

Report on the operations of the Petrol Group and Petrol d.d., Ljubljana in the first nine months of 2020



November 2020

PETROL



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STATEMENT OF THE MANAGEMENT BOARD

Members of the Management Board of Petrol d.d., Ljubljana, which comprises Nada Drobne Popović, President of the Management Board, Matija Bitenc, Member of the Management Board, Jože Bajuk, Member of the Management Board, Jože Smolič, Member of the Management Board, and Ika Krevzel Panič, Member of the Management Board/Worker Director, declare that to their best knowledge:

- the financial report of the Petrol Group and Petrol d.d., Ljubljana for the first nine months of 2020 has been drawn up in accordance with International Financial Reporting Standards as adopted by the EU and gives a true and fair view of the assets and liabilities, financial position, financial performance and comprehensive income of the company Petrol d.d., Ljubljana and other consolidated companies as a whole;
- the business report of the Petrol Group and Petrol d.d., Ljubljana for the first nine months of 2020 gives a fair view of the development and results of the Company's operations and its financial position, including the description of material risks that the company Petrol d.d., Ljubljana and other consolidated companies are exposed to as a whole;
- the report of the Petrol Group and Petrol d.d., Ljubljana for the first nine months of 2020 contains a fair presentation of significant transactions with related entities, which has been prepared in accordance with International Financial Reporting Standards.



Nada Drobne Popović
President of the Management Board



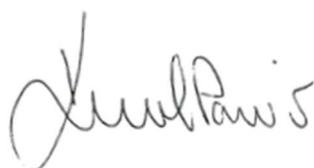
Matija Bitenc
Member of the Management Board



Jože Bajuk
Member of the Management Board



Jože Smolič
Member of the Management Board



Ika Krevzel Panič
Member of the Management Board and
Worker Director

INTRODUCTORY NOTES

The report on the operations of the Petrol Group and Petrol, d.d., Ljubljana, Dunajska 50, in the first nine months of 2020 has been published in accordance with the Market in Financial Instruments Act, the Ljubljana Stock Exchange Rules, Guidelines on Disclosure for Listed Companies and other relevant legislation.

The figures and explanation of the operations are based on unaudited consolidated financial statements of the Petrol Group and unaudited financial statements of Petrol d.d., Ljubljana for the first nine months of 2020 prepared in compliance with the Companies Act and IAS 34 – Interim Financial Reporting.

Subsidiaries are included in the consolidated financial statements prepared in accordance with IFRS on the basis of the full consolidation method, while jointly controlled entities and associates are included on the basis of the equity method.

In accordance with IFRS, investments in subsidiaries, jointly controlled entities and associates are carried at historical cost in the separate financial statements.

The report on the operations in the first nine months of 2020 has been published on the website of Petrol d.d., Ljubljana (<http://www.petrol.eu>), and is available on demand at the registered office of Petrol d.d., Ljubljana, Dunajska cesta 50, 1000 Ljubljana, every working day between 8 am and 3 pm.

The Company's Supervisory Board discussed the report on the operations of the Petrol Group and Petrol d.d., Ljubljana in the first nine months of 2020 at its meeting held on 19 November 2020.

Table 1: Profile of the parent company Petrol d.d., Ljubljana

Company name	Petrol, slovenska energetska družba, d.d., Ljubljana
Abbreviated company name	Petrol d.d., Ljubljana
Registered office	Dunajska cesta 50, 1000 Ljubljana
Telephone	(01) 47 14 234
Website	http://www.petrol.si, http://www.petrol.eu
Activity code	47.301
Company registration number	5025796000
Tax number	SI 80267432
Share capital	EUR million 52.24
Number of shares	2,086,301
President of the Management board	Nada Drobne Popović
Members of the Management board	Matija Bitenc, Jože Bajuk, Jože Smolič, Ika Krevzel Panič (worker director)
President of the Supervisory board	Sašo Berger

To present its business performance, the Petrol Group also uses alternative performance measures (APMs) as defined by ESMA. The APM set remained unchanged in the first nine months of 2020 compared to the same period of 2019. The APMs we have chosen provide additional information about the Petrol Group's performance.

Alternative performance measure	Calculation information	Reasons for choosing the measure
Adjusted gross profit	Adjusted gross profit = Revenue from the sale of merchandise and services – Cost of goods sold	The Petrol Group has no direct influence over global energy prices, which makes the adjusted gross profit more appropriate to monitor business performance.
EBITDA	EBITDA = Operating profit net of allowances for operating receivables and impairment of goodwill + Depreciation and amortisation net of depreciation of environmental fixed assets, which stood at EUR 10.0 thousand in the period from January to September 2020 and EUR 452.2 thousand in the period from January to September 2019. The depreciation of environmental fixed assets is excluded because long-term deferred revenue has been created for this purpose which is reallocated each year to other operating revenue at an amount corresponding to the depreciation of environmental fixed assets.	EBITDA indicates business performance and is the primary source for ensuring returns to shareholders.
Net debt/EBITDA	Net debt = Current and non-current financial liabilities + Current and non-current lease liabilities – Cash and cash equivalents Ratio = Net debt/EBITDA (annual figures produced based on operating scenarios, see section Impact of the pandemic on the Petrol Group's operations)	The ratio expresses the Petrol Group's ability to settle its financial obligations, indicating in how many years financial debt can be settled using existing liquidity and cash flows from operating activities.
Net investments	Net investments = Investments in fixed assets (EUR 37.0 million in the period from January to September 2020) + Non-current investments (EUR 12.5 million in the period from January to September 2020) – Disposal of fixed assets (EUR 3.1 million in the period from January to September 2020)	The information about investments reflects the direction of the Petrol Group's development.

HIGHLIGHTS

The Petrol Group's significant performance indicators

The Petrol Group	Unit	I-IX 2020	I-IX 2019*	Index 2020 / 2019
Sales revenues	EUR million	2,291.7	3,269.0	70
Adjusted gross profit ¹	EUR million	301.9	345.9	87
Operating profit	EUR million	58.1	102.4	57
Net profit	EUR million	40.5	80.1	51
EBITDA ¹	EUR million	114.4	152.2	75
Non-current (long-term) assets as at period end	EUR million	966.4	975.8	99
Earnings per share	EUR	19.7	39.0	51
Net debt / EBITDA ^{1,2}		between 2.0 and 2.2	1.8	-

*Adjusted. See Financial Report.

¹ APM

²EBITDA calculated on an annual level. EBITDA for 2020 - calculated according to scenarios (Impact of the pandemic on the Petrol Group's operations)

The Petrol Group	Unit	I-IX 2020	I-IX 2019	Index 2020 / 2019
Volume of petroleum products sold	thousand tons	2,284.8	2,881.4	79
Volume of liquefied petroleum gas sold	thousand tons	114.3	137.9	83
Volume of natural gas sold	TWh	19.9	15.4	129
Revenue from the sale of merchandise	EUR million	345.2	354.6	97
Number of service stations as at period end ¹		510	509	100

¹Number of service stations for the year 2019 as at 31 December 2019.

Figure 1: EBITDA of the Petrol Group

EUR million

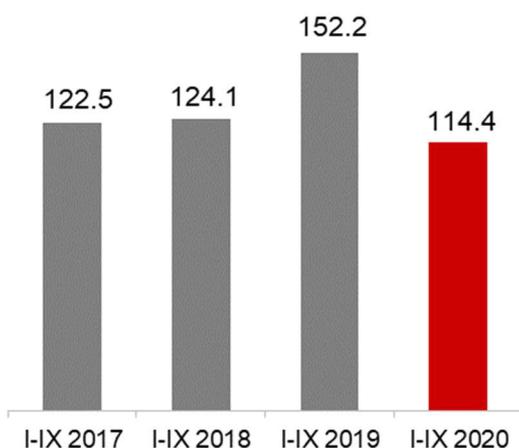


Figure 2: Net profit of the Petrol Group

EUR million

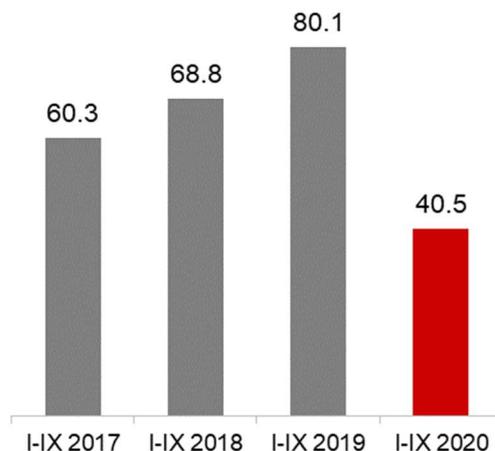


Figure 3: Increase in the number of service stations of the Petrol Group

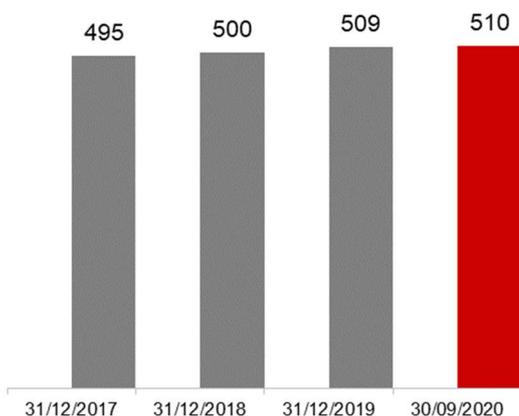


Figure 4: Volume of petroleum products sold by the Petrol Group

000 tons

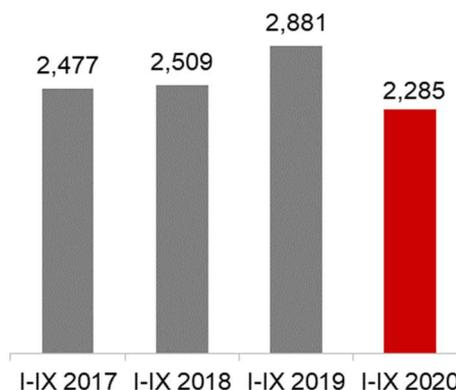


Figure 5: Number of employees in the Petrol Group

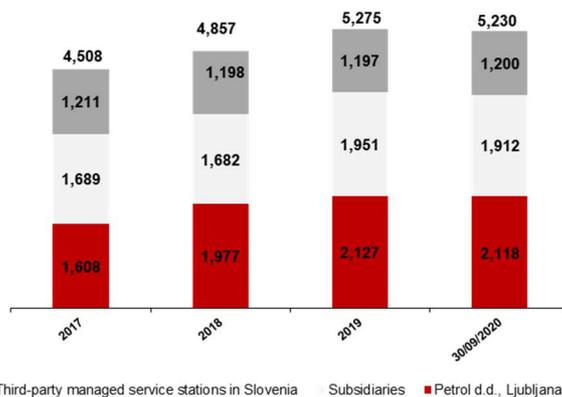
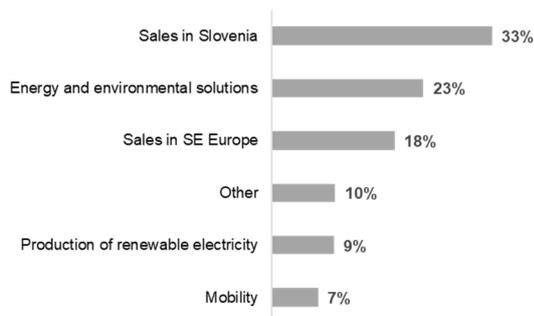


Figure 6: Breakdown of the Petrol Group's investments in the first nine months of 2020



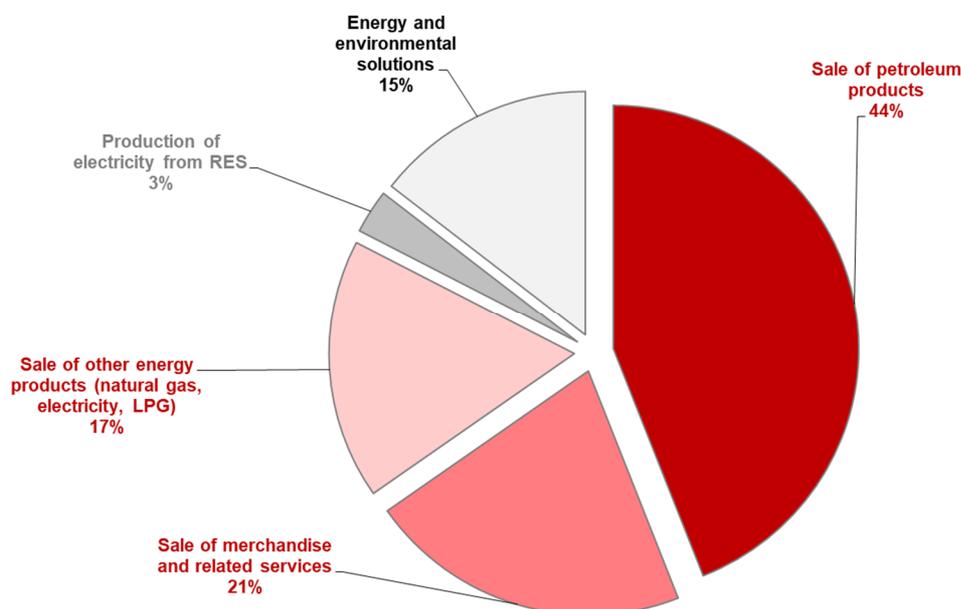
BUSINESS REPORT

Operations of the Petrol Group

The Petrol Group operates in a competitive environment influenced by oil price fluctuations, US dollar exchange rate, global and domestic economic developments, and national laws governing the pricing of energy products. In January and February 2020, the operations in all of the Petrol Group's markets continued without disruption. In March 2020, however, the business environment deteriorated considerably in the Petrol Group's markets as the pandemic began. The Petrol Group responded to the crisis caused by the epidemic in a comprehensive manner. Initially, activities were focused on ensuring the continuity of operations in the changed circumstances and on identifying and managing risks. Further activities, however, have a long-term focus so that the Petrol Group can operate without interruption in a very different business environment. Apart from certain restrictions (reduced working hours at some service stations), there has been no disruption in the energy-product supply. At the end of August, the epidemiological situation began to deteriorate once more, worsening even further in the months that followed (for more information, see section Impact of the pandemic on the Petrol Group's operations).

The Petrol Group's sales revenue for the first nine months of 2020 stood at EUR 2.3 billion, a year-on-year decrease of 30 percent. This was mainly due to lower prices and a drop in petroleum product sales resulting from movement restrictions introduced by governments to contain the pandemic and from the economic downturn the pandemic had caused. Adjusted gross profit stood at EUR 301.9 million, which was 13 percent less than in the first nine months of 2019. EBITDA totalled EUR 114.4 million or 25 percent less than in the first nine months of 2019.

Figure 7: EBITDA broken down by activity



Net profit for the first nine months of 2020 totalled EUR 40.5 million and was down 49 percent year-on-year.

In the first nine months of 2020, the Petrol Group sold 2.3 million tons of petroleum products, a year-on-year decrease of 21 percent (mostly as a result of the pandemic and lower sales to the Agency of the Republic of Slovenia for Commodity Reserves). In Slovenia, the nine-month sales of petroleum products stood at 1,007.8 thousand tons, accounting for 44 percent of the Petrol Group's total sales. In the same period, the Petrol Group sold 562.3 thousand tons of petroleum products in SE Europe markets, representing 25 percent of the Petrol Group's total sales, and 714.7 thousand tons in EU markets, which represented 31 percent of the Petrol Group's total sales.

At the end of September 2020, the Petrol Group's retail network consisted of 510 service stations, of which 318 were in Slovenia, 110 in Croatia, 42 in Bosnia and Herzegovina, 15 in Serbia, 15 in Montenegro and 10 in Kosovo.

In the first nine months of 2020, EUR 345.2 million was generated in revenue from the sale of merchandise and related services, a decrease of 3 percent compared to the same period of the previous year.

In the first nine months of 2020, the sales of natural gas stood at 19.9 TWh, a year-on-year increase of 29 percent.

What follows is a detailed presentation of the Petrol Group's operations in the first nine months of 2020 broken down by type of activity:

- A. Sales, consisting of petroleum product sales, liquefied petroleum gas sales, natural gas sales, electricity sales and trading, merchandise sales and sale of services
- B. Energy and environmental solutions, consisting of energy solutions for the public and commercial sector, energy solutions for the industry and apartment buildings, heat systems and natural gas distribution
- C. Production of renewable electricity
- D. Mobility

A. SALES

In the first nine months of 2020, the Petrol Group's revenue generated in the sales segment stood at EUR 2.2 billion.

Sales of petroleum products

In the first nine months of 2020, the Petrol Group sold 2.3 million tons of petroleum products, a year-on-year decrease of 21 percent. In all of the Petrol Group's markets this was mainly the result of movement restrictions introduced by governments to contain the pandemic and the economic downturn the pandemic had caused. In the period concerned, the Petrol Group did, however, perform well with regard to the sales of extra light heating oil, thanks to affordable prices.

In Slovenia, 1.0 million tons of petroleum products were sold in the first nine months of 2020, a year-on-year decrease of 20 percent.

In SE Europe markets, 562.3 thousand tons of petroleum products were sold in the first nine months of 2020, a year-on-year decrease of 8 percent.

In EU markets, 714.7 thousand tons of petroleum products were sold in the first nine months of 2020, a year-on-year decrease of 30 percent. The most important item sold in EU markets is diesel fuel.

Key impacts on operations

Fuel pricing in Slovenia

The prices of petrol and diesel fuel at motorway and expressway service stations have been liberalised and are determined by the market, while the prices of petrol and diesel fuel at other service stations remained regulated until 30 September 2020.

Since 1 October 2020, the prices of all petroleum products have been liberalised and are now determined by the market.

