

From Border Shop to Destination: A Strategic Channel Evolving

How the Heinemann Group is advancing retail, expanding wholesale, and navigating a shifting border landscape.

As the border shop channel – comprising both retail and wholesale – continues to evolve, it confirms its role as the Heinemann Group’s second-largest sales driver. Retail growth is fueled by destination-oriented store concepts, while the wholesale business is entering newly accessible markets across the Caucasus and Central Asia. Together, these two pillars highlight the development, expansion, and strategic relevance of the border retail landscape across the company’s portfolio.

Retail: Transforming Border Shops into Full-Fledged Shopping Destinations

Heinemann’s border shop business has advanced far beyond the traditional image of small kiosks at crossing points. Today, the company’s retail operations across Eastern Europe demonstrate how border shops are evolving into attractive, multi-functional shopping destinations – and becoming a core part of its commercial strategy.

A prime example is Plaza Petea, which opened in summer 2025 and is operated by Heinrig, a wholly owned subsidiary of Gebr. Heinemann that runs 19 Travel FREE shops in Romania. Located at one of the busiest crossings to Hungary, the 6,000-square-meter retail and service hub includes a 720-square-meter Travel FREE shop, as well as a food and beverage area, a pharmacy, a drug-store, an exchange office, a playground, and EV charging stations. With two similar projects underway and a major development in Vama Veche that will double its selling space, this marks the next step in redefining the Romanian border shop landscape.

Marian Solomon, General Manager of Heinrig, explains the ambitious strategy: “Plaza Petea reflects our vision for the business: modern retail, an elevated customer experience, and a stronger presence at a strategically important border crossing. With this new destination, we have created a standout regional hub designed to bring people and brands together.”

Christoph Stump, Director Sales Central & Southeast Europe

“By delivering clear added value for both travelers and nearby residents, we meet consumers’ expectations for a seamless shopping experience – transforming a brief stop at the border into a destination in itself.”

The transformation of the border shop channel is also evident in the Czech Republic. In 2025, Travel FREE Czech opened a new 500-square-meter store in Cínovec, replacing an outdated outlet and introducing the plaza concept to the market. Designed to offer a broader assortment and a contemporary retail experience, the concept has proven highly effective in destinations with strong local demand.



Travel FREE Plaza Petea opened in the summer of 2025



Heinrich General Manager Marian Solomon ceremoniously opened Plaza Petea and welcomed guests from near and far

A Channel Within a Dynamic Framework

The development of the border retail business is closely linked to political decisions, regulations, and the wider economic environment.

A major milestone was Romania’s and Bulgaria’s accession to the Schengen area in 2025, which simplified cross-border travel and increased traffic flows. Conversely, temporary border checks in Poland and the Czech Republic have reduced traffic and sales in certain locations. Parallel to these developments, tax policies are narrowing price gaps between neighboring markets.

Christoph Stump, Director Sales Central & South-east Europe, offers the following insights on navigating within this dynamic framework: “Regulatory and political conditions will continue to influence the attractiveness of border retail locations and the overall performance of the channel. In this environment, retailers must differentiate them-

Oleg Zhytomyrsky, Director Sales Eastern Europe & Central Asia

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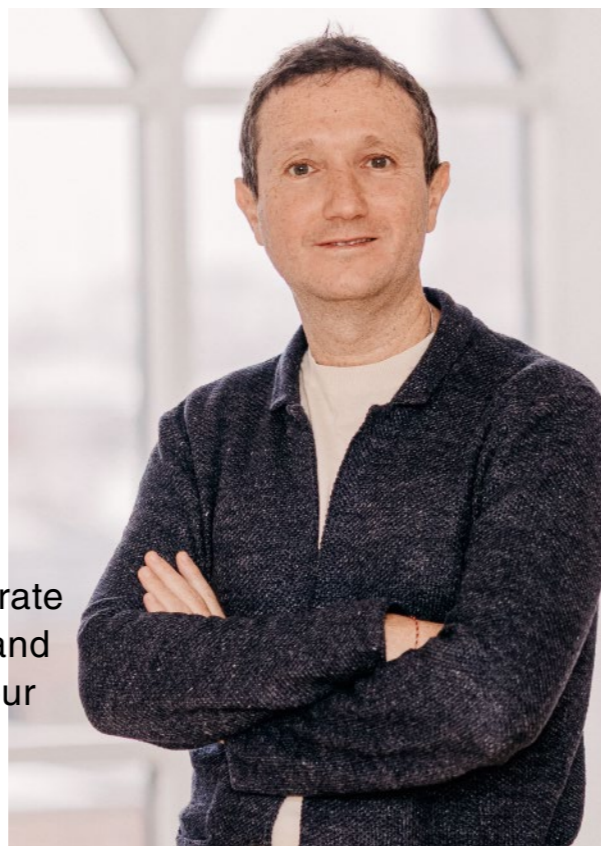
selves through customer experience, service, and convenience rather than pricing alone. By delivering clear added value for both travelers and nearby residents, we meet consumers’ expectations for a seamless shopping experience – transforming a brief stop at the border into a destination in itself.” Heinemann is also actively involved in the regional industry association CEETRA, where Christoph Stump serves as a board member. Through this engagement, the company helps shape regulatory



Watch now
Step inside the opening ceremony of Destination Cinovec.



Watch now
Discover the look and feel of Petea Plaza.



dialogue in key Central and Eastern European markets and represents the interests of the border retail sector in relevant stakeholder forums.

A Long-Term Commitment in Ukraine

The company’s retail footprint extends even further east. Despite the difficult conditions, Heinemann continues to operate ten of the 13 border shops under the Duty Free Trading brand in Ukraine. The operation remains commercially stable and is supported by 130 employees.

Oleg Zhytomyrsky, Director Sales Eastern Europe & Central Asia, highlights the significance: “Our engagement in Ukraine goes beyond commercial considerations – it is both strategic and symbolic. By keeping our operations running in difficult times, we demonstrate our confidence in the region’s future and send a clear message of support to our local teams. Our presence represents resilience, responsibility, and long-term commitment.”

Wholesale: Distribution as a Second Pillar of the Border Business

Beyond its retail presence, Heinemann also plays a major role as a wholesaler in the border shop segment. Through CCA Heinemann Distribution – a Baku-based joint venture that streamlines logistics, accelerates deliveries, and expands the company’s regional reach – the company supplies 40 duty-free shops across eight countries in the Caucasus and Central Asia. The wholesale business stands to benefit from both the reopening of markets and the emergence of new border retail opportunities in countries such as Azerbaijan, Kyrgyzstan, Tajikistan, and Georgia.

Regarding future growth potential, Oleg Zhytomyrsky notes: “With the expected easing of border restrictions – particularly in Azerbaijan – we anticipate substantial growth as our local partner prepares to expand its retail operations along the borders. Kyrgyzstan and Tajikistan are also gaining rele-

vance as they develop their retail offerings for cross-border travelers. The outlook is positive: Demand continues to rise, including a steadily growing distribution business in Georgia, further strengthening our regional presence.”

Therefore, the wholesale business complements the retail operations, positioning Heinemann as one of the few players with a dual model that combines direct-to-consumer retailing with extensive B2B distribution in the border shop channel.

Conclusion: A Strategic, Fast-Advancing Sales Channel

The Heinemann Group’s border shop business is strengthening its role as a rapidly evolving and strategically relevant sales channel. Investments in modern, destination-driven retail concepts, combined with a growing wholesale operation, give the company a strong position in a shifting regulatory and geopolitical environment. As both retail and wholesale continue to advance, the border shop channel is set to remain a key contributor to the Group’s long-term growth.



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