	5,700	5,700	0	0	0	0	
Other operating liabilities	1,572,895	1,572,895	1,572,895	0	0	0	0	
Total	83,786,717	85,927,356	28,817,606	2,904,346	6,446,802	37,405,633	10,614,856	

		Intereuropa, d. d.						
in EUR	Carrying amount	Contractual cash flows	6 months or less	6 to 12 months	1 to 2 years	2 to 5 years	More than 5 years	
Loans from Group companies	4,100,000	4,111,922	2,807,550	1,304,372	0	0	0	
Loans from banks and others	54,727,662	56,950,953	1,979,377	2,019,164	5,725,639	36,657,832	10,568,941	
Operating lease liabilities	1,321,857	1,368,780	284,729	213,692	344,678	525,681	0	
Operating liabilities to Group companies	393,283	393,283	393,283	0	0	0	0	
Trade payables	16,269,098	16,269,098	16,108,001	27,486	18,006	69,977	45,628	
of which trade payables for short-term leases	4,197	4,197	4,197	0	0	0	0	
Other operating liabilities	514,669	514,669	514,669	0	0	0	0	
Total	77,326,569	79,608,705	22,087,609	3,564,714	6,088,323	37,253,490	10,614,569	

31 Dec 2019							
Intereuropa Group							
in EUR	Carrying amount	Contractual cash flows	6 months or less	6 to 12 months	1 to 2 years	2 to 5 years	More than 5 years
Loans from banks and others	57,141,194	57,280,185	57,003,095	271,960	5,130	0	0
Operating lease liabilities	3,622,072	4,264,073	2,013,168	473,650	656,573	1,120,681	0
Finance lease liabilities	496,961	518,505	55,691	55,691	407,124	0	0
Liabilities for dividends and other shares in profit	437,514	437,514	14,416	0	0	0	0
Trade payables	19,389,644	20,109,532	19,847,432	68,761	23,735	46,856	68,749
of which trade payables for short-term leases	28,221	28,221	28,221	0	0	0	0
Other operating liabilities	1,344,173	1,344,173	473,868	0	870,305	0	0
Total	82,431,558	83,953,982	79,407,670	870,062	1,962,867	1,167,537	68,749

Intereuropa, d. d.							
in EUR	Carrying amount	Contractual cash flows	6 months or less	6 to 12 months	1 to 2 years	2 to 5 years	More than 5 years
Loans from Group companies	4,100,000	4,111,922	2,807,550	1,304,372	0	0	0
Loans from banks and others	56,845,360	56,972,105	5,697,211	0	0	0	0
Operating lease liabilities	1,430,042	1,503,272	297,408	237,167	361,056	607,641	0
Operating liabilities to Group companies	364,827	364,827	364,827	0	0	0	0
Trade payables	13,113,281	13,113,281	12,905,181	68,761	23,735	46,856	68,749
of which trade payables for short-term leases	151,597	151,597	151,597	0	0	0	0
Other operating liabilities	1,287,784	1,287,784	417,479	0	870,305	0	0
Total	77,141,294	77,353,191	22,489,656	1,610,300	1,255,096	654,497	68,749

The Group and Company are planning to continue implementing a strategy in 2020 aimed at the sale of certain non-strategic real estate and further reduce the balance of bank loans received, which in turn will reduce liquidity risk.

Currency risk

31 Mar 2020						
Intereuropa Group						
in EUR	EUR	USD	HRK	RSD	Other	Total
Operating receivables	23,327,910	0	4,294,306	762,420	1,399,386	29,784,022
Long-term loans granted and deposits	0	0	43,428	0	1,234	44,662
Short-term loans granted and deposits	1,268,730	0	0	0	1,076	1,269,806
Long-term loans received	-51,257,977	0	0	0	0	-51,257,977
Short-term loans received	-3,469,685	0	0	0	-22,972	-3,492,657
Liabilities for dividends and other shares in profit	-435,947	0	0	0	0	-435,947
Lease liabilities	-3,383,975	0	0	-195,517	-305,563	-3,885,055
Operating liabilities	-16,953,640	0	-3,849,315	-825,987	-1,577,148	-23,206,090
Exposure disclosed in the statement of financial position	-50,904,584	0	488,419	-259,084	-503,987	-51,179,236

Intereuropa, d. d.						
in EUR	EUR	USD	HRK	RSD	Other	Total
Operating receivables from Group companies	1,056,186	0	0	0	0	1,056,186
Operating receivables	22,282,231	134,255	0	0	732	22,417,218
Short-term loans to Group companies	2,607,702	0	0	0	0	2,607,702
Long-term loans received	-51,257,977	0	0	0	0	-51,257,977
Short-term loans from Group companies	-4,100,000	0	0	0	0	-4,100,000
Short-term loans received	-3,469,685	0	0	0	0	-3,469,685
Lease liabilities	-1,321,857	0	0	0	0	-1,321,857
Operating liabilities within the Group	-393,205	0	0	0	0	-393,205
Other operating liabilities	-16,424,967	-335,479	0	0	-23,322	-16,783,768
Exposure disclosed in the statement of financial position	-34,596,605	134,255	0	0	732	-34,461,618