Until 31 March 2020, the prices of regulated motor fuels were set in accordance with the Decree on Setting Prices for Certain Petroleum Products which was in force from 1 January 2020 onwards. On 27 March 2020, the Government of the Republic of Slovenia adopted a new Decree on Setting Prices for Certain Petroleum Products, which remained in force until 30 September 2020. The pricing method for regulated petroleum products remained unchanged also under the new decree. The model-based margin was still government-regulated and stood at EUR 0.08701 per litre of NMB-95 petrol and EUR 0.08158 per litre of diesel fuel.

Slovenia's gross margins for petroleum products, which used to be, under the model in place until 30 September 2020, set at a fixed amount and did not reflect changes in retail prices, were still below European average in the period from January to September 2020. In the case of petrol, they amounted to 51 percent of the average gross margin in the EU countries (44 percent if the compulsory stocks membership fee is not taken into account) and in the case of

diesel fuel to 43 percent (37 percent if the compulsory stocks membership fee is not taken into account) (own calculations based on Platt's and Oil Bulletin data).

Fuel pricing in Croatia

Since 20 February 2014, when the Oil and Petroleum Products Market Act entered into force and fully liberalised the pricing of petroleum products, the prices of petroleum products in Croatia have been set freely and determined by the market.

Fuel pricing in Bosnia and Herzegovina

In Bosnia and Herzegovina, the prices of petroleum products were not government-regulated in the first quarter of 2020. They were set freely and were determined by the market. They could also change on a daily basis. Due to the free setting of prices, retail fuel prices varied according to the location of a service station. Between 9 April and 20 August 2020, the free setting of prices of oil and petroleum products was abandoned and the gross motor fuel margin was limited: the retail margin could not exceed EUR 0.128 per litre and the wholesale margin could not be more than EUR 0.031 per litre. Since 20 August 2020, the margin is no longer limited and the prices are set freely and determined by the market.

Fuel pricing in Serbia

Since the legislation liberalising Serbia's oil market (unregulated imports of oil and petroleum products) entered into force on 1 January 2011, the prices of petroleum products have no longer been government-regulated and are set freely and determined by the market.

Fuel pricing in Montenegro

In Montenegro, the prices of petroleum products are set in accordance with the Regulation on the Method of Setting Maximum Retail Prices, which has been in force since 1 January 2011. The prices change fortnightly, provided that prices on the oil market (Platts European Marketscan) and the exchange rates of the euro and the US dollar change by more than 5 percent. In addition to market oil prices and changes in the exchange rates of the euro and the US dollar, the methodology used to calculate selling prices takes into account taxes, the costs of transshipment, handling, bank charges, storage, transport and distribution, as well as (excise) duties and an oil companies' gross margin. The latter amounts to EUR 0.063 per litre of petrol, EUR 0.064 per litre of eurodiesel and EUR 0,076 per litre of extra light heating oil. In addition to these gross margins, liquid fuel traders may factor in all of the above costs at EUR 0.05 per litre of petrol, EUR 0.05 per litre of eurodiesel and EUR 0.026 per litre of extra light heating oil.

Fuel pricing in Kosovo

In Kosovo, retail and wholesale prices of petroleum products are not government-regulated. Only in the case of sales of petroleum products to government institutions and state-owned companies are prices set in accordance with a prescribed methodology, which takes into account average monthly market prices, changes in the exchange rate of the euro and the US dollar, logistics costs and a maximum margin. These prices represent an unofficial basis for retail prices, which change according to market-based fuel prices.

Changes in oil and petroleum product prices in the world market

The average price of Brent Dated North Sea crude oil stood at USD 41.1 per barrel in the first nine months of 2020 and was down 36 percent year-on-year whereas the average price in euros decreased by 37 percent year-on-year. In the period concerned, the price of Brent crude peaked on 6 January 2020, reaching USD 70.0 per barrel. Its lowest price was recorded on 21 April 2020 at USD 13.2 per barrel. The prices of petrol and middle distillates followed the same trends as crude oil prices.

Figure 8: Changes in Brent Dated High oil price in the first nine months of 2020 in USD/barrel



SOURCE: Petrol, 2020

Figure 9: Changes in Brent Dated High oil price in the first nine months of 2020 in EUR/barrel



SOURCE: Petrol, 2020

Before the pandemic, oil prices per barrel ranged from USD 45 to USD 70. The pandemic, however, which affected all major economies in the world, caused a decline in oil demand across the globe. At the same time, excess supply began to emerge, leading to a significant drop in the prices of oil. In May, the prices began to recover but they still remain considerably lower than in last year. Future oil price movements will continue to depend largely on OPEC's oil output agreements, relations between the United States and Iran and between the United States and China, and also on recovery expectations following the pandemic, US and EU oil stocks figures and demand in China.

Changes in the US dollar to the euro exchange rate

The US dollar to the euro exchange rate ranged between 1.07 and 1.20 US dollars per euro in the first nine months of 2020. The average exchange rate of the US dollar according to the exchange rate of the European Central Bank stood at 1.13 US dollars per euro in the period concerned.

Sales of merchandise and related services

Merchandise sales consist of sales of automotive products, foodstuffs, accessories, tobacco and lottery products, coupons and cards, coffee-to-go and other merchandise. The Petrol Group generated EUR 345.2 million in revenue from the sale of merchandise and related services in the first nine months of 2020, a decrease of 3 percent compared to the same period of the previous year.

In Slovenia, EUR 285.1 million was generated in revenue from the sale of merchandise and related services in the first nine months of 2020, a decrease of 3 percent compared to the same period of the previous year. The range at Petrol's points of sale is modified and expanded as we try to accommodate the needs of our service station customers by quickly adapting the range.

In SE Europe markets, EUR 60.0 million was generated in revenue from the sale of merchandise in the first nine months of 2020, which was on a par with the same period of the previous year. The best results were achieved in tobacco and food sales.

Sales of services

Services consist of revenue from storage and petroleum-product handling services, renting of business premises and hospitality facilities, transport, carwash services, revenue from Petrol Club cards, and other services. In the first nine months of 2020, the Petrol Group generated EUR 25.5 million in revenue from the services related to oil and merchandise sales, down 7 percent compared to the same period of 2019.

Sales of liquefied petroleum gas

In the first nine months of 2020, the Petrol Group sold 114.3 thousand tons of liquefied petroleum gas, a year-on-year decrease of 17 percent.

At the end of September 2020, the Petrol Group operated 5 LPG supply concessions in Slovenia. In addition, the company Petrol d.o.o. has LPG supply contracts in the towns of Šibenik and Rijeka. Liquefied petroleum gas is supplied to customers also through LPG storage tanks and at service stations as autogas.

Sales of natural gas

In the first nine months of 2020, the Petrol Group sold 19.9 TWh of natural gas, a year-on-year increase of 29 percent.

Electricity sales and trading

The Petrol Group has positioned itself as an important electricity market player. It set up a complete infrastructure for wholesale electricity trading in Slovenia, EU countries and SE Europe countries. Electricity sales to end users (businesses and households) already in place in Slovenia are now being expanded to SE Europe.

In the first nine months of 2020, the Petrol Group sold 15.7 TWh of electricity, which was on a par with the same period of 2019.

B. ENERGY AND ENVIRONMENTAL SOLUTIONS

In the first nine months of 2020, the Petrol Group generated EUR 40.8 million in revenue from the sale of energy and environmental solutions.

These comprise energy supply linked to the systems of energy and environmental management of buildings, water supply systems, efficient lighting systems, heat systems and natural gas distribution.

Long-term contract-based supply of energy and contractually guaranteed energy and water savings (performance contracting) are the most common project implementation models in the public sector, the commercial sector and in industry. These models offer a significant advantage to the customers in that Petrol assumes all technical and economic risks of project implementation and management, provides the necessary funds to carry out the measures, and supplies customers with the required energy of suitable quality, guaranteeing savings in the use of energy products compared to the previous situation.

The projects of long-term heat supply, energy renovation of buildings and the reduction of electricity consumption and water losses are largely carried out using the public-private partnership model.

In the field of industry, we have been developing various business models tailored to the needs of the customer and the customer's technological processes. Our experts prepare solutions for steam and heat, natural gas, industrial gases and compressed air, water, cooling systems and industrial waste treatment plants. We are setting up projects in the field of efficient lighting in industrial buildings. Industrial customers are included in our virtual power plant.

In addition to industrial users, we are developing solutions for commonhold unit owners and managers in the field of energy-saving renovation, control and management of boiler rooms and the installation of heat cost allocators in apartment buildings.

In the first nine months of 2020, the Petrol Group sold 83.6 thousand MWh of heat, a year-on-year decrease of 14 percent.

At the end of September 2020, the Petrol Group operated 30 natural gas supply concessions in Slovenia. In Serbia, it supplied natural gas to the municipalities of Bačka Topola and Pećinci as well as to three Belgrade municipalities. At the end of 2018, the Petrol Group also established itself in Croatia where its company Zagorski metalac d.o.o. distributes natural gas in certain municipalities of the Zagorje-Krapina County and the Zagreb County.

In the first nine months of 2020, the Petrol Group distributed 782.7 thousand MWh of natural gas, a year-on-year increase of 5 percent.

C. PRODUCTION OF RENEWABLE ELECTRICITY

In the first nine months of 2020, the Petrol Group generated EUR 5.4 million in sales revenue in the area of renewable electricity production.

Rapid development of the global energy system is fuelled by growing energy needs as well as by environmental requirements linked to climate change. Recognising this, we also produce electricity from renewable sources – wind, water and sun.

As a key element in the future development of the Petrol Group, renewable electricity production has a strategic place in Petrol's decision to become a modern energy company. It helps us secure own long-term sources for the purpose of selling electricity, while keeping us prepared for new trends in the area of transport. At Petrol, we see enormous potential for the development of renewable electricity production in SE Europe. By developing our own production capacity, we pursue the strategic orientation of becoming a visible regional provider of comprehensive energy and environmental solutions, and a partner in the development of the circular economy for transition to the low carbon society.

The Petrol Group has been involved in electricity production since 2003, when electricity was produced at smaller production plants (photovoltaics, micro cogeneration, biogas plants). We produce hydroelectric power in Bosnia and Herzegovina, where electricity is produced at four small hydroelectric plants on rivers Jezernica and Kozica as well as at the small hydroelectric power plant Jeleč. In Croatia, we produce wind electricity at Glunča power plant. In 2020 the construction of 30 MW Ljubač wind power plant was launched.

In the first nine months of 2020, the Petrol Group generated EUR 65.2 thousand MWh of electricity.

D. MOBILITY

- E-mobility – setting up, managing and maintaining infrastructure for the charging of electric vehicles, and provision of the charging service
- Mobility services – “vehicle as a service”, fleet management, corporate car sharing and short-term leasing, and door-to-door services provided by the subsidiary ATET d.o.o.

As part of e-mobility, we provide services related to the setting up, management and maintenance of infrastructure for the charging of electric vehicles as well as services linked to the very performance and billing of the charging service, and also customer care. These services and solutions are offered also to companies and municipalities. At the end of September 2020, we operated 126 standard and 46 fast charging points in Slovenia and Croatia, with another fast charging point also in operation in Montenegro. In the first nine months of 2020, slightly more than 506 MWh of electricity were delivered at the charging points. A contract was signed with the City of Zagreb to set up 54 new charging points in the city as part of the Urban-E project.

In the area of mobility services, we develop services related to new concepts and types of mobility such as “vehicle as a service”. Following a successful acquisition of ATET d.o.o., our range of market services now also includes short-term leasing of vehicles and door-to-door services. The fleet management service is also being developed.

In 2020 we continue our work on all three international projects, for which EU grants were received.

For Petrol's presence as a leading company in the field of e-mobility and mobility services it is also of particular importance to build a reputation of a sustainability-oriented company focused on reducing its carbon footprint. That is why considerable attention is given to participating in a series of domestic and international projects to the greatest extent possible. For a company with a background mainly in petroleum product sales, this is a significant and important challenge.

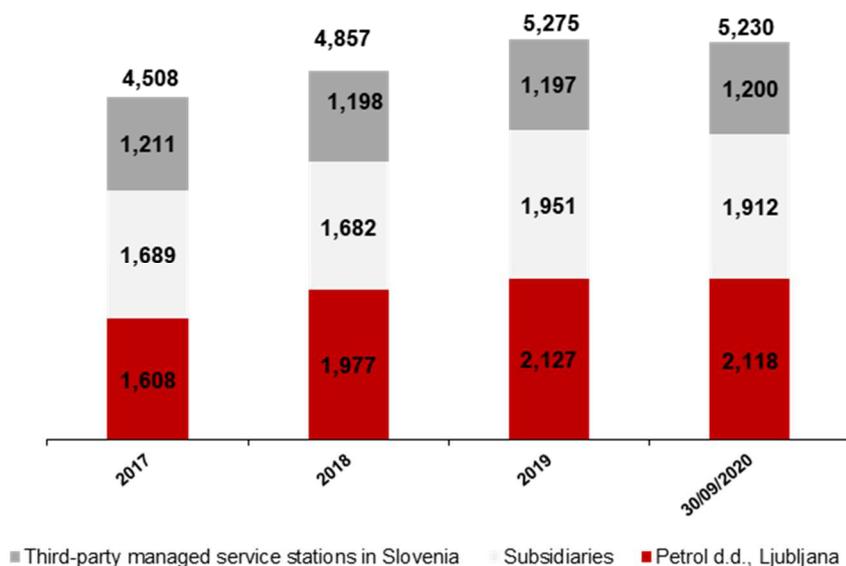
Sustainable development

Sustainability principles have a prominent place in the Petrol Group's development strategy. Our aim is to do business in such a way that it positively affects the economic and social fabric, while striving to protect the environment.

Employees

On 30 September 2020, the Petrol Group had 5,230 employees, of which 35 percent worked for subsidiary companies abroad. The number of employees decreased by 45 compared to the end of 2019.

Figure 10: Changes in the number of employees of the Petrol Group and at third-party managed service stations in the period 2017 – 2020



Employee structure

At the end of September 2020, the average age of the Petrol Group employees was 39 years. 59 percent of employees were male and 41 percent female.

The educational structure of the Petrol Group has been improving over the years. This is a result of employee training on the one hand and HR policy on the other. Newly hired employees with higher education thus improve the educational structure, while at the same time employees with lower education leave the company. The Petrol Group has a keen interest in training its employees, as knowledge represents one of Petrol's key competitive advantages.

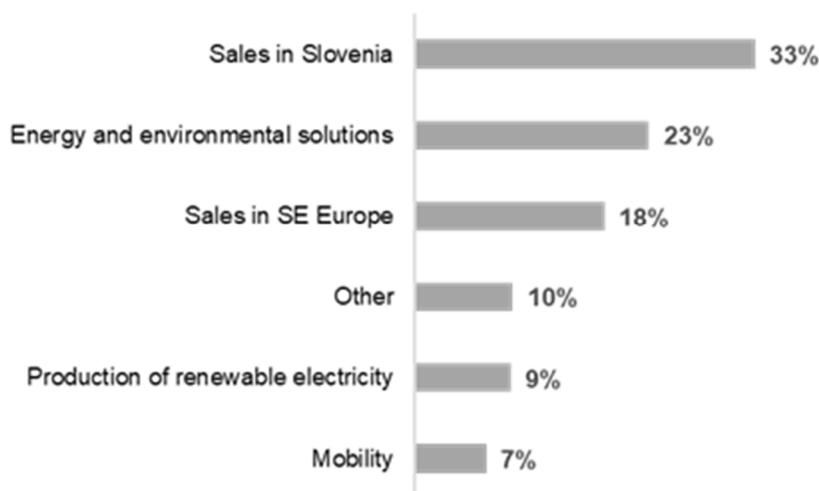
Training

In the first nine months of 2020, the Petrol Group provided close to 54 thousand teaching hours of training (with over 15 thousand participants). An internal training system has been set up within the Petrol Group to provide training to all employees in a systematic and comprehensive manner. Due to the pandemic, most training is provided remotely as online courses or webinars, yet some is also carried out live in accordance with the guidelines of the National Institute of Public Health and internal recommendations prepared by Petrol's specialist services. We carried a survey of employee well-being during the pandemic and drew up improvement action plans based on its results.

Investments

In the first nine months of 2020, net investments in property, plant and equipment, intangible assets and long-term investments stood at EUR 46.4 million (as opposed to EUR 84.3 million in the first nine months of 2019). Out of the above amount, 33 percent was allocated to sales in Slovenia, 23 percent to energy and environmental solutions, 18 percent to sales in SE Europe, 10 percent to the upgrading of information and other infrastructure, 9 percent to renewable electricity production, and 7 percent to mobility.

Figure 11: Breakdown of the Petrol Group's investments in the first nine months of 2020



The quality management system

Quality and excellence are an integral part of Petrol's strategy, which is why we are constantly upgrading and expanding our quality management systems. The company Petrol has thus certified its quality management system (ISO 9001), environmental management system (ISO 14001) and energy management system (ISO 50001). In addition to the certified systems, the Company's comprehensive quality management system incorporates the requirements of the

HACCP food safety management system, of the ISO 45001 occupational health and safety system and of the ISO 27001 information security system.

Table 2: Overview of certificates and laboratory accreditations

Company	Quality management system	Environmental management system	Energy management system	Laboratory accreditations	Other certificates
Petrol d.d., Ljubljana	ISO 9001: 2015	ISO 14001: 2015	ISO 50001: 2011	SIST EN ISO/IEC 17025: 2017 SIST EN ISO/IEC 17020: 2012	ISCC, AEO*** RC*, FSC**
Petrol d.o.o.	ISO 9001: 2015	ISO 14001: 2015	/	/	ADR/RID/AD N-I-PTR****
Petrol Geo d.o.o.	ISO 9001: 2015	/	/	/	/
Beogas d.o.o.	ISO 9001: 2015	/	/	/	/
Petrol d.o.o., Beograd	ISO 9001: 2008	ISO 14001: 2004	/	/	OHSAS 18001

*Based on the Report on the implementation of the Responsible Care Global Charter commitments, Petrol d.d., Ljubljana became a holder of a Responsible Care Certificate for its activities relating to storage, logistics and retail network of service stations in Slovenia and granted the right to use the initiative's logo.