31 Dec 2019							
Intereuropa Group							
in EUR	EUR	USD	HRK	RSD	Other	Total	
Operating receivables	23,611,512	0	3,854,729	706,432	2,279,833	30,452,506	
Long-term loans granted and deposits	0	0	0	0	52,544	52,544	
Short-term loans granted and deposits	1,008,998	0	0	0	1,111	1,010,109	
Short-term loans received	-56,865,360	0	0	-260,986	-14,833	-57,141,179	
Liabilities for dividends and other shares in profit	-423,175	0	0	0	-14,339	-437,514	
Lease liabilities	-3,611,461	0	0	-182,086	-325,486	-4,119,033	
Operating liabilities	-15,443,514	0	-3,064,000	-696,000	-1,530,000	-20,733,514	
Exposure disclosed in the statement of financial position	-51,723,000	0	790,729	-432,640	448,830	-50,916,081	

Intereuropa, d. d.							
in EUR	EUR	USD	HRK	RSD	Other	Total	
Operating receivables from Group companies	908,516	0	0	0	0	908,516	
Operating receivables	21,679,677	107,086	0	0	0	21,786,763	
Short-term loans to Group companies	2,315,956	0	0	0	0	2,315,956	
Short-term loans granted and deposits	9,995	0	0	0	0	9,995	
Short-term loans from Group companies	-4,100,000	0	0	0	0	-4,100,000	
Short-term loans received	-58,275,402	0	0	0	0	-58,275,402	
Lease liabilities	-1,430,042	0	0	0	0	-1,430,042	
Operating liabilities within the Group	-373,666	0	0	0	0	-373,666	
Operating liabilities	-14,129,000	-225,732	0	0	-46,369	-14,401,101	
Exposure disclosed in the statement of financial position	-53,393,966	-118,646	0	0	-46,369	-53,558,981	

Credit risk

Exposure to credit risk and expected credit losses in connection with current trade receivables

in EUR	Intereuropa Group			Intereuropa, d. d.		
	Gross value as at 31 March 2020	Average percentage of impairment losses recognised	Depreciation and impairments as at 31 March 2020	Gross value as at 31 March 2020	Average percentage of impairment losses recognised	Depreciation and impairments as at 31 March 2020
Not due	23,135,818	0.26%	60,677	17,851,307	0.22%	39,437
1 to 30 days past due	4,900,502	0.47%	23,086	2,951,400	0.30%	8,755
31 to 90 days past due	2,436,252	4.06%	98,846	1,409,689	5.27%	74,355
91 to 180 days past due	1,025,339	17.85%	183,040	232,216	57.97%	134,615
More than 180 days past due	4,694,353	100.00%	4,694,353	2,176,889	100.00%	2,067,215
Exchange rate differences	7,910		-396	-105		0
Total	36,200,174		5,059,606	24,621,396		2,324,377

in EUR	Intereuropa Group			Intereuropa, d. d.		
	Gross value as at 31 December 2019	Average percentage of impairment losses recognised	Depreciation and impairments as at 31 December 2019	Gross value as at 31 December 2019	Average percentage of impairment losses recognised	Depreciation and impairments as at 31 December 2019
Not due	20,952,672	0.27%	56,358	15,902,416	0.18%	29,351
1 to 30 days past due	5,847,827	0.56%	32,778	3,721,117	0.56%	20,891
31 to 90 days past due	2,273,332	2.46%	55,988	1,330,207	2.12%	28,264
91 to 180 days past due	700,083	15.42%	107,953	283,213	27.88%	78,948
More than 180 days past due	4,654,351	100.00%	4,654,351	2,189,034	100.00%	2,189,034
Exchange rate differences	13,000		-14,000	-1,407		0
Total	34,441,265		4,893,428	23,424,580		2,346,488

Changes in impairment losses on current trade receivables

in EUR	Intereuropa Group		Intereuropa, d. d.	
	2020	2019	2020	2019
Impairment losses on receivables as at 1 January	4,893,428	5,206,007	2,223,163	2,520,844
Exclusion of company from the consolidated financial statements	0	-35,000	0	0
Written-off receivables	-85,710	-40,938	-24,910	-4,449
Impairment losses on receivables (including the reversal of impairment losses)	251,887	155,851	126,124	112,413
Exchange rate differences	0	4,000	0	0
Impairment losses on receivables as at 31 March	5,059,605	5,289,920	2,324,377	2,628,808