**Petrol d.d., Ljubljana is a holder of an FSC certificate for the production of wood chips used for heat generation. The FSC certificate, which is issued by an international NGO called the Forest Stewardship Council, promotes environmentally appropriate, socially beneficial and economically viable management of forests.

***The AEO certificate is issued by the Customs Administration of the Republic of Slovenia which also carries out control and inspects AEO certificate holders. The certificate allows for easier admittance to customs simplifications, fewer physical and document-based controls, priority treatment in case of control, a possibility to request a specific place for such controls and a possibility of prior notification. To obtain an AEO certificate, several conditions and criteria need to be met: compliance with security and safety standards, appropriate records to demonstrate compliance with customs requirements, a reliable system of keeping commercial and transport records for control purposes, and proof of financial solvency.

****Certificate to carry out an in-house inspection service for the performance of pressure receptacle inspections in accordance with Directive 2010/35/EU. Petrol d.o.o. is an IS body under the authority of the notified body Bureau Veritas Italia for the purpose of carrying out periodic inspections of pressure receptacles defined in accordance with chapter 6.2 of ADR/RID/ADN.

In 2020 regular activities related to the maintenance of the quality management systems were underway. A surveillance audit was carried out to maintain the ISCC certificate. We also prepared a report to extend the Responsible Care certificate, which is now valid until January 2021.

In December 2019, Petrol Laboratory received a monitoring visit by SA in connection with its quality management system certified to the SIST EN ISO/IEC 17025 standard. The activities were completed in January 2020. The Laboratory made the transition to a new edition of the SIST EN ISO/IEC 17025: 2017 standard. Currently, Petrol Laboratory has 54 accredited test methods.

At the company Petrol d.o.o., Beograd, an ISO 9001, ISO 14001 and ISO 18001 certification audit was successfully completed in respect of the process Sale of Industrial Equipment, Engineering and Project Management.

In accordance with the SIST EN ISO/IEC 17020:2012 standard (General criteria for the operation of various types of bodies performing inspection), the Inspection Body for Liquid

Flow and Tyre Pressure Measuring Devices and Pressure Equipment underwent an accreditation review in July 2020. The inspection body has 20 accredited test methods for the inspection of flow and tyre pressure measuring devices, of pressure equipment, of tightness of fixed steel reservoirs, of wall thickness of liquid fuel reservoirs, of the measurement of dielectric strength of liquid fuel reservoir insulation and of the measurement of noise in the natural and living environment.

In September 2020, a recertification audit of the quality management system and of the environmental management system (ISO 9001 and 14001) was performed at Petrol d.d., Ljubljana. The ISO 9001 and 14001 certificates will be renewed for three years. The second part of the surveillance audit of the ISO 50001 energy management system was also carried out.

Social responsibility

Caring for social and environmental issues has been part of the Petrol's operations for a number of years. The demands and challenges of our time are addressed based on a long-term growth strategy and a strong awareness that supporting the environment in which we operate significantly affects our operations and development. For many years we have been helping wider social and local communities achieve a dynamic lifestyle and better quality of life. Our responsible social attitude is demonstrated through the support we provide to a number of sports, arts, humanitarian and environmental projects. In the Petrol Group, social responsibility is perceived as a lasting commitment to work together with the environment in which we operate.

In the humanitarian campaign Become Petrol's School Friend we filled school bags with school supplies and donated them to socially disadvantaged families, in collaboration with the Association of Friends of Youth Ljubljana Moste-Polje. In September, we organised the traditional corporate volunteering campaigns in which Petrol's volunteers helped various institutions to do landscape work, painting, repairs and cleaning. All activities were held outdoors, and the recommendations of the National Institute of Public Health were observed and protective measures implemented.

Risk management

The Petrol Group manages risks using a comprehensive risk management system, making sure that the Company's key risks are identified, assessed, managed, utilised and monitored. In doing that, we aim to develop a risk-awareness culture to ensure better control over the risks and better information for decision-making at all levels of the Group's operation. Risk management concerns each Petrol Group employee who is, as a result of their decisions and actions, exposed to risks on a daily basis while carrying out their work assignments and responsibilities.

In its 2018 – 2022 strategy, the Petrol Group has adjusted its business objectives according to its risk management policies and its risk appetite.

In the first nine months of the year, the main challenge was managing and mitigating the negative effects of the pandemic, with most risk management activities also focusing on this issue.

As a first step, measures were taken to provide for the safety and health of employees and customers as well as to ensure a continued supply to businesses. Later on our priorities included ensuring sufficient liquidity of the Petrol Group, as a result of which major investments were suspended when deemed feasible and reasonable. Additional attention was given to credit risk management as an increased risk of defaults by our customers was to be expected.

A report on the impact of the coronavirus (COVID-19) pandemic on the Petrol Group's operations and risk management is available in section Impact of the pandemic on the Petrol Group's operations.

Petrol's risk model comprises 20 risk categories that are divided into two groups:

- Environment risks and
- Performance risks.

According to the results of the 2019 risk assessment, the most relevant and probable risks comprise the following financial risks: price and volumetric risk, foreign exchange risk, credit risk and liquidity risk.

In addition to the main financial risks, the most relevant and probable risks include legislation and regulation risks, interest rate risks, information risks, economic environment risks, business decision-making risks and political risks.

Price and volumetric risk and foreign exchange risk

The Petrol Group's business model includes energy products, such as petroleum products, natural gas, electricity and liquefied petroleum gas, exposing the Petrol Group to price and volumetric risks and to foreign exchange risks arising from the purchase and sale of these products.

The Petrol Group purchases petroleum products under international market conditions, pays for them mostly in US dollars and sells them in local currencies. Because the global oil market and the US dollar market constitute two of the most volatile global markets, the Petrol Group is exposed to both the price risk (changes in the prices of petroleum products) and the foreign exchange risk (changes in the EUR/USD exchange rate) while pursuing its core line of business. The Petrol Group manages volumetric and price risks to the largest extent possible by matching suppliers' terms of procurement with the terms of sale applying to customers. Any remaining open price or foreign exchange positions are closed through the use of financial instruments, in particular commodity swaps in the case of price risks and forward contracts in the case of foreign exchange risks.

Trading in electricity exposes the Petrol Group to price and volumetric risks. These are managed with an assortment of limits systems defined depending on the business partner, the area of trading and the value at risk, and with appropriate processes in place to monitor and control these risks.

In addition to the risks arising from changes in the EUR/USD exchange rate, the Petrol Group is exposed, to some degree, also to the risk of changes in other currencies, which is linked to doing business in the region. The Petrol Group monitors open foreign exchange positions and decides how to manage them on a monthly basis.

Credit risk

The credit risk was assessed in 2019 as the third most relevant financial risk to which the Petrol Group was exposed in connection with the sale of goods and services to natural and legal entities. The risk is managed using the measures outlined below.

The operating receivables management system provides us with an efficient credit risk management.

As part of the usual receivables management processes, we actively pursue the collection of receivables, a process which has intensified even more this year. We refine procedures for approving the amount of exposure (limits) to individual buyers and try to maintain the range of first-class credit insurance instruments as a requirement to approve sales (receivables insurance with credit insurance companies, bank guarantees, letters of credit, collaterals, corporate guarantees, securities, mortgages, pledges). This year, this is proving to be a significant challenge. At the beginning of 2020, the Petrol Group introduced a new insurance scheme for keeping track of the Petrol Group's needs in the field of credit risk insurance as market conditions evolve. A great deal of work is put into the management of receivables from all customers in Slovenia, and significant attention is also devoted to the collection of receivables in SE Europe markets, where the solvency and payment discipline of the business sector differs from that in Slovenia. Receivables are systematically monitored by age, region and organisational unit as well as by quality, level of insurance and individual customer. The exposure of customers in the Petrol Group's portfolio to the credit risk is monitored at a global level. To monitor most of our subsidiaries, we use a joint receivables management application, which provides us with automated control over the exposure to individual customers and the possibility to respond immediately. The data pertaining to the parent company and a subsidiary is monitored using the new ERP and DWH system. In addition, we introduced centralised control over credit insurance instruments received and centralised the collection process.

Due to the quarantine and the resulting significant drop in economic activity, companies were faced with liquidity shocks leading to our customers having a higher credit risk. At the Petrol Group, we have responded immediately to the estimated increase in the credit risk by introducing daily monitoring of the structure of receivables, by closely monitoring the indicators of increased risk and by engaging in intensive communication with our customers. As the restrictions were relaxed, the overall monitoring of the structure of receivables became less intense as we switched to weekly monitoring, but the balance of receivable is still subject to daily and close monitoring at the operational level for all Petrol Group companies.

Despite the above measures, the Petrol Group, too, is unable to fully avoid the consequences of bankruptcies, compulsory composition proceedings and personal bankruptcies.

We consider that credit risks are adequately managed within the Petrol Group. Our assessment is based on the nature of our products, our market share, our large customer

base, the vast range of credit insurance instruments and a higher volume of secured receivables. 66 percent of receivables from legal entities are secured, with credit insurance and offsetting against trade liabilities being most widely used insurance instruments (together accounting for 85 percent).

Liquidity risk

The Petrol Group has been assigned a BBB- long-term international credit rating, an A-3 short-term credit rating and a stable credit rating outlook by Standard & Poor's Ratings Services, which reaffirmed the ratings on 24 June 2020. This investment-grade rating enables us to tap international financial markets more easily and represents an additional commitment towards successful operations and the deleveraging of the Petrol Group. We are currently introducing relevant S&P's methodology into the management of liquidity risks.

In the first nine months of 2020, average petroleum product prices were considerably lower year-on-year, meaning that less working capital was needed. Through existing long-term and short-term credit lines we were able to ensure the liquidity of the Petrol Group also during the pandemic which we were faced with at the end of the first quarter of 2020. In the second quarter, we gained access to additional credit lines from domestic and foreign banks, and we are ready to face a liquidity situation which might weaken should the COVID-19 epidemic be declared once more and cause an economic downturn. The additional credit lines will enable us to ensure appropriate liquidity structure of the Petrol Group in accordance with S&P criteria also in this situation.

To maintain liquidity, we also began to actively prepare sensitivity analyses and draw up short-term liquidity and working capital forecasts.

Cash flow management now requires even more attention and prudence, especially as regards the planning of cash inflows from lay away sales, this being the main source of credit risks and, consequently, liquidity risks.

Despite the decline in sales due to quarantine measures, the Petrol Group settles all its liabilities as they fall due. This is possible thanks to its relatively low debt levels and strong liquidity position.

Interest rate risk

The Petrol Group regularly monitors its exposure to the interest rate risk. 88.8 percent of the Group's non-current financial liabilities contain a variable interest rate that is linked to EURIBOR. The average EURIBOR rates in the first nine months of 2020 were similar to the ones at the end of 2019. EURIBOR is still historically low (negative). It is a fact, however, that EURIBOR and all interest rates have been rising since the beginning of the pandemic, and the expectations that interest rates will increase have proved to have a very short-term effect as variable interest rate stabilised close to the levels from previous years by the end of the first half of the year.

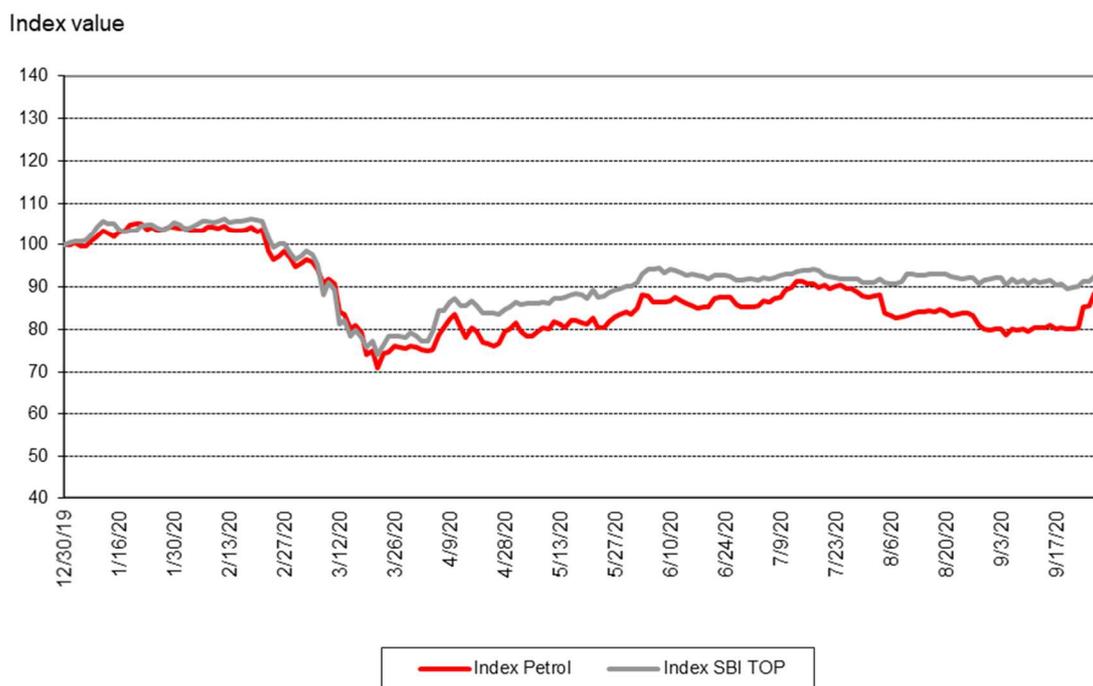
To hedge against exposure to the interest rate risk, a portion of variable interest rates is transformed into a fixed interest rate using derivative financial instruments, thus protecting our net interest position. When deciding whether to pursue additional hedging activities, forecasts

regarding interest rate changes are considered. The time of hedging and the type of instruments used to this effect are determined based on market conditions. Linked to the renewal of a long-term loan agreement we entered into an additional interest rate hedging contract in the first nine months of 2020 thus covering the entire duration of long-term loans (other than long-term revolving credit facilities) with IRS hedging instruments.

Petrol's shares

At the end of September 2020, share prices at the Ljubljana Stock Exchange were lower than at the end of 2019, which was the result of the coronavirus (COVID-19). This was also reflected in the SBITOP, the Slovene blue-chip index, which is used as a benchmark and provides information on changes in the prices of the most important and liquid shares traded on the regulated market. The index also comprises Petrol's shares. The SBITOP stood at 846.2 as at the end of September 2020 and was down 8.6 percent relative to the end of 2019 (926.10). During this period, the price of Petrol's shares decreased by 10.4 percent. In terms of trading volume, which in the case of Petrol's shares amounted to EUR 41.3 million between January and September, the shares were ranked second among the shares traded on the Ljubljana Stock Exchange. In terms of market capitalisation, which stood at EUR 701 million as at 30 September 2020, the shares were ranked third and accounted for 11.1 percent of the total Slovene stock market capitalisation on the said date.

Figure 12: Base index changes for Petrol d.d., Ljubljana's closing share price against the SBITOP index in the first nine months of 2020 compared to the end of 2019



In the first nine months of 2020, the price of Petrol's shares ranged between EUR 266 and EUR 394 per share. Their average price for the period stood at EUR 328.67 and their price as at the end of September 2020 at EUR 336.00. The Petrol Group's earnings per share stood at EUR 19.71, with the book value per share amounting to EUR 381.02. Petrol d.d., Ljubljana

had 22,325 shareholders as at 30 September 2020. At the end of September 2020, 568,137 shares or 27.2 percent of all shares were held by foreign legal or natural persons. Compared to the end of 2019, the number of foreign shareholders increased by 0.2 percentage points.

Figure 13: Closing price and the volume of trading in Petrol's shares in the first nine months of 2020

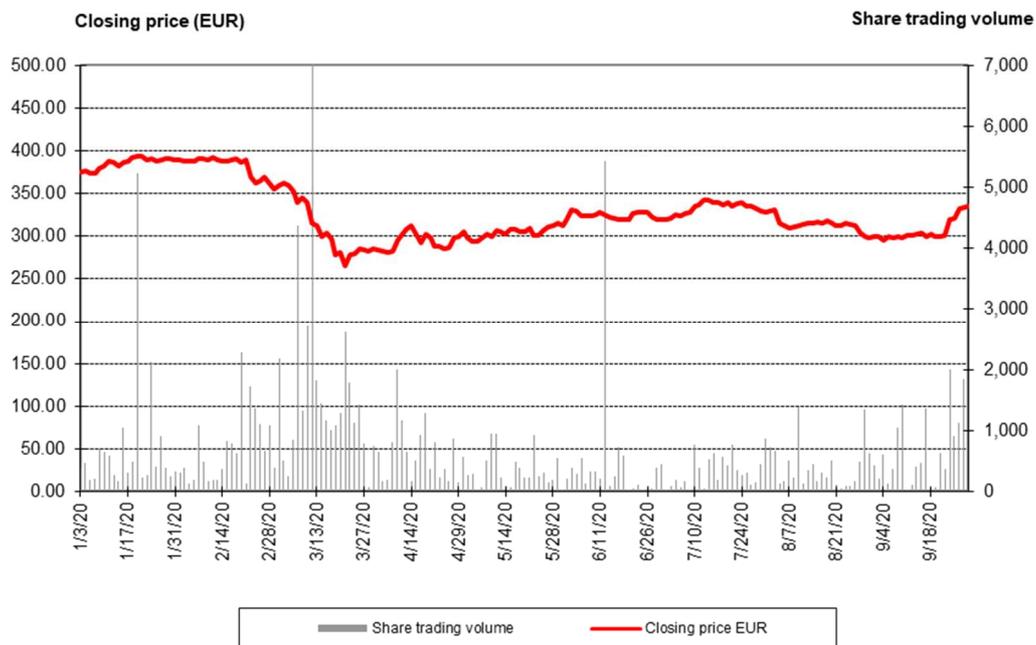


Figure 14: Ownership structure of Petrol d.d., Ljubljana as at 30 September 2020

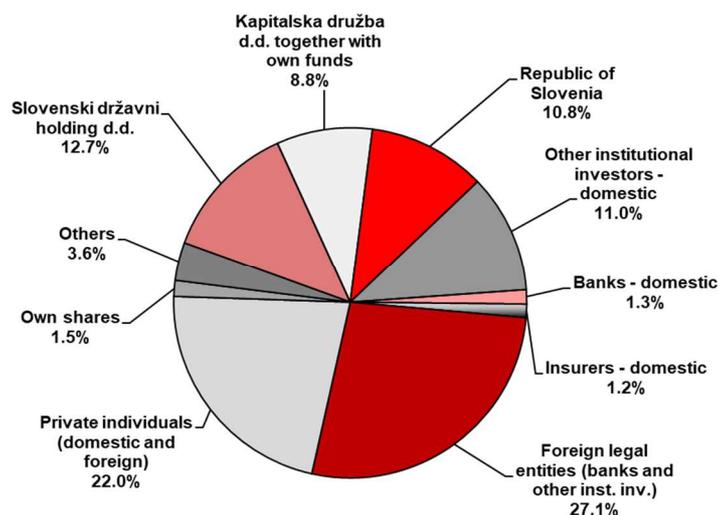


Table 3: Changes in the ownership structure of Petrol d.d., Ljubljana (comparison between 30 September 2020 and 31 December 2019)

	30 September 2020		31 December 2019	
	No. of Shares	in %	No. of Shares	in %
Slovenski državni holding d.d.	264,516	12.7%	264,516	12.7%
Kapitalska družba d.d. together with own funds	183,181	8.8%	183,411	8.8%
Republic of Slovenia	225,699	10.8%	225,699	10.8%
Other institutional investors - domestic	229,944	11.0%	245,242	11.8%
Banks - domestic	27,673	1.3%	28,707	1.4%
Insurers - domestic	25,779	1.2%	25,779	1.2%
Foreign legal entities (banks and other inst. inv.)	564,952	27.1%	560,363	26.8%
Private individuals (domestic and foreign)	459,589	22.0%	449,100	21.5%
Own shares	30,723	1.5%	30,723	1.5%
Others	74,245	3.6%	72,761	3.5%
Total	2,086,301	100.0%	2,086,301	100.0%

Table 4: 10 largest shareholders of Petrol d.d., Ljubljana as at 30 September 2020

	Shareholder	Address	No. of Shares	Share in %
1	ČEŠKOSLOVENSKA OBCHODNI BANK, A.S. - FID	RADLICKA 333/150, 150 57 PRAGA 5, REPUBLIKA ČEŠKA	279,556	13.40%
2	SLOVENSKI DRŽAVNI HOLDING, D.D.	MALA ULICA 5, 1000 LJUBLJANA	264,516	12.68%
3	REPUBLIKA SLOVENIJA	GREGORČIČEVA ULICA 20, 1000 LJUBLJANA	225,699	10.82%
4	KAPITALSKA DRUŽBA, D.D.	DUNAJSKA CESTA 119, 1000 LJUBLJANA	172,639	8.27%
5	OTP BANKA D.D. - CLIENT ACCOUNT - FIDUCI	DOMOVINSKOG RATA 61, 21000 SPLIT, HRVAŠKA	116,603	5.59%
6	VIZIJA HOLDING, K.D.D.	DUNAJSKA CESTA 156, 1000 LJUBLJANA	71,676	3.44%
7	VIZIJA HOLDING ENA, K.D.D.	DUNAJSKA CESTA 156, 1000 LJUBLJANA	65,349	3.13%
8	PERSPEKTIVA FT D.O.O.	DUNAJSKA CESTA 156, 1000 LJUBLJANA	36,262	1.74%
9	CITIBANK N.A. - FIDUCIARNI RAČUN	CITIBANK CENTRE, CANADA SQUARE, CANARY W, E14 5LB, LONDON, VELIKA BRITANJA	30,161	1.45%
10	NOVA KBM D.D.	ULICA VITA KRAIGHERJA 4, 2000 MARIBOR	25,985	1.25%

Table 5: Shares owned by members of the Supervisory and Management Board as at 30 September 2020

Name and Surname	Position	No. of shares	Share of equity
Supervisory board		87	0.0042%
Internal members		0	0.0000%
1. Zoran Gračner	Supervisory Board Member	0	0.0000%
2. Alen Mihelčič	Supervisory Board Member	0	0.0000%
3. Robert Ravnikar	Supervisory Board Member	0	0.0000%
External members		87	0.0042%
1. Sašo Berger	Supervisory Board President	0	0.0000%
2. Igo Gruden	Supervisory Board Vice-president	0	0.0000%
3. Sergij Goriup	Supervisory Board Member	5	0.0002%
4. Metod Podkrižnik	Supervisory Board Member	82	0.0039%
5. Mladen Kaliterna	Supervisory Board Member	0	0.0000%
6. Janez Pušnik*	Supervisory Board Member	0	0.0000%
Management Board		4	0.0002%
1. Nada Drobne Popović	Management Board President	4	0.0002%
2. Matija Bitenc	Management Board Member	0	0.0000%
3. Jože Bajuk	Management Board Member	0	0.0000%
4. Jože Smolič**	Management Board Member	0	0.0000%
5. Ika Krevzel Panič	Management Board Member/Worker Direct	0	0.0000%

* from 24 July 2020

** from 28 August 2020

Contingent increase in share capital

In the period up to 30 September 2020, the General Meeting of Petrol d.d., Ljubljana did not adopt any resolutions regarding the contingent increase in share capital.

Dividends

In accordance with a resolution of the 31st General Meeting held on 23 July 2020, Petrol d.d., Ljubljana paid 2019 gross dividends of EUR 22.00 per share in August 2020.

The initial convening of the 31st General Meeting, which was to be held on 23 April 2020 in accordance with the financial calendar and at which the shareholders would also decide on the allocation of accumulated profit for 2019, was cancelled due to the coronavirus (COVID-19) epidemic.

Own shares

Petrol d.d., Ljubljana did not repurchase its own shares in the first nine months of 2020. As at 30 September 2020, the number of own shares stood at 30,723, representing 1.5 percent of the share capital. This includes 24,703 own shares that were acquired by Petrol d.d., Ljubljana in the period 1997 to 1999. Their total cost equalled EUR 2.6 million as at 30 September 2020 and was EUR 5.7 million lower than their market value on that date. The remaining 6,020 shares are the shares that are considered as own shares which were held by the subsidiary Geoplin d.o.o. Ljubljana at the time it was incorporated in the Petrol Group.

Own shares of Petrol d.d., Ljubljana, in total 36,142 (without the shares of Geoplin d.o.o. Ljubljana), were purchased between 1997 and 1999. The Company may acquire these own shares only for the purposes laid down in Article 247 of the Companies Act (ZGD-1) and as remuneration to the Management Board and the Supervisory Board. Own shares are used in accordance with the Company's Articles of Association.

In accordance with a resolution of the 27th General Meeting held on 10 April 2017, the Company's Management Board is authorised to acquire own shares within 36 months of the adoption of the resolution. Under this authorisation, a maximum of 208,630 own shares may be acquired, but the total percentage of the shares acquired based on this authorisation may not exceed, together with other own shares already held by the Company (24,703 own shares plus 6,020 own shares of Geoplin d.o.o. Ljubljana, in total 30,723 own shares), 10 percent of the Company's share capital (208,630 shares). In 2018, 2019 and 2020, Petrol d.d., Ljubljana did not adopt a programme to prepare a policy for creating own shares. The General Meeting resolution expired on 10 April 2020.

Regular participation at investors' conferences and external communication

Petrol d.d., Ljubljana has set up a programme of regular cooperation with domestic and foreign investors, which consists of public announcements, individual meetings and presentations, and public presentations. We regularly attend investors' conferences that are organised each year

by stock exchanges, banks and brokerage companies. There were some individual meetings with investors and analysts in the first nine months of 2020. In March, June and September, we took part in a webcast of the Ljubljana Stock Exchange. Other events were cancelled due to the coronavirus (COVID-19) pandemic.

Credit rating

On 24 June 2020, Standard & Poor's Ratings Services reaffirmed Petrol d.d., Ljubljana's "BBB-" long-term credit rating, its "A-3" short-term credit rating and its "stable" credit rating outlook.

Management Board of Petrol d.d., Ljubljana

At its meeting held on 21 January 2020, the Supervisory Board offered Nada Drobne Popović, MSc, to become mandatary and propose a new Management Board of Petrol d.d., Ljubljana.

At the meeting of 10 February 2020, the Supervisory Board of Petrol d.d., Ljubljana appointed three Management Board members for a term of office of five years. Nada Drobne Popović, MSc, became President of the Management Board on 11 February 2020, while the terms of office of Management Board members Matija Bitenc, MSc, and Jože Bajuk, MSc, began on 11 March 2020. Danijela Ribarič Selaković, MSc, resigned as Management Board member on 10 March 2020.

At its meeting held on 27 August 2020, the Supervisory Board of Petrol d.d., Ljubljana appointed Jože Smolič, MSc, a Management Board member in charge of sales for a five-year term of office starting on 28 August 2020, as proposed by Management Board president Nada Drobne Popović, MSc.

The Management Board thus consists of five members: Management Board president Nada Drobne Popović, MSc, Management Board members Matija Bitenc, MSc, Jože Bajuk, MSc, Jože Smolič, MSc, and Management Board member/Worker director Ika Krevzel Panić.

Supervisory Board of Petrol d.d., Ljubljana

Nada Drobne Popović resigned as Member and President of the Supervisory Board of Petrol d.d., Ljubljana at the meeting of 10 February 2020. On 11 February 2020, Sašo Berger became President of the Supervisory Board of Petrol d.d., Ljubljana and Igo Gruden became Deputy President of the Supervisory Board of Petrol d.d., Ljubljana.

The Supervisory Board of Petrol d.d., Ljubljana proposed that Janez Pušnik, as a representative of shareholders, be elected Substitute Member of the Supervisory Board of Petrol d.d., Ljubljana for the term of office commencing on 24 April 2020 and ending on the last day of the term of office, 10 April 2021, at the General Meeting that was to be held on 23 April 2020 and was cancelled due to the epidemic.

At the 31st General Meeting of Petrol d.d., Ljubljana held on 23 July 2020, Janez Pušnik was elected Substitute Member of the Supervisory Board of Petrol, Slovenska energetska družba,

d.d., Ljubljana for the term of office commencing on 24 July 2020 and ending on the last day of the term of office, 10 April 2021.

General Meeting of Petrol d.d., Ljubljana

Pursuant to its decision of 24 February 2020, the Management Board of Petrol d.d., Ljubljana convened, on 13 March 2020, the 31st General Meeting of Shareholders of Petrol, d.d., Ljubljana that was to be held on 23 April 2020.

On 3 April 2020, the Management Board of Petrol d.d., Ljubljana informed the shareholders that, following its decision of 2 April 2020 and with the Supervisory Board's approval, the 31st General Meeting of Shareholders of Petrol d.d., Ljubljana convened for 23 April 2020 was cancelled. The cancellation decision was taken to comply with prohibitions laid down in Decree on the temporary prohibition of the gathering of people at public meetings at public events and other events in public places in the Republic of Slovenia and prohibition of movement outside the municipalities (Official Gazette of the Republic of Slovenia No. 38/2020) which was adopted to contain and control the SARS-CoV-2 (COVID-19) epidemic.

On 11 June 2020, the Management Board of Petrol d.d., Ljubljana then decided to convene the 31st General Meeting of Shareholders of Petrol, d.d., Ljubljana for 23 July 2020.

- Resolutions of the 31st General Meeting of Shareholders of Petrol d.d., Ljubljana which took place on 23 July 2020 in Ljubljana:
 - Accumulated profit of EUR 45,355,156.00 as at 31 December 2019 shall be used as follows:
 - accumulated profit of EUR 45,222,716.00 shall be distributed as dividend payments, with gross dividends amounting to EUR 22.00 per share (with own shares excluded);
 - the remaining accumulated profit of EUR 132,440.00 and any amounts linked to own shares arising on the date the dividends are paid and amounts resulting from rounding off dividend payments shall be transferred to other revenue reserves.
 - The Company shall pay out dividends on 7 August 2020 to shareholders registered with KDD – the Central Securities Clearing Corporation on 6 August 2020.
 - The General Meeting shall be informed of the remuneration of members of the Company's management and supervisory bodies and of members of the management and supervisory bodies of the Company's subsidiaries, to the extent presented, which shall also be entered in the minutes of the General Meeting.
 - The General Meeting shall be informed of the remuneration policy for members of the Company's management body and for members of the management bodies of the Company's subsidiaries, to the extent presented, which shall also be entered in the minutes of the General Meeting.
 - The Company's Management Board shall be granted discharge from liability for the year 2019.
 - The Company's Supervisory Board shall be granted discharge from liability for the year 2019.

- Janez Pušnik, as a representative of shareholders, shall be elected Substitute Member of the Supervisory Board of Petrol, Slovenska energetska družba, d.d., Ljubljana for the term of office commencing on 24 July 2020 and ending on the last day of the term of office, 10 April 2021.
- The remuneration of the members of the Supervisory Board and the external member of the Audit Committee in connection with the duties performed in the Supervisory Board of Petrol d.d., Ljubljana and its committees is to be reduced by 30 percent in the period from 1 March 2020 to 31 May 2020.

Business plan for 2020

The Petrol Group operates in two highly competitive industries – energy and trade. Besides trends in the area of energy and commerce, the Petrol Group's operations are subject to several other and often interdependent factors, in particular changes in energy product prices and the US dollar exchange rate, which are a reflection of global economic trends. In addition, operations in the Petrol Group's markets are influenced to an important extent by local economic conditions (economic growth, inflation rate, growth in consumption and manufacturing) and measures taken by governments to regulate prices and the energy market.

In the first two months of 2020, the Petrol Group's operations continued without disruption and according to plan. The business environment deteriorated considerably, however, as the pandemic began. Already when drawing up the plan at the end of 2019, the Petrol Group was aware of the possibility that despite careful preparation, informed business decisions, quick response to changes and an efficient risk management system external factors may arise in the business environment which are beyond its direct control and may pose a risk or a threat when it comes to meeting the targets. The following factors were highlighted as the main risks for achieving the 2020 plan:

- sales in the EU market, which is extremely volatile,
- impact of the Real Property Tax Act and its new valuation model,
- impact of the Energy Savings Requirements Act in Croatia.

Because a natural disaster of such magnitude and the resulting economic crisis could not have been predicted, the Petrol Group will not meet its planned operating targets for the current year. In June 2020, the Petrol Group set out to develop a new operating strategy of the Petrol Group for the period 2021 – 2025, which is expected to be adopted in the last quarter of 2020.

The Petrol Group's main business targets for 2020 as set at the end of 2019, i.e. before the onset of the pandemic:

- Sales revenue of EUR 6.4 billion (5.3 billion with excise duties excluded)
- Adjusted gross profit of EUR 510 million
- EBITDA of EUR 214.8 million
- Net profit of EUR 109.8 million
- Net debt to equity ratio of 0.4
- Net debt to EBITDA ratio of 1.7
- Financial leverage ratio of 30 percent
- 3.4 million tons of petroleum products sold
- EUR 467.6 million in revenue from merchandise sales and related services

- Retail network consisting of 522 service stations
- More than 5,500 employees

Impact of the pandemic on the Petrol Group's operations

The world is facing a pandemic which also affects the operations of the Petrol Group. In January and February 2020, the operations in all of the Petrol Group's markets continued without disruption and according to plan. In March 2020, however, the business environment deteriorated considerably as the pandemic began. Petrol d.d., Ljubljana has been closely monitoring the situation since the outbreak of the epidemic. When developing measures and putting them into practice, the Petrol Group complies fully, in all of its markets, with the instructions issued by the authorities. Its primary concern are measures aimed at protecting the health of Petrol's customers and employees. The general public is informed of all measures as they are adopted. Apart from certain restrictions (reduced working hours at some service stations), there has been no disruption in the energy-product supply. Moreover, Petrol Group companies have in place action plans to continue to ensure uninterrupted energy-product supply should the situation deteriorate. The Petrol Group adapts its measures to reflect the latest situation in all of its markets.

The Petrol Group operates in two highly competitive industries – energy and trade. Besides trends in the area of energy and commerce, the Group's operations are subject to several other and often interdependent factors, in particular changes in energy product prices and the US dollar exchange rate, which are a reflection of global economic trends. In addition, operations in the Petrol Group's markets are influenced to an important extent by local economic conditions (economic growth, inflation rate, growth in consumption and manufacturing) and measures taken by governments to regulate prices and the energy market. The pandemic will have an impact on all of the above factors, which will be reflected in lower economic growth, consumption and production. The most affected sectors include aviation, public and individual transport, tourism and personal services. Due to a decline in demand, oil prices have also decreased significantly.

In its projections published in the World Economic Outlook at the beginning of April 2020, the International Monetary Fund assessed the impact of the pandemic on the global economy which will cause a rise in unemployment, in addition to a drop in GDP. The International Monetary Fund reassessed the impact of the pandemic on the global economy in its projections published in the World Economic Outlook at the beginning of October 2020.

Table 6: Impact of the pandemic on GDP (International Monetary Fund)

Real GDP (Change in %)	2019	2020 Projections	2021 Projections	2022 Projections
EURO Area	1.3	-8.3	5.2	3.1
Slovenia	2.4	-6.7	5.2	3.4
Croatia	2.9	-9.0	6.0	4.4
Bosnia and Herzegovina	2.7	-6.5	5.0	4.0
Serbia	4.2	-2.5	5.5	6.0
Montenegro	3.6	-12.0	5.5	4.2
Kosovo	4.0	-7.5	6.0	3.7
USA	2.2	-4.3	3.1	2.9
World	2.8	-4.4	5.2	4.2

Source: International Monetary Fund, World Economic Outlook, October 2020

In May 2020, the European Commission also presented the expected impact of the pandemic on the economy in its Spring 2020 Economic Forecast. In its autumn economic forecast published in November (Autumn 2020 Economic Forecast), the European Commission expects the economic activity to contract slightly more than previously thought. It draws attention to the uncertainty surrounding the deterioration of the epidemiological situation in most European countries and the re-introduction of containment measures, which will affect the level of economic activity.

According to the European Commission autumn economic forecast, the prices of Brent oil are projected to be on average USD 42.6 per barrel in 2020 (USD 44.6 per barrel in 2021 and USD 46.4 per barrel in 2022).

Table 7: Impact of the pandemic on GDP and unemployment (European Commission)

	BDP Change (%)				Unemployment Rate (%)			
	2019	2020 Projections	2021 Projections	2022 Projections	2019	2020 Projections	2021 Projections	2022 Projections
EURO Area	1.2	-7.8	4.2	3.0	7.5	8.3	9.4	8.9
Slovenia	3.2	-7.1	5.1	2.5	4.5	5.0	4.8	4.4
Croatia	2.9	-9.6	5.7	3.7	6.6	7.7	7.5	6.9
Serbia	4.2	-1.8	4.8	3.8	10.3	9.3	9.6	9.0
Montenegro	4.1	-14.3	6.8	3.7	15.3	18.1	16.6	15.9

Source: European Commission: Economic Forecast, Autumn 2020

In its Summer Forecast of Economic Trends (June 2020), the Institute of Macroeconomic Analysis and Development (IMAD) predicts that Slovenia's GDP will shrink by 7.6 percent in 2020, which will be followed by a recovery in 2021 (4.5-percent growth). In most activities, however, pre-epidemic levels will not be achieved.

In its Autumn Forecast of Economic Trends (September 2020), IMAD predicts a 6.7-percent decline in Slovenia's GDP in 2020, which is slightly less than previously projected. The decline will be followed by a recovery in the next two years, but economic activity will not reach the pre-epidemic level until 2022. The forecasts for Slovenia's main trading partners for 2020 have improved somewhat since June. With the recovery of economic activity and the agreement at the EU level on the financial package for the recovery of the European economy, confidence indicators also improved significantly in the period from May to July. This year's decline in GDP will arise from a fall in value added in a number of sectors, which will be a consequence of a

significant contraction of activity in the first half of the year, particularly in the second quarter. The deep fall in economic activity in the second quarter is expected to be followed by recovery, but it will be gradual and its pace uneven across sectors if the virus is still present and some restrictions remain in place. The uncertainty associated with epidemiological conditions remains high. An uncontrolled spread of the virus and thus the possibility of a major closure of certain activities might cause the GDP to fall even further and in particular slow down and prolong recovery. This year, value added is set to decline the most in the hospitality industry, entertainment and recreation, arts, personal service activities and transportation.

The Petrol Group responded to the crisis caused by the epidemic in a comprehensive manner. Initially, activities were focused on ensuring the continuity of operations in the changed circumstances and on identifying and managing risks. Further activities, however, have a long-term focus so that the Petrol Group can operate without interruption in a very different business environment.

Ever since the pandemic began, the safety and health of the Petrol Group's employees and customers as well as reliable supply have always been placed first. In a very short period of time, cash desks at all service stations were equipped with protective screens, employees working at the points of sale were given protective equipment, the provision of certain services (the Fresh range, carwashes) where it is more likely that an infection can be passed on was suspended, and we also make sure, at every point-of-sale entrance, that the recommended number of customers who can be simultaneously present in a shop is maintained. With the easing of restrictions, we reintroduced the full range of our services while taking into account the recommendations to prevent the spread of the virus. We encourage the use of On the Go and mBills apps offering contactless payment functionality, and we also deliver items ordered from Petrol's online shop. Due to the worsening epidemiological situation, certain activities (bars, carwashes) were again suspended starting 24 October 2020, in accordance with the Ordinance on the Provisional Prohibition on the Offering and Sale of Goods and Services to Consumers in the Republic of Slovenia.

Ensuring sufficient liquidity is high on the priority list. As far as liquidity management is concerned, drawing on existing credit lines has created a substantial liquidity cushion that helped us cope with tight market conditions in April and May 2020. We have entered into additional agreements with some lenders to build up back-up credit lines. When determining the needs for additional potential debt, we take into account the appropriate net debt to EBITDA ratio. Dynamic liquidity plans are prepared on a daily basis with a time horizon of 3 months.

In the area of credit risk management, we closely follow all procedures of credit insurance companies. The Petrol Group has secured around 80 percent of all receivables which individually exceed a nominal value of EUR 100,000. We monitor customer payments on a daily basis and, where appropriate, adopt measures to reduce credit risk. Despite the negative impact on the economy, payment discipline has not significantly deteriorated so far.

Particular attention was given to HR management, especially to ensuring sufficient staffing levels at the points of sale. Where possible, other employees worked from home, and some were furloughed due to a lower volume of business activity. When the epidemiological situation improved, most employees returned to work. Returning to work was carried out gradually and took place under strict safety measures and protocols. Due to the deterioration of the epidemiological situation, however, more work is again being done from home if the nature of

the work permits. Caring for the health of our employees and customers continues to be a priority.

The investments to be made in 2020 were temporarily limited to the most urgent ones that were necessary to ensure smooth and secure operations. The Petrol Group will decide on the remaining investments in line with the development of business conditions.

Cost optimisation and streamlining of operations have the highest priority as far as the Petrol Group's tasks in the rest of 2020 are concerned. Important activities in this area include analysing best practices in the sector, identifying possible savings and streamlining business processes.

The Petrol Group has experienced a decline in the sale of both petroleum products and merchandise in all of its markets. At the end of March 2020, the Petrol Group already recorded a significant drop in the retail sales of petroleum products and LPG. The negative sales trends continued in the months that followed. In the second quarter, the Petrol Group saw its retail selling volume decrease by 26 percent, but the trend was reversed once the restrictions had been lifted. In the third quarter, the Petrol Group still recorded a 9-percent drop in retail sales compared to the same period of the previous year. Due to the continued worsening of the epidemic and reintroduction of movement restrictions, retail petroleum-product sales are again in decline.

Lower sales of petroleum products are mainly the result of measures taken by countries to contain the pandemic and restrict movement both between countries and local communities. In Slovenia, the epidemic was declared on 12 March 2020 and border crossings with the neighbouring countries were closed on 18 March 2020. Entering from Italy has been severely restricted already since 10 March 2020. On 15 March 2020, a ban and restrictions on public transport and an air traffic ban entered into force. From 30 March to 30 April 2020, restrictions on movement between municipalities (with some exceptions) were in force. At its meeting of 14 May 2020, the Government of the Republic of Slovenia adopted the Ordinance on the revocation of epidemic of contagious disease SARS-CoV-2 (COVID-19) which started to apply on 31 May 2020. In Croatia, the Petrol Group's second largest market, the epidemic was declared on 11 March 2020. On 19 March 2020, the borders were closed and restrictions on movement between the counties were introduced. Within the counties, movement was regulated as decided by each county. The restrictions on movement were lifted on 11 May 2020.

Already in August, as the epidemiological situation began to worsen again, some countries re-introduced measures to curb the pandemic (mandatory quarantine on arrival from countries with a poor epidemiological situation). In September, but even more so in October, Slovenia and most other European countries faced a second wave of the epidemic. Due to a sharp increase in the number of infections in Slovenia, the Government of the Republic of Slovenia re-introduced measures to contain the epidemic, many of which have to do with movement restrictions, which will again have a negative impact on the Petrol Group's sales. Since 16 October 2020, movement in Slovenia has been restricted to statistical regions. Since 24 October 2020, however, crossing municipal borders has been forbidden again (with certain exceptions). In addition, a ban on the movement of people between 9 pm and 6 am has been put in place (with certain exceptions).

Because it is uncertain how the situation will develop, the Petrol Group prepared different scenarios for operations in 2020. Considering the results achieved so far and current developments, the 2020 operating performance is expected to correspond to the scenarios developed at the onset of the pandemic. The scenarios considered various cases ranging from the possibility that restrictions on movement within countries are lifted in May, but certain restrictions on transit traffic and tourism still remain which have a major impact especially on operations in the summer months, to the possibility that the last quarter of 2020 will again see major restrictions on movement and further deterioration in business conditions as a result of that. We thus expected that the volume of petroleum products sold in 2020 could reach between 83 and 86 percent of the 2019 figure (without the sales to the Agency of the Republic of Slovenia for Commodity Reserves). Given the estimated decrease in sales in the coming months, the streamlining of costs and the adjusted volume of investments, the Petrol Group's EBITDA for 2020 could amount to between 73 and 79 percent of the 2019 EBITDA, or to between 77 and 84 percent of the 2019 EBITDA if one-off events are not taken into account (the 2019 EBITDA does not include the reversal of provisions for lawsuits and penalties relating to procedures ended in 2019, the cumulative effect of which totals EUR 11.1 million).

In Slovenia, which is the Petrol Group's main market, the prices of petroleum products remained government-regulated at most service stations (other than motorway and expressway service stations) until 30 September 2020. The Petrol Group was thus limited in responding to the difficult business conditions through an adequate pricing policy. Since 1 October 2020, the prices of all petroleum products have been liberalised and are now determined by the market. In addition, from 9 April 2020 to 20 August 2020, gross motor fuel margins in Bosnia and Herzegovina were limited to EUR 0.128 per litre (retail margin) and EUR 0.031 per litre (wholesale margin).

Sales revenue and working capital reflect the prices of petroleum products on the basis of current prices in monthly forward contracts until the end of 2020, which constitutes an additional uncertainty because oil price movements in the context of a crisis caused by a pandemic are even more unpredictable than otherwise.

Before the pandemic, the Petrol Group was in a very good business and financial condition. Despite the difficult business conditions, it will continue to pursue its strategic objective of ensuring stable operations also by maintaining an appropriate debt to EBITDA ratio.

The Petrol Group will continue to closely monitor the behaviour of its customers and will adapt its range to reflect market conditions. Uninterrupted energy-product supply will be ensured in all markets.

Events after the end of the accounting period

- The emergence of the virus and of the global pandemic still affects the operations of the Petrol Group. For more information, refer to section Impact of the pandemic on the Petrol Group's operations.
- In Slovenia, the prices of all petroleum products have been liberalised since 1 October 2020 and are now determined by the market.
- With the entry into force of the Act Amending the Trade Act (ZT-1B), merchants are no longer allowed to set opening hours of their points of sale for Sundays and statutory

holidays as from 24 October 2020. Exceptions, however, include shops at petrol stations, in ports providing public transport services, airports, railway and bus stations, and hospitals.

- There were no events after the reporting date that would significantly affect the disclosed operations in the first nine months of 2020.

FINANCIAL REPORT

Financial performance of the Petrol Group and the company Petrol d.d., Ljubljana

Statement of profit and loss of the Petrol Group and Petrol d.d., Ljubljana

(in EUR)	Note	The Petrol Group		Petrol d.d.	
		1-9 2020	1-9 2019* Adjusted	1-9 2020	1-9 2019* Adjusted
Sales revenue		2,291,667,136	3,269,018,349	1,762,945,464	2,660,629,127
Cost of goods sold		(1,989,742,254)	(2,923,166,508)	(1,564,590,196)	(2,402,872,901)
Costs of materials	3	(19,312,938)	(20,300,519)	(16,356,438)	(17,022,384)
Costs of services	4	(97,415,588)	(99,134,348)	(80,867,608)	(84,775,441)
Labour costs	5	(75,526,499)	(72,908,897)	(54,468,159)	(52,524,598)
Depreciation and amortisation	6	(56,276,231)	(50,257,604)	(35,198,413)	(33,495,503)
Other costs	7	(19,430,447)	(5,530,804)	(9,785,903)	(6,463,606)
Operating costs		(267,961,703)	(248,132,172)	(196,676,520)	(194,281,531)
Other revenue	2	72,805,723	62,747,583	71,500,907	56,565,601
Other expenses	8	(48,650,569)	(58,045,129)	(49,914,846)	(58,646,860)
Operating profit		58,118,333	102,422,123	23,264,808	61,393,436
Share of profit or loss of equity accounted investees		833,407	708,848	-	-
Finance income from dividends paid by subsidiaries, associates and jointly controlled entities		-	-	3,371,349	2,110,715
Other finance income	9	21,936,339	27,682,485	16,456,467	24,265,920
Other finance expenses	9	(29,201,794)	(32,939,263)	(23,299,806)	(29,556,775)
Net finance expense		(7,265,455)	(5,256,778)	(6,843,339)	(5,290,855)
Profit before tax		51,686,285	97,874,193	19,792,819	58,213,296
Tax expense		(11,010,552)	(15,779,203)	(3,335,456)	(10,273,232)
Deferred tax		(164,813)	(2,021,850)	(107,255)	(146,318)
Corporate income tax		(11,175,365)	(17,801,053)	(3,442,711)	(10,419,550)
Net profit for the period		40,510,920	80,073,140	16,350,108	47,793,746
Net profit for the period attributable to:					
Owners of the controlling company		39,083,478	78,168,593	16,350,108	47,793,746
Non-controlling interest		1,427,442	1,904,547	-	-
Basic and diluted earnings per share	10	19.71	38.95	7.93	23.18

* In 2019 the Group/Company changed the presentation of certain items in the statement of profit and loss. The changes are explained in Note 2.e.

Accounting policies and notes are an integral part of these financial statements and should be read in conjunction with them.

Other comprehensive income of the Petrol Group and Petrol d.d., Ljubljana

(in EUR)	The Petrol Group		Petrol d.d.	
	1-9 2020	1-9 2019	1-9 2020	1-9 2019
Net profit for the period	40,510,920	80,073,140	16,350,108	47,793,746
Other comprehensive income to be recognised in the statement of profit or loss in the future				
Effective portion of changes in the fair value of cash flow variability hedging	(447,278)	(6,266,750)	(214,750)	(5,993,741)
Change in deferred taxes	82,657	1,187,953	40,802	1,138,810
Foreign exchange differences	(3,425,310)	358,038	-	-
Total other comprehensive income to be recognised in the statement of profit or loss in the future	(3,789,931)	(4,720,759)	(173,947)	(4,854,931)
Other comprehensive income not to be recognised in the statement of profit or loss in the future				
Unrealised actuarial gains and losses	0	0	0	0
Attribution of changes in the equity of subsidiaries	0	0	-	-
Attribution of changes in the equity of associates	0	0	-	-
Total other comprehensive income not to be recognised in the statement of profit or loss in the future	0	0	0	0
Total other comprehensive income after tax	(3,789,931)	(4,720,759)	(173,947)	(4,854,931)
Total comprehensive income for the period	36,720,989	75,352,381	16,176,161	42,938,815
Total comprehensive income attributable to:				
Owners of the controlling company	35,266,815	73,423,228	16,176,161	42,938,815
Non-controlling interest	1,454,174	1,929,153	-	-

Accounting policies and notes are an integral part of these financial statements and should be read in conjunction with them.

Statement of financial position of the Petrol Group and Petrol d.d., Ljubljana

(in EUR)	Note	The Petrol Group		Petrol d.d.	
		30 September 2020	31 December 2019	30 September 2020	31 December 2019
ASSETS					
Non-current (long-term) assets					
Intangible assets	11	195,244,210	197,730,548	162,734,816	163,983,284
Right to use of leased assets	12	62,929,142	71,538,949	31,087,460	34,346,564
Property, plant and equipment	13	691,701,687	709,932,163	380,527,589	388,231,331
Investment property		16,512,633	16,831,304	16,072,576	16,364,192
Investments in subsidiaries	14	-	-	346,749,377	341,346,801
Investments in jointly controlled entities	15	544,352	610,273	233,000	233,000
Investments in associates	16	53,516,540	54,655,607	29,185,477	29,939,454
Financial assets at fair value through other comprehensive income	17	4,528,987	4,528,987	2,117,914	2,117,914
Financial receivables		2,404,972	5,017,649	36,142,991	31,876,297
Operating receivables		8,801,033	8,389,853	8,780,382	8,368,720
Deferred tax assets		9,537,653	9,234,009	6,801,788	6,868,241
		1,045,721,209	1,078,469,342	1,020,433,371	1,023,675,797
Current assets					
Inventories	18	159,488,552	175,690,478	90,727,198	128,429,794
Contract assets		1,723,734	1,819,842	2,548,023	2,095,457
Financial receivables	19	2,028,874	7,701,628	7,468,815	6,848,043
Operating receivables	20	332,243,030	474,132,118	233,114,636	320,561,369
Corporate income tax assets		1,437,527	912,629	2,637,146	2,375,278
Financial assets at fair value through profit or loss	21	2,796,680	529,911	2,741,969	394,078
Prepayments and other assets	22	80,287,633	78,607,712	29,431,977	23,597,572
Cash and cash equivalents		67,229,750	41,730,269	20,233,542	17,680,102
		647,235,780	781,124,587	388,903,307	501,981,693
Total assets		1,692,956,989	1,859,593,929	1,409,336,677	1,525,657,491
EQUITY AND LIABILITIES					
Equity attributable to owners of the controlling company					
Called-up capital		52,240,977	52,240,977	52,240,977	52,240,977
Capital surplus		80,991,385	80,991,385	80,991,385	80,991,385
Legal reserves		61,987,955	61,987,955	61,749,884	61,749,884
Reserves for own shares		4,708,359	4,708,359	4,708,359	4,708,359
Own shares		(4,708,359)	(4,708,359)	(2,604,670)	(2,604,670)
Other revenue reserves		302,386,655	314,675,779	324,002,344	339,100,447
Fair value reserve		(894,548)	(894,548)	39,489,924	39,489,924
Hedging reserve		(4,454,076)	(4,089,455)	(4,071,853)	(3,897,907)
Foreign exchange differences		(9,446,898)	(5,994,856)	-	-
Retained earnings		275,372,432	271,904,940	16,350,108	30,124,614
		758,183,882	770,822,177	572,856,458	601,903,014
Non-controlling interest		36,739,268	40,430,080	-	-
Total equity		794,923,150	811,252,257	572,856,458	601,903,014
Non-current liabilities					
Provisions for employee post-employment and other long-term benefits		8,885,544	8,889,711	8,025,061	8,025,061
Other provisions		28,287,936	25,708,967	14,385,900	9,301,799
Long-term deferred revenue		32,778,560	25,027,245	27,840,356	20,463,854
Financial liabilities	23	269,746,784	287,757,788	248,987,161	282,126,997
Long-term lease liabilities	24	55,744,898	62,893,671	28,568,586	31,307,247
Operating liabilities		792,582	942,817	792,582	792,582
Deferred tax liabilities		3,211,012	2,841,976	0	0
		399,447,316	414,062,175	328,599,645	352,017,540
Current liabilities					
Financial liabilities	23	37,551,458	38,983,796	151,146,438	104,221,462
Current lease liabilities	24	8,712,473	9,718,871	3,227,791	3,500,072
Operating liabilities	25	419,542,806	552,151,273	335,655,712	439,518,379
Corporate income tax liabilities		1,846,940	1,243,357	0	0
Contract liabilities	26	14,065,971	15,921,631	8,496,403	13,522,977
Other liabilities	27	16,866,875	16,260,569	9,354,230	10,974,048
		498,586,523	634,279,497	507,880,574	571,736,937
Total liabilities		898,033,839	1,048,341,672	836,480,219	923,754,477
Total equity and liabilities		1,692,956,989	1,859,593,929	1,409,336,677	1,525,657,491

Accounting policies and notes are an integral part of these financial statements and should be read in conjunction with them.

Statement of changes in equity of the Petrol Group

(in EUR)	Called-up capital	Capital surplus	Revenue reserves				Fair value reserve	Hedging reserve	Foreign exchange differences	Retained earnings	Equity attributable to owners of the controlling company	Non-controlling interest	Total
			Legal reserves	Reserves for own shares	Own shares	Other revenue reserves							
As at 31 December 2018	52,240,977	80,991,385	61,987,955	4,708,359	(4,708,359)	269,059,392	(512,238)	(749,275)	(5,246,866)	257,220,109	714,991,439	32,486,625	747,478,064
Adjustment on adoption of IFRS 16											0		0
As at 1 January 2019	52,240,977	80,991,385	61,987,955	4,708,359	(4,708,359)	269,059,392	(512,238)	(749,275)	(5,246,866)	257,220,109	714,991,439	32,486,625	747,478,064
Dividend payments for 2018										(37,000,404)	(37,000,404)		(37,000,404)
Transfer of retained earnings to other reserves						20,243,704				(20,243,704)	0		0
Increase/(decrease) in non-controlling interest						(6,025,851)	(346,705)				(6,372,556)	5,192,345	(1,180,211)
Transactions with owners	0	0	0	0	0	14,217,853	(346,705)	0	0	(57,244,108)	(43,372,960)	5,192,345	(38,180,615)
Net profit for the period										78,168,593	78,168,593	1,904,547	80,073,140
Other changes in other comprehensive income								(5,078,797)	333,432		(4,745,365)	24,606	(4,720,759)
Total changes in total comprehensive income	0	0	0	0	0	0	0	(5,078,797)	333,432	78,168,593	73,423,228	1,929,153	75,352,381
As at 30 September 2019	52,240,977	80,991,385	61,987,955	4,708,359	(4,708,359)	283,277,245	(858,943)	(5,828,072)	(4,913,434)	278,144,594	745,041,707	39,608,123	784,649,830
As at 1 January 2020	52,240,977	80,991,385	61,987,955	4,708,359	(4,708,359)	314,675,779	(894,548)	(4,089,455)	(5,994,856)	271,904,940	770,822,177	40,430,080	811,252,257
Dividend payments for 2019						(15,098,103)				(30,124,614)	(45,222,717)		(45,222,717)
Transfer of retained earnings to other reserves						5,491,372				(5,491,372)	0		0
Increase/(decrease) in non-controlling interest						(2,682,393)					(2,682,393)	(5,144,986)	(7,827,379)
Transactions with owners	0	0	0	0	0	(12,289,124)	0	0	0	(35,615,986)	(47,905,110)	(5,144,986)	(53,050,096)
Net profit for the period										39,083,478	39,083,478	1,427,442	40,510,920
Other changes in other comprehensive income								(364,621)	(3,452,042)		(3,816,663)	26,732	(3,789,931)
Total changes in total comprehensive income	0	0	0	0	0	0	0	(364,621)	(3,452,042)	39,083,478	35,266,815	1,454,174	36,720,989
As at 30 September 2020	52,240,977	80,991,385	61,987,955	4,708,359	(4,708,359)	302,386,655	(894,548)	(4,454,076)	(9,446,898)	275,372,432	758,183,882	36,739,268	794,923,150

Accounting policies and notes are an integral part of these financial statements and should be read in conjunction with them.

Statement of changes in equity of Petrol d.d., Ljubljana

(in EUR)	Called-up capital	Capital surplus	Revenue reserves				Fair value reserve	Hedging reserve	Retained earnings	Total
			Legal reserves	Reserves for own shares	Own shares	Other revenue reserves				
As at 31 December 2018	52,240,977	80,991,385	61,749,884	4,708,359	(2,604,670)	295,680,118	39,525,529	(621,084)	50,296,118	581,966,615
Adjustment on adoption of IFRS 16										0
As at 1 January 2019	52,240,977	80,991,385	61,749,884	4,708,359	(2,604,670)	295,680,118	39,525,529	(621,084)	50,296,118	581,966,615
Dividend payments for 2018									(37,000,404)	(37,000,404)
Transfer of retained earnings to other reserves						13,295,714			(13,295,714)	0
Transactions with owners	0	0	0	0	0	13,295,714	0	0	(50,296,118)	(37,000,404)
Net profit for the period									47,793,746	47,793,746
Other changes in comprehensive income								(4,854,931)		(4,854,931)
Total changes in total comprehensive income	0	0	0	0	0	0	0	(4,854,931)	47,793,746	42,938,815
As at 30 September 2019	52,240,977	80,991,385	61,749,884	4,708,359	(2,604,670)	308,975,832	39,525,529	(5,476,015)	47,793,746	587,905,027
As at 1 January 2020	52,240,977	80,991,385	61,749,884	4,708,359	(2,604,670)	339,100,447	39,489,924	(3,897,907)	30,124,614	601,903,014
Dividend payments for 2019						(15,098,103)			(30,124,614)	(45,222,717)
Transactions with owners	0	0	0	0	0	(15,098,103)	0	0	(30,124,614)	(45,222,717)
Net profit for the period									16,350,108	16,350,108
Other changes in other comprehensive income								(173,947)		(173,947)
Total changes in total comprehensive income	0	0	0	0	0	0	0	(173,947)	16,350,108	16,176,161
As at 30 September 2020	52,240,977	80,991,385	61,749,884	4,708,359	(2,604,670)	324,002,345	39,489,924	(4,071,853)	16,350,108	572,856,458

Accounting policies and notes are an integral part of these financial statements and should be read in conjunction with them.

Cash flow statement of the Petrol Group and Petrol d.d., Ljubljana

(in EUR)	Note	The Petrol Group		Petrol d.d.	
		1-9 2020	1-9 2019	1-9 2020	1-9 2019
Cash flows from operating activities					
Net profit		40,510,920	80,073,140	16,350,108	47,793,746
Adjustment for:					
Corporate income tax		11,175,365	17,801,053	3,442,711	10,419,550
Depreciation of property, plant and equipment and of investment property	6	47,490,382	43,126,431	28,918,659	27,303,107
Amortisation of intangible assets	6	8,785,849	7,131,173	6,279,754	6,192,396
(Gain)/loss on disposal of property, plant and equipment	2, 7	(743,099)	(338,181)	(624,226)	(278,737)
Impairment, write-down/(reversed impairment) of assets		9,775,863	0	0	0
Revenue from assets under management		(48,971)	(48,926)	(48,971)	(48,926)
Net (decrease in)/creation of provisions for long-term employee benefits		0	(6,563)	0	0
Net (decrease in)/creation of other provisions and long-term deferred revenue		10,376,984	(1,706,537)	12,460,602	830,495
Net goods surpluses		1,153,896	(2,548,170)	263,715	(1,592,043)
Net (decrease in)/creation of allowance for receivables	9	2,814,050	(1,022,782)	271,216	(331,906)
Net finance (income)/expense	9	4,212,398	6,771,348	3,590,007	6,264,948
Impairment of investments	9	948,705	942,130	3,996,530	942,130
Share of profit of jointly controlled entities		(107,330)	(132,970)	-	-
Share of profit of associates		(726,077)	(575,878)	-	-
Finance income from dividends received from subsidiaries		-	-	(2,099,057)	(756,521)
Finance income from dividends received from joint controlled entities		-	-	(172,934)	(150,000)
Finance income from dividends received from associates		-	-	(1,099,358)	(1,204,194)
Cash flow from operating activities before the changes in working capital		135,618,935	149,465,268	71,528,757	95,384,045
Net (decrease in)/creation of other liabilities	27	688,496	(7,551,838)	(1,619,818)	(340,270)
Net decrease in/(creation of) other assets	22	(2,904,601)	1,683,106	(3,484,486)	(440,170)
Change in inventories	18	10,305,269	(22,360,016)	37,438,881	(8,908,484)
Change in operating and other receivables and contract assets	20	144,528,336	95,959,729	85,073,523	90,057,023
Change in operating and other liabilities and contract liabilities	25, 26	(126,501,508)	(14,224,321)	(100,205,241)	(15,280,905)
Cash generated from operating activities		161,734,927	202,971,928	88,731,616	160,471,239
Interest paid	9	(6,189,749)	(12,116,240)	(5,393,420)	(10,843,861)
Taxes paid		(10,759,212)	(22,255,470)	(3,597,325)	(18,908,939)
Net cash from (used in) operating activities		144,785,966	168,600,218	79,740,870	130,718,439
Cash flows from investing activities					
Payments for investments in subsidiaries	14	(10,830,964)	(947,038)	(11,298,461)	(16,579,882)
Receipts from investments in subsidiaries	14	116,875	0	0	0
Payments for investments in jointly controlled entities	15	0	(64,190)	0	(64,190)
Payments for investments in associates	16	0	(2,575,000)	0	(2,575,000)
Receipts from investments in associates	16	753,977	0	753,977	0
Receipts from intangible assets	11	18,095	186,305	18,095	186,305
Payments for intangible assets	11	(5,778,255)	(5,859,314)	(4,478,399)	(4,974,845)
Receipts from property, plant and equipment	12	1,721,079	2,938,624	811,739	2,509,840
Payments for property, plant and equipment	12	(43,728,172)	(98,141,436)	(30,388,806)	(53,268,522)
Receipts from investment property		241,532	206,687	241,532	206,687
Receipts from financial assets at fair value through other comprehensive income	17	419,612	5,208,928	419,612	83,928
Receipts from loans granted	19	10,591,746	3,151,652	30,096,341	21,468,429
Payments for loans granted	19	(4,975,400)	(4,393,920)	(34,538,696)	(28,891,528)
Interest received	9	2,478,887	2,827,637	1,945,372	1,580,300
Dividends received from subsidiaries		-	-	2,099,057	756,521
Dividends received from jointly controlled entities		172,934	150,000	172,934	150,000
Dividends received from associates		1,099,358	1,204,194	1,099,358	1,204,194
Dividends received from others		110,000	207,717	0	97,716
Net cash from (used in) investing activities		(47,588,696)	(95,899,154)	(43,046,346)	(78,110,047)
Cash flows from financing activities					
Payments for bonds issued	23	0	(203,524,000)	0	(203,524,000)
	24	(7,243,481)	(2,315,725)	(2,628,999)	(271,957)
Proceeds from borrowings	23	678,229,392	432,522,535	901,560,340	704,642,932
Repayment of borrowings	23	(697,248,144)	(221,597,154)	(887,848,522)	(476,890,350)
Dividends paid to shareholders		(45,223,903)	(37,001,292)	(45,223,903)	(37,001,292)
Net cash from (used in) financing activities		(71,486,136)	(31,915,636)	(34,141,084)	(13,044,667)
Increase/(decrease) in cash and cash equivalents		25,711,134	40,785,428	2,553,440	39,563,725
Changes in cash and cash equivalents					
At the beginning of the year		41,730,269	58,740,743	17,680,102	28,986,973
Foreign exchange differences		(211,653)	32,738	-	-
Increase/(decrease)		25,711,134	40,785,428	2,553,440	39,563,725
At the end of the period		67,229,750	99,558,909	20,233,542	68,550,698

Accounting policies and notes are an integral part of these financial statements and should be read in conjunction with them.

Notes to the financial statements

Reporting entity

Petrol d.d., Ljubljana (hereinafter the “Company”) is a company domiciled in Slovenia. Its registered office is at Dunajska cesta 50, 1527 Ljubljana. Below we present consolidated financial statements of the Group for the period ended 30 September 2020 and separate financial statements of the company Petrol d.d., Ljubljana for the period ended 30 September 2020. The consolidated financial statements comprise the Company and its subsidiaries as well as the Group’s interests in associates and jointly controlled entities (together referred to as the “Group”). A more detailed overview of the Group's structure is presented in the chapter *Organisational structure of the Petrol Group*.

Basis of preparation

a. Statement of compliance

The Company’s management approved the Company's financial statements and the Group's consolidated financial statements on 12 November 2020.

The financial statements of Petrol d.d., Ljubljana and consolidated financial statements of the Petrol Group have been prepared in accordance with IAS 34 – Interim financial reporting and should be read in conjunction with the Group’s annual financial statements as at 31 December 2019.

The financial statements for the period from January – September 2020 are prepared based on the same accounting policies used for the preparation of financial statements for the year ended 31 December 2019.

b. Basis of measurement

The Group’s and the Company’s financial statements have been prepared on the historical cost basis except for the financial instruments that are carried at fair value or amortised cost.

c. Functional and presentation currency

These financial statements are presented in euros (EUR) without cents, the euro also being the Company’s functional currency. Due to rounding, some immaterial differences may arise as concerns the sums presented in tables.

d. Use of estimates and judgements

The preparation of the financial statements requires management to make estimates and judgements based on the assumptions used and reviewed that affect the reported amounts of assets, liabilities, revenue and expenses. How the estimates are produced and the related assumptions and uncertainties is disclosed in the notes to individual items.

The estimates, judgements and assumptions are reviewed on a regular basis. Because estimates are subject to subjective judgments and a degree of uncertainty, actual results might differ from the estimates. Changes in accounting estimates, judgements and assumptions are recognised in the period in which the estimates are changed if a change affects that period only. If the change affects future periods, they are recognised in the period of the change and in any future periods.

Estimates and assumptions are mainly used in the following judgements:

- leases:
 - identifying a lease,
 - determining the lease term,
 - determining the discount rate,
- revenue from contracts with customers:
 - treatment of excise duty when selling petroleum products,
 - determining the timing of satisfaction of performance obligations,
 - sale in the name and for the account of third parties,
 - determining whether the loyalty points provide additional benefits to customers,
- business combinations:
 - defining a business combination,
 - net asset value recognition date,
 - estimating the fair value of net assets,
- estimating the useful lives of depreciable assets,
- assets impairment testing,
- estimating of the fair value of assets,
- estimating of the influence in jointly controlled entities,
- estimate of provisions for litigation,
- estimate of provisions for employee post-employment and other long-term benefits,
- assessing the possibility of using deferred tax assets.

e. Changes of financial statement presentation

In 2019 the Group/Company changed the presentation of certain items in the statement of profit and loss to ensure better presentation and the comparability of the financial statements with those of other companies in the industry. Because of the change's impact the Group adjusted certain items in the statement of profit and loss for the period of 1 January to 30 September 2019 as reported in the Report of the operations of the Petrol Group and the company Petrol d.d., Ljubljana in the first nine months of 2019 on 15 November 2019, as described in the table below:

Change of accounting policies for the treatment of commodity forward contracts, and change of presentation of revenue from the sale of petroleum products and of the cost of goods sold, of gain/loss on commodity derivatives, and of the reversal of other provisions and other liabilities, concerning the Group, in the period 1 January to 30 September 2019

(in EUR)	The Petrol Group					
	1-9 2019 Adjusted	Change in accounting policies - treatment of	Change of presentation			1-9 2018 Published
			Commodity derivatives	Sales revenue of petroleum products	Reversal of other provisions and other liabilities	
Sales revenue	3,269,018,349	(74,185,181)	-	(851,563,238)	-	4,194,766,768
- of which excise duty	0	-	-	(851,563,238)	-	851,563,238
Cost of goods sold	(2,923,166,508)	57,426,287	-	851,563,238	-	(3,832,156,033)
Operating costs	(248,132,172)	0	0	0	3,999,948	(252,132,120)
Other income	62,747,583	16,758,894	39,180,611	-	(3,999,948)	10,808,026
Other expenses	(58,045,129)	-	(57,871,285)	-	-	(173,844)
Operating profit	102,422,123	0	(18,690,674)	0	0	121,112,797
Share of profit or loss of equity accounted investees	708,848	-	-	-	-	708,848
Finance income from dividends paid by subsidiaries, associates and jointly	-	-	-	-	-	-
Other finance income	27,682,485	-	(39,180,611)	-	-	66,863,096
Other finance expenses	(32,939,263)	-	57,871,285	-	-	(90,810,548)
Net finance expense	(5,256,778)	0	18,690,674	0	0	(23,947,452)
Profit before tax	97,874,193	0	0	0	0	97,874,193

Change of accounting policies for the treatment of commodity forward contracts, and change of presentation of revenue from the sale of petroleum products and of the cost of goods sold, of gain/loss on commodity derivatives, and of the reversal of other provisions and other liabilities, concerning the Company, in the period 1 January to 30 September 2019

(in EUR)	Petrol d.d.					
	1-9 2019 Adjusted	Change in accounting policies - treatment of commodity	Change of presentation			1-9 2018 Published
			Commodity derivatives	Sales revenue of petroleum products	Reversal of other provisions and other liabilities	
Sales revenue	2,660,629,127	(71,593,885)	-	(548,235,900)	-	3,280,458,912
- of which excise duty	0	-	-	(548,235,900)	-	548,235,900
Cost of goods sold	(2,402,872,901)	56,866,101	-	548,235,900	-	(3,007,974,902)
Operating costs	(194,281,531)	0	0	0	0	(194,281,531)
Other income	56,565,601	14,727,784	39,618,418	-	-	2,219,399
Other expenses	(58,646,860)	-	(58,631,729)	-	-	(15,131)
Operating profit	61,393,436	0	(19,013,311)	0	0	80,406,747
Share of profit or loss of equity accounted investees subsidiaries, associates and jointly controlled entities	2,110,715	-	-	-	-	2,110,715
Other finance income	24,265,920	-	(39,618,418)	-	-	63,884,338
Other finance expenses	(29,556,775)	-	58,631,729	-	-	(88,188,504)
Net finance expense	(5,290,855)	0	19,013,311	0	0	(24,304,166)
Profit before tax	58,213,296	0	0	0	0	58,213,296

Notes to individual items in the financial statements

1. Segment reporting

In view of the fact that the financial report consists of the financial statements and accompanying notes of both the Group and the Company, only the Group's operating segments are disclosed.

An operating segment is a component of the Group that engages in business activities from which it earns revenues and incurs expenses that relate to transactions with any of the Group's other components. The operating results of operating segments are reviewed regularly by the management to make decisions about resources to be allocated to a segment and assess the Group's performance.

The management monitors information on two levels: on the micro level, in which case individual units are monitored, and on the macro level, where information is monitored only in terms of certain key information that can be used to make comparisons with similar companies in Europe. Given the substantial amount of information and their sensitivity on the micro level, the Group only discloses macro-level information in its annual report.

The Group thus uses the following segments in the preparation and presentation of the financial statements:

- sales,
- energy and environmental services and production.

Sales consist of:

- sales of petroleum products,
- sales of merchandise and services,
- sales of liquefied petroleum gas (LPG),
- sales of and trading in electricity,
- sales of natural gas,
- mobility.

Energy and environmental services and production consist of:

- energy and environmental solutions for the public and the commercial sector,
- energy solutions and industry and apartment buildings,
- heat systems,
- distribution of natural gas,
- production of electricity from renewable sources.

The Group's operating segments in the period 1 January - 30 September 2019:

(in EUR)	Sales	Energy and Environmental Solutions and Production	Total	Statement of profit or loss/ Statement of financial position
Sales revenue	3,576,543,661	49,100,115	3,625,643,776	
Revenue from subsidiaries	(356,589,430)	(35,997)	(356,625,427)	
Sales revenue	3,219,954,231	49,064,118	3,269,018,349	3,269,018,349
Net profit for the period	73,319,686	6,753,454	80,073,140	80,073,140
Interest income*	2,066,822	775,398	2,842,220	2,842,220
Interest expense*	(6,407,819)	(2,403,985)	(8,811,804)	(8,811,804)
Depreciation of property, plant and equipment, amortisation of intangible assets, depreciation of investment property and depreciation of right to use of lease assets	(38,108,163)	(12,149,441)	(50,257,604)	(50,257,604)
Share of profit or loss of equity accounted investees	0	708,848	708,848	708,848
Total assets	1,534,640,000	289,846,815	1,824,486,815	1,824,486,815
Equity accounted investees	0	53,612,823	53,612,823	53,612,823
Property, plant and equipment, intangible assets, investment property and right to use of lease assets	748,592,888	227,232,558	975,825,446	975,825,446
Other assets	786,047,112	9,001,434	795,048,546	795,048,546
Current and non-current operating, financial and lease liabilities	794,533,820	150,063,270	944,597,090	944,597,090

*Interest income and expenses are estimated based on a segment's share of investments and assets in total investments and assets.

The Group's operating segments in the period 1 January - 30 September 2020:

(in EUR)	Sales	Energy and Environmental Solutions and Production	Total	Statement of profit or loss/ Statement of financial position
Sales revenue	2,492,721,911	46,208,069	2,538,929,980	
Revenue from subsidiaries	(247,227,224)	(35,620)	(247,262,844)	
Sales revenue	2,245,494,687	46,172,449	2,291,667,136	2,291,667,136
Net profit for the period	35,251,318	5,259,602	40,510,920	40,510,920
Interest income*	1,863,134	540,446	2,403,580	2,403,580
Interest expense*	(4,774,119)	(1,384,847)	(6,158,966)	(6,158,966)
Depreciation of property, plant and equipment, amortisation of intangible assets, depreciation of investment property and depreciation of right to use of lease assets	(42,164,642)	(14,111,589)	(56,276,231)	(56,276,231)
Share of profit or loss of equity accounted investees	0	833,407	833,407	833,407
Total assets	1,451,229,875	241,727,114	1,692,956,989	1,692,956,989
Equity accounted investees	0	54,060,892	54,060,892	54,060,892
Property, plant and equipment, intangible assets, investment property and right to use of lease assets	791,000,063	175,387,609	966,387,672	966,387,672
Other assets	660,229,812	12,278,613	672,508,425	672,508,425
Current and non-current operating, financial and lease liabilities	678,993,106	113,097,895	792,091,001	792,091,001

*Interest income and expenses are estimated based on a segment's share of investments and assets in total investments and assets.

2. Other revenue

(in EUR)	The Petrol Group		Petrol d.d.	
	1-9 2020	1-9 2019	1-9 2020	1-9 2019
Profit on derivative financial instruments	68,726,467	55,939,505	68,610,841	54,346,202
Gain on disposal of fixed assets	836,269	385,747	712,833	319,184
received	107,130	203,551	71,391	141,407
Compensation received from insurance companies	54,584	48,651	14,771	23,489
Utilisation of environmental provisions	10,088	451,820	10,088	451,820
Other revenue	3,071,185	5,718,309	2,080,983	1,283,499
Total other revenue	72,805,723	62,747,583	71,500,907	56,565,601

3. Costs of material

(in EUR)	The Petrol Group		Petrol d.d.	
	1-9 2020	1-9 2019	1-9 2020	1-9 2019
Costs of energy	13,718,622	14,710,501	12,001,739	12,724,753
Costs of consumables	4,990,823	4,784,612	4,003,418	3,895,117
Write-off of small tools	106,615	234,697	66,187	58,964
Other costs of materials	496,878	570,709	285,094	343,550
Total costs of materials	19,312,938	20,300,519	16,356,438	17,022,384

4. Costs of services

(in EUR)	The Petrol Group		Petrol d.d.	
	1-9 2020	1-9 2019	1-9 2020	1-9 2019
Costs of service station managers	26,884,139	26,014,125	26,884,139	26,014,125
Costs of transport services	21,692,471	22,357,689	18,112,912	18,826,974
Costs of fixed-asset maintenance services	15,133,991	14,431,759	11,660,366	11,475,022
Costs of payment transactions and bank services	7,225,438	7,907,635	5,196,521	6,049,527
Costs of professional services	6,584,055	6,634,654	5,547,728	5,742,011
Costs of fairs, advertising and entertainment	3,186,213	4,980,109	1,771,635	3,078,379
Costs of insurance premiums	3,022,885	3,036,266	1,791,101	1,894,955
Lease payments	2,984,873	2,011,025	2,102,823	2,558,454
Outsourcing costs	2,947,141	3,823,104	2,486,221	3,639,871
Costs of fire protection and physical and technical security	1,395,174	1,280,105	1,100,047	1,061,214
Costs of environmental protection services	1,389,858	1,342,554	1,020,547	833,898
Property management	1,066,359	1,125,370	1,010,856	1,013,554
Membership fees	665,174	331,665	243,154	200,060
Reimbursement of work-related costs to employees	645,830	1,141,976	375,228	679,392
Other costs of services	2,591,987	2,716,312	1,564,330	1,708,005
Total costs of services	97,415,588	99,134,348	80,867,608	84,775,441

Lease expenses

(in EUR)	The Petrol Group		Petrol d.d.	
	1-9 2020	1-9 2019	1-9 2020	1-9 2019
Depreciation of right-of-use assets	7,987,906	8,598,934	3,023,221	3,703,580
Finance expenses	1,924,659	3,313,848	1,014,319	2,130,268
Lease expenses	2,984,873	2,011,025	2,102,823	2,558,454
Total recognised costs/expenses	12,897,438	13,923,807	6,140,363	8,392,302

5. Labour costs

(in EUR)	The Petrol Group		Petrol d.d.	
	1-9 2020	1-9 2019	1-9 2020	1-9 2019
Salaries	55,060,690	54,423,046	39,841,102	39,111,310
Costs of pension insurance	4,530,660	4,520,142	3,470,141	3,641,359
Costs of other social insurance	4,673,094	4,938,501	3,130,989	3,014,909
Annual leave allowance	2,271,910	2,110,509	1,892,638	1,688,012
Transport allowance	2,345,429	2,484,242	1,419,088	1,584,668
Meal allowance	2,124,871	1,965,366	1,679,807	1,542,258
Supplementary pension insurance	1,103,370	1,023,198	1,058,174	980,068
Other allowances and reimbursements	3,416,475	1,443,893	1,976,220	962,014
Total labour costs	75,526,499	72,908,897	54,468,159	52,524,598

Making use of measures taken by countries to contain the COVID-19 epidemic

In line with the measures taken by countries to contain the COVID-19 epidemic, the Group made use of measures relating to the reimbursement of labour costs of EUR 4,713,845, recording their effects as a decrease in labour costs.

In accordance with the Act Determining the Intervention Measures to Contain the COVID-19 Epidemic, the Group made use of a partial exemption from the payment of contributions for pension and disability insurance totalling EUR 2,366,918, recording the exemption as a decrease in the costs of pension and other social insurance.

6. Depreciation and amortisation

(in EUR)	The Petrol Group		Petrol d.d.	
	1-9 2020	1-9 2019	1-9 2020	1-9 2019
Amortisation of intangible assets	8,785,849	7,131,173	6,279,754	6,192,396
Depreciation of property, plant and equipment	38,626,932	33,665,584	25,046,950	22,764,669
Depreciation of right to use of leased assets	7,987,906	8,598,934	3,023,221	3,703,580
Depreciation of investment property	875,544	861,913	848,489	834,858
Total depreciation and amortisation	56,276,231	50,257,604	35,198,413	33,495,503

7. Other costs

(in EUR)	The Petrol Group		Petrol d.d.	
	1-9 2020	1-9 2019	1-9 2020	1-9 2019
Environmental charges and charges unrelated to operations	5,190,558	6,057,128	3,540,341	3,675,602
Sponsorships and donations	1,113,925	2,240,107	941,689	2,127,331
Disposals/impairment of assets	9,869,033	47,864	88,608	40,447
Other costs	5,578,734	1,185,653	5,215,265	620,226
Reversal of other provision and other liabilities	(2,321,803)	(3,999,948)	0	0
Total other costs	19,430,447	5,530,804	9,785,903	6,463,606

8. Other expenses

(in EUR)	The Petrol Group		Petrol d.d.	
	1-9 2020	1-9 2019	1-9 2020	1-9 2019
Loss on derivative financial instruments	48,438,831	57,871,285	49,883,651	58,631,729
Other expenses	211,738	173,844	31,195	15,131
Total other expenses	48,650,569	58,045,129	49,914,846	58,646,860

9. Other financial income and expenses

(in EUR)	The Petrol Group		Petrol d.d.	
	1-9 2020	1-9 2019	1-9 2020	1-9 2019
Foreign exchange differences	16,827,257	15,206,040	11,684,484	13,633,609
Gain on derivatives	2,222,305	7,734,224	2,222,305	7,734,224
Interest income	2,403,580	2,842,220	2,230,676	1,961,432
Loss allowances for receivables reversed and bad debt recovered	370,249	1,372,383	319,003	331,906
Other finance income	112,948	527,618	0	604,749
Total other finance income	21,936,339	27,682,485	16,456,468	24,265,920
Foreign exchange differences	(16,045,567)	(18,838,627)	(10,598,077)	(17,215,261)
Interest expense	(6,158,966)	(8,811,804)	(5,331,185)	(7,845,266)
Allowance for operating receivables	(3,184,299)	(349,601)	(590,219)	0
Impairment of investments and of goodwill	(948,705)	(942,130)	(3,996,530)	(942,130)
Loss on derivatives	(2,294,297)	(2,667,719)	(2,294,297)	(2,568,255)
Other finance expenses	(569,960)	(1,329,382)	(489,498)	(985,863)
Total other finance expenses	(29,201,794)	(32,939,263)	(23,299,806)	(29,556,775)
Net finance expense	(7,265,455)	(5,256,778)	(6,843,339)	(5,290,855)

10. Earnings per share

(in EUR)	The Petrol Group		Petrol d.d.	
	30 September 2020	30 September 2019	30 September 2020	30 September 2019
Net profit (in EUR)	40,510,920	80,073,140	16,350,108	47,793,746
Number of shares issued	2,086,301	2,086,301	2,086,301	2,086,301
Number of own shares at the beginning of the period	30,723	30,723	24,703	24,703
Number of own shares at the end of the period	30,723	30,723	24,703	24,703
Weighted average number of ordinary shares issued	2,055,578	2,055,578	2,061,598	2,061,598
Diluted average number of ordinary shares	2,055,578	2,055,578	2,061,598	2,061,598
Basic and diluted earnings per share (EUR/share)	19.71	38.95	7.93	23.18

Basic earnings per share are calculated by dividing the owners' net profit by the weighted average number of ordinary shares, excluding ordinary shares owned by the Company. The Group and the Company have no potential dilutive ordinary shares, so the basic and diluted earnings per share are identical.

11. Intangible assets

Intangible assets of the Petrol Group

(in EUR)	Material and other rights	Right to use concession infrastructure	Goodwill	Ongoing investments	Long-term deferred expenses	Total
Cost						
As at 1 January 2019	32.430.709	110.894.186	108.042.233	3.141.403	148.628	254.657.159
New acquisitions	0	39.241	0	5.670.871	149.202	5.859.314
Disposals/Impairments	(249.503)	(385.482)	0	0	0	(634.985)
Transfer between asset categories	1.271	2.167.293	0	151.235	(1.002)	2.318.797
Transfer from ongoing investments	1.228.762	905.678	0	(2.134.440)	0	0
Foreign exchange differences	634	1.469	3.127	114	0	5.344
As at 30 September 2019	33.411.873	113.622.385	108.045.360	6.829.183	296.828	262.205.629
Accumulated amortisation						
As at 1 January 2019	(19.001.884)	(47.584.413)	0	0	0	(66.586.297)
Amortisation	(3.594.256)	(3.536.917)	0	0	0	(7.131.173)
Disposals/Impairments	63.198	385.482	0	0	0	448.680
Transfer between asset categories	(1.271)	(929.711)	0	0	0	(930.982)
Foreign exchange differences	(542)	(694)	0	0	0	(1.236)
As at 30 September 2019	(22.534.755)	(51.666.253)	0	0	0	(74.201.008)
Net carrying amount as at 1 January 2019	13.428.825	63.309.773	108.042.233	3.141.403	148.628	188.070.862
Net carrying amount as at 30 September 2019	10.877.118	61.956.132	108.045.360	6.829.183	296.828	188.004.621
Cost						
As at 1 January 2020	43.386.512	117.831.441	107.629.738	7.406.707	223.915	276.478.313
New acquisitions	524.526	22.108	0	5.612.902	26.337	6.185.873
Disposals/Impairments	0	(3.432)	(56.610)	0	(17.143)	(77.185)
Transfer between asset categories	600.161	768.616	0	87.879	0	1.456.656
Transfer from ongoing investments	4.359.939	2.627.503	0	(6.987.442)	0	0
Foreign exchange differences	(88.318)	(112.014)	(234.766)	(2.934)	0	(438.032)
As at 30 September 2020	48.782.820	121.134.222	107.338.362	6.117.112	233.109	283.605.625
Accumulated amortisation						
As at 1 January 2020	(24.490.228)	(54.248.690)	(8.847)	0	0	(78.747.765)
Amortisation	(4.970.152)	(3.811.760)	(3.937)	0	0	(8.785.849)
Disposals/Impairments	0	2.480	0	0	0	2.480
Transfer between asset categories	(323.106)	(547.425)	0	0	0	(870.531)
Foreign exchange differences	767	39.353	130	0	0	40.250
As at 30 September 2020	(29.782.719)	(58.566.042)	(12.654)	0	0	(88.361.415)
Net carrying amount as at 1 January 2020	18.896.284	63.582.751	107.620.891	7.406.707	223.915	197.730.548
Net carrying amount as at 30 September 2020	19.000.101	62.568.180	107.325.708	6.117.112	233.109	195.244.210

Intangible assets of Petrol d.d., Ljubljana

(in EUR)	Material and other rights	Right to use concession infrastructure	Goodwill	Ongoing investments	Long-term deferred expenses	Total
Cost						
As at 1 January 2019	30,989,916	101,925,472	87,712,518	2,481,083	148,626	223,257,615
New acquisitions	0	297	0	4,825,330	149,204	4,974,832
Disposals/Impairments	(248,407)	0	0	0	0	(248,407)
Transfer between asset categories	1,271	2,167,293	0	151,235	(1,002)	2,318,797
Transfer from ongoing investments	1,223,903	317,177	0	(1,541,081)	0	0
As at 30 September 2019	31,966,683	104,410,239	87,712,518	5,916,567	296,829	230,302,836
Accumulated amortisation						
As at 1 January 2019	(18,613,326)	(43,570,344)	0	0	0	(62,183,670)
Amortisation	(3,249,274)	(2,943,121)	0	0	0	(6,192,396)
Disposals/Impairments	62,102	0	0	0	0	62,102
Transfer between asset categories	(1,271)	(929,711)	0	0	0	(930,982)
As at 30 September 2019	(21,801,769)	(47,443,176)	0	0	0	(69,244,946)
Net carrying amount as at 1 January 2019	12,376,590	58,355,128	87,712,518	2,481,083	148,626	161,073,945
Net carrying amount as at 30 September 2019	10,164,913	56,967,064	87,712,518	5,916,567	296,829	161,057,892
Cost						
As at 1 January 2020	34,712,923	107,489,063	87,712,518	6,731,484	223,915	236,869,903
New acquisitions	0	0	0	4,452,062	26,337	4,478,399
Disposals/Impairments	0	(3,432)	0	0	(17,143)	(20,575)
Transfer between asset categories	0	1,368,777	0	72,736	0	1,441,513
Transfer from ongoing investments	4,323,228	2,329,846	0	(6,653,075)	0	0
As at 30 September 2020	39,036,151	111,184,254	87,712,518	4,603,207	233,109	242,769,240
Accumulated amortisation						
As at 1 January 2020	(23,007,066)	(49,879,553)	0	0	0	(72,886,619)
Amortisation	(3,125,529)	(3,154,225)	0	0	0	(6,279,754)
Disposals/Impairments	0	2,480	0	0	0	2,480
Transfer between asset categories	0	(870,531)	0	0	0	(870,531)
As at 30 September 2020	(26,132,596)	(53,901,829)	0	0	0	(80,034,424)
Net carrying amount as at 1 January 2020	11,705,857	57,609,510	87,712,518	6,731,484	223,915	163,983,284
Net carrying amount as at 30 September 2020	12,903,556	57,282,426	87,712,518	4,603,206	233,109	162,734,816

12. Right to use of leased assets

Right to use of leased assets of the Petrol Group

(in EUR)	Right of use of leased land	Right of use of leased buildings	Right of use of leased equipment	Total
Cost				
As at 31 December 2018	0	0	0	0
Adjustment on adoption of IFRS 16	44,572,353	30,568,609	4,445,624	79,586,586
As at 1 January 2019	44,572,353	30,568,609	4,445,624	79,586,586
New acquisitions	0	1,968,087	347,638	2,315,725
As at 30 September 2019	44,572,353	32,536,696	4,793,262	81,902,311
Accumulated depreciation				
As at 1 January 2019	0	0	0	0
Depreciation	(2,996,534)	(4,344,535)	(1,257,865)	(8,598,934)
As at 30 September 2019	(2,996,534)	(4,344,535)	(1,257,865)	(8,598,934)
Net carrying amount as at 1 January 2019	44,572,353	30,568,609	4,445,624	79,586,586
Net carrying amount as at 30 September 2019	41,575,819	28,192,161	3,535,397	73,303,377
(in EUR)	Right of use of leased land	Right of use of leased buildings	Right of use of leased equipment	Total
Cost				
As at 1 January 2020	44,524,592	32,711,406	5,099,421	82,335,419
New acquisitions	7,127,485	4,648,966	130,067	11,906,518
Disposals	(9,061,170)	(4,860,017)	(146,560)	(14,067,747)
Foreign exchange differences	(154,472)	(346,455)	(4,788)	(505,715)
As at 30 September 2020	42,436,435	32,153,900	5,078,140	79,668,475
Accumulated depreciation				
As at 1 January 2020	(3,109,854)	(5,905,560)	(1,781,056)	(10,796,470)
Depreciation	(2,508,476)	(4,084,191)	(1,395,239)	(7,987,906)
Disposals	861,875	969,961	127,602	1,959,438
Foreign exchange differences	13,729	69,783	2,093	85,605
As at 30 September 2020	(4,742,726)	(8,950,007)	(3,046,600)	(16,739,333)
Net carrying amount as at 1 January 2020	41,414,738	26,805,846	3,318,365	71,538,949
Net carrying amount as at 30 September 2020	37,693,709	23,203,893	2,031,540	62,929,142

Right to use of leased assets of Petrol d.d., Ljubljana

(in EUR)	Right of use of leased land	Right of use of leased buildings	Right of use of leased equipment	Total
Cost				
As at 31 December 2018	0	0	0	0
Adjustment on adoption of IFRS 16	32,908,459	1,015,136	3,951,141	37,874,736
As at 1 January 2019	32,908,459	1,015,136	3,951,141	37,874,736
New acquisitions	0	0	271,957	271,957
As at 30 September 2019	32,908,459	1,015,136	4,223,098	38,146,693
Accumulated depreciation				
As at 1 January 2019	0	0	0	0
Depreciation	(2,352,710)	(227,015)	(1,123,855)	(3,703,580)
As at 30 September 2019	(2,352,710)	(227,015)	(1,123,855)	(3,703,580)
Net carrying amount as at 1 January 2019	32,908,459	1,015,136	3,951,141	37,874,736
Net carrying amount as at 30 September 2019	30,555,749	788,121	3,099,243	34,443,113
(in EUR)	Right of use of leased land	Right of use of leased buildings	Right of use of leased equipment	Total
Cost				
As at 1 January 2020	32,908,459	1,015,136	4,463,798	38,387,393
New acquisitions	6,932,411	524,750	133,749	7,590,910
Disposals/Impairments	(7,641,424)	(523,632)	(146,060)	(8,311,115)
As at 30 September 2020	32,199,446	1,016,254	4,451,487	37,667,188
Accumulated depreciation				
As at 1 January 2020	(2,162,182)	(303,738)	(1,574,909)	(4,040,829)
Depreciation	(1,629,604)	(189,960)	(1,203,657)	(3,023,221)
Disposals/Impairments	317,858	59,279	107,185	484,322
As at 30 September 2020	(3,473,928)	(434,419)	(2,671,381)	(6,579,728)
Net carrying amount as at 1 January 2020	30,746,277	711,398	2,888,889	34,346,564
Net carrying amount as at 30 September 2020	28,725,518	581,835	1,780,106	31,087,460

13. Property, plant and equipment

Property, plant and equipment of the Petrol Group

(in EUR)	Land	Buildings	Plant	Equipment	Ongoing investments	Total
Cost						
As at 1 January 2019	211,730,212	684,932,935	4,204,588	293,200,053	41,543,233	1,235,611,021
New acquisitions	0	0	0	0	80,553,700	80,553,700
Disposals/Impairments	(1,634,206)	(6,462,378)	(108,434)	(3,677,474)	0	(11,882,492)
Transfer between assets categories	0	0	0	(2,169,393)	(151,235)	(2,320,628)
Transfer from ongoing investments	3,872,699	19,580,066	63,620	14,325,693	(37,842,078)	0
Transfer to investment property		(623,377)	0	197	(236,271)	(859,451)
Foreign exchange differences	76,071	240,928	51	50,136	33,843	401,029
As at 30 September 2019	214,044,776	697,668,174	4,159,825	301,729,212	83,901,192	1,301,503,179
Accumulated depreciation						
As at 1 January 2019	0	(410,973,941)	(1,908,901)	(169,386,706)	0	(582,269,548)
Depreciation	0	(17,505,400)	(130,668)	(16,029,516)	0	(33,665,584)
Disposals/Impairments	0	5,863,567	107,343	3,311,139	0	9,282,049
Transfer between assets categories	0	(5,373)	0	933,252	0	927,879
Foreign exchange differences	0	(83,105)	(35)	(25,290)	0	(108,430)
As at 30 September 2019	0	(422,704,252)	(1,932,261)	(181,197,121)	0	(605,833,634)
Net carrying amount as at 1 January 2019	211,730,212	273,958,994	2,295,687	123,813,347	41,543,233	653,341,473
Net carrying amount as at 30 September 2019	214,044,776	274,963,922	2,227,564	120,532,091	83,901,192	695,669,545
Cost						
As at 1 January 2020	217,739,798	723,021,907	4,732,655	329,048,249	56,142,718	1,330,685,327
New acquisitions	0	0	0	0	31,123,233	31,123,233
Disposals/Impairments	(5,454,834)	(351,371)	0	(2,407,798)	(3,872)	(8,217,875)
Transfer between assets categories	636,157	1,617,300	0	(2,846,214)	(969,225)	(1,561,982)
Transfer from ongoing investments	2,326,579	27,609,836	146,156	26,188,896	(56,271,467)	0
Transfer to investment property	0	0	0	0	(704,948)	(704,948)
Foreign exchange differences	(981,849)	(2,213,917)	(5,031)	(1,171,112)	(59,014)	(4,430,923)
As at 30 September 2020	214,265,851	749,683,755	4,873,780	348,812,021	29,257,425	1,346,892,832
Accumulated depreciation						
As at 1 January 2020	0	(428,928,691)	(2,097,886)	(189,726,587)	0	(620,753,164)
Depreciation	0	(18,783,455)	(234,850)	(19,608,627)	0	(38,626,932)
Disposals/Impairments	0	237,345	0	1,483,843	0	1,721,188
Transfer between assets categories	0	162,088	0	720,312	0	882,400
Foreign exchange differences	0	968,737	3,998	612,628	0	1,585,363
As at 30 September 2020	0	(446,343,976)	(2,328,738)	(206,518,431)	0	(655,191,145)
Net carrying amount as at 1 January 2020	217,739,798	294,093,216	2,634,769	139,321,662	56,142,718	709,932,163
Net carrying amount as at 30 September 2020	214,265,851	303,339,779	2,545,042	142,293,590	29,257,425	691,701,687

When testing asset impairment indicators, the Group determined that the carrying amount of fixed assets of certain cash-generating unit exceed their fair value and the value in use. Therefore, the Group impaired the value of identified fixed assets as at 30 June 2020 by EUR 5,306,863 based on the internal value assessment and recognised the impairment on the land.

To assess the value of fixed assets of the cash-generating unit, the Group used the discounted cash flow model. Valuation is based on data about the past business performance and assumptions regarding the future operation of the cash-generating unit considering the cash flow forecast for the period from 2020 to 2028 and takes into account the required rates of return after taxes of 12 percent and the expected growth rate of 2 percent for calculation of the residual value.

In the calculation of free cash flow, increasing the discount rate by 0.5 percentage points and decreasing the long-term growth rate by 0.5 percentage points would lead to the impairment increasing by EUR 1,623,949. Decreasing the discount rate by 0.5 percentage points and increasing the long-term growth rate by 0.5 percentage points would lead to the impairment decreasing by EUR 1,953,943.

Property, plant and equipment of Petrol d.d., Ljubljana

(in EUR)	Land	Buildings	Equipment	Ongoing investments	Total
Cost					
As at 1 January 2019	104,358,050	519,362,112	238,043,271	34,074,420	895,837,853
New acquisitions	0	0	0	40,008,444	40,008,444
Disposals/Impairments	(1,634,206)	(6,262,277)	(2,684,388)	0	(10,580,871)
Transfer between asset categories	0	0	(2,169,393)	(151,235)	(2,320,628)
Transfer from ongoing investments	34,157	14,059,583	11,231,687	(25,325,426)	0
Transfer to investment property	0	(623,377)	197	(236,271)	(859,451)
As at 30 September 2019	102,758,001	526,536,041	244,421,374	48,369,931	922,085,347
Accumulated depreciation					
As at 1 January 2019	0	(372,918,438)	(156,256,964)	0	(529,175,402)
Depreciation	0	(11,532,794)	(11,231,875)	0	(22,764,669)
Disposals/Impairments	0	5,792,395	2,557,374	0	8,349,769
Transfer between asset categories	0	(5,373)	933,252	0	927,879
As at 30 September 2019	0	(378,664,210)	(163,998,213)	0	(542,662,423)
Net carrying amount as at 1 January 2019	104,358,050	146,443,674	81,786,307	34,074,420	366,662,451
Net carrying amount as at 30 September 2019	102,758,001	147,871,831	80,423,161	48,369,931	379,422,924

(in EUR)	Land	Buildings	Equipment	Ongoing investments	Total
Cost					
As at 1 January 2020	103,350,635	535,951,087	247,981,148	44,292,962	931,575,832
New acquisitions	0	0	0	19,046,164	19,046,164
Disposals/Impairments	(147,971)	(313,507)	(1,300,363)	(3,872)	(1,765,713)
Transfer between asset categories	(245,189)	(1,264,554)	35,640	(72,736)	(1,546,840)
Transfer from ongoing investments	11,027	24,619,647	20,548,227	(45,178,901)	0
Transfer to investment property	0	0	0	(704,948)	(704,948)
As at 30 September 2020	102,968,502	558,992,673	267,264,652	17,378,669	946,604,495
Accumulated depreciation					
As at 1 January 2020	0	(381,759,290)	(161,585,211)	0	(543,344,501)
Depreciation	0	(12,022,023)	(13,024,926)	0	(25,046,950)
Disposals/Impairments	0	199,960	1,232,185	0	1,432,145
Transfer between asset categories	0	862,258	20,141	0	882,399
As at 30 September 2020	0	(392,719,096)	(173,357,811)	0	(566,076,907)
Net carrying amount as at 1 January 2020	103,350,635	154,191,797	86,395,937	44,292,962	388,231,331
Net carrying amount as at 30 September 2020	102,968,502	166,273,577	93,906,841	17,378,669	380,527,589

14. Investment in subsidiaries

Investments in subsidiaries are eliminated from the Group's financial statements during consolidation.

(in EUR)	Petrol d.d. 2020	2019
As at 1 January	341,346,801	326,416,061
New acquisitions	8,507,012	16,080,022
Disposals	(56,610)	0
Impairment	(3,047,825)	0
As at 30 September	346,749,377	342,496,083

When testing investment impairment indicators, the Company determined that the carrying amount of investments in Petrol Crna Gora MNE d.o.o. and Petrol d.o.o. Beograd exceed their fair value and value in use. Therefore, the Company impaired the value of investment in Petrol Crna Gora MNE by EUR 1,937,478 and Petrol d.o.o. Beograd by EUR 1,110,347 based on the internal value assessment.

To assess the value of investments, the Company used the discounted cash flow model. The valuation is based on data about the past operations and assumptions regarding the future

operation of the companies. Future cash flows consider current business performance of the companies without activities related to capital expenditures. Growth rates of residual cash flows are estimated based on the expected inflation rates.

For the calculation of impairment in Petrol Crna Gora MNE d.o.o. the Company used the following assumptions: cash flow forecast for nine years, discounting rate of 12 percent and the expected growth rate of 2 percent for calculation of the residual value.

In the calculation of free cash flow, increasing the discount rate by 0.5 percentage points and decreasing the long-term growth rate by 0.5 percentage points would lead to the impairment increasing by EUR 1,623,949. Decreasing the discount rate by 0.5 percentage points and increasing the long-term growth rate by 0.5 percentage points would lead to the impairment decreasing by EUR 1,937,478.

For the calculation of impairment in Petrol d.o.o. Beograd the Company used the following assumptions: cash flow forecast for ten years, discounting rate of 11 percent and the expected growth rate of 2 percent for calculation of the residual value.

In the calculation of free cash flow, increasing the discount rate by 0.5 percentage points and decreasing the long-term growth rate by 0.5 percentage points would lead to the impairment increasing by EUR 2,394,190. Decreasing the discount rate by 0.5 percentage points and increasing the long-term growth rate by 0.5 percentage points would lead to the impairment decreasing by EUR 1,110,347.

15. Investments in jointly controlled entities

(in EUR)	The Petrol Group		Petrol d.d.	
	2020	2019	2020	2019
As at 1 January	610,273	1,774,437	233,000	1,347,380
Attributed profit/loss	107,330	132,970	0	0
Dividends received	(172,934)	(150,000)	0	0
New acquisitions	0	64,190	0	64,190
Disposals	0	(1,077,833)	0	(986,000)
Foreign exchange differences	(317)	(14)	0	0
As at 30 September	544,352	743,750	233,000	425,570

16. Investments in associates

(in EUR)	The Petrol Group		Petrol d.d.	
	2020	2019	2020	2019
As at 1 January	54,655,607	50,917,836	29,939,454	27,364,454
Attributed profit/loss	726,077	575,878	0	0
Dividends received	(1,099,358)	(1,204,194)	0	0
New acquisitions	0	2,575,000	0	2,575,000
Decrease	(753,977)	0	(753,977)	0
Foreign exchange differences	(11,809)	4,553	0	0
As at 30 September	53,516,540	52,869,073	29,185,477	29,939,454

17. Financial assets at fair value through comprehensive income

(in EUR)	The Petrol Group		Petrol d.d.	
	2020	2019	2020	2019
As at 1 January	4,528,987	9,168,566	2,117,914	1,374,993
New acquisitions	1,398,705	0	1,398,705	0
Disposals	(419,612)	(5,142,534)	(419,612)	(104,497)
Decrease of fair value reserve due to disposal of financial assets	0	(344,463)	0	0
Decrease of impairment losses due to disposal of financial assets	(979,094)	104,497	(979,094)	104,497
As at 30 September	4,528,987	3,786,066	2,117,914	1,374,993

18. Inventories

(in EUR)	The Petrol Group		Petrol d.d.	
	30 September 2020	31 December 2019	30 September 2020	31 December 2019
Spare parts and materials inventories	2,870,216	2,571,263	2,526,127	2,247,058
Merchandise:	156,618,336	173,119,215	88,201,071	126,182,736
- fuel	69,346,048	119,040,323	58,242,787	98,178,227
- other petroleum products	528,843	859,126	93,802	102,643
- other merchandise	86,743,445	53,219,766	29,864,482	27,901,866
Total inventories	159,488,552	175,690,478	90,727,198	128,429,794

19. Current financial receivables

(in EUR)	The Petrol Group		Petrol d.d.	
	30 September 2020	31 December 2019	30 September 2020	31 December 2019
Loans