Exposure to credit risk and expected credit losses in connection with other current operating receivables

in EUR	Intereuropa Group		Intereuropa, d. d.	
	Gross value as at 31 March 2020	Depreciation and impairment as at 31 March 2020	Gross value as at 31 March 2020	Depreciation and impairment as at 31 March 2020
Not due	2,048,859	0	1,363,250	0
Past-due	425,750	246,760	272,430	272,430
Total	2,474,609	246,760	1,635,680	272,430

Total	Intereuropa Group		Intereuropa, d. d.	
	Gross value as at 31 December 2019	Depreciation and impairments as at 31 December 2019	Gross value as at 31 December 2019	Depreciation and impairments as at 31 December 2019
Not due	560,000	0	271,999	0
Past-due	427,487	294,195	272,430	272,430
Total	987,487	294,195	544,429	272,430

Changes in impairment losses on other current operating receivables

in EUR	Intereuropa Group		Intereuropa, d. d.	
	2020	2019	2020	2019
Impairment losses on receivables as at 1 January	294,195	1,347,000	272,430	1,264,262
Written-off receivables	-62,213	0	0	0
Impairment losses on receivables (including the reversal of impairment losses)	14,778	-76,205	0	0
Impairment losses on receivables as at 31 March	246,760	1,270,795	272,430	1,264,262

Interest-rate risk

Interest-rate risk as at 31 March 2020

in EUR	Intereuropa Group				Intereuropa, d. d.			
	Loan amount as at 31 March 2020	Increase in IR by 10 basis points	Increase in IR by 25 basis points	Increase in IR by 50 basis points	Loan amount as at 31 March 2020	Increase in IR by 10 basis points	Increase in IR by 25 basis points	Increase in IR by 50 basis points
Type of variable interest rate								
3-month EURIBOR	55,323,676	0	0	-81,326	54,850,000	0	0	-80,630
1-month BELIBOR	261,972	-262	-655	-1,310	0	0	0	0
Total	55,585,648	-262	-655	-82,636	54,850,000	0	0	-80,630

Interest-rate risk as at 31 December 2019

in EUR	Intereuropa Group				Intereuropa, d. d.			
	Loan amount as at 31 December 2019	Increase in IR by 10 basis points	Increase in IR by 25 basis points	Increase in IR by 50 basis points	Loan amount as at 31 December 2019	Increase in IR by 10 basis points	Increase in IR by 25 basis points	Increase in IR by 50 basis points
Type of variable interest rate								
3-month EURIBOR	70,379,186	-70,379	-175,948	-351,896	56,848,460	-56,848	-142,121	-284,242
1-month BELIBOR	268,027	-268	-670	-1,340	0	0	0	0
Total	70,647,213	-70,647	-176,618	-353,236	56,848,460	-56,848	-142,121	-284,242

Presented in the tables above is an analysis of the sensitivity of results from ordinary operations to a change in the variable element of contractual interest rates.

1.7.9 Events after the reporting period

The outbreak of COVID-19 is having a significant impact on health-related, economic and other developments across the world. The World Health Organisation declared a pandemic on 11 March 2020, and the Slovenian government followed suit the next day by declaring an epidemic. Intereuropa, d. d. and Intereuropa Group companies are carefully monitoring current events in Slovenia and around the world, and are doing everything necessary, in accordance with the measures adopted by the competent institutions and the recommendations of experts, to protect the health of employees and business partners, and to ensure the business continuity of all Group companies. Companies are regularly adjusting their activities to the situation in the countries where Intereuropa provides services, while carrying out all the key activities to meet the needs of customers. Even in these difficult conditions, they are ensuring the flow of goods along the entire supply chain, which in Slovenia, where Intereuropa is the largest logistics company with a comprehensive range of services, is crucial for the continuous functioning of those chains in extraordinary conditions.

The Management Board assesses that the epidemic has and will continue to have a significant impact on the operating results of the Intereuropa Group and Intereuropa, d. d. A reliable assessment regarding the impact of the epidemic could not be given during the final preparation of this report because the scope and duration of the impact of the COVID-19 epidemic and announced government measures remain uncertain.

The Management Board has assessed the impact of the COVID-19 on the assumption of Intereuropa as a going concern, where primarily the duration of the epidemic on the key markets of companies and the Group as a whole represents significant uncertainty. Assuming a gradual improvement in the level of sales during the summer months based on a gradual improvement in economic activity on the Asian market where the epidemic started, and taking into account planned government measures to ease the liquidity crunch in the economy, the Company's Management Board assesses that the assumption of Intereuropa as a going concern is not in jeopardy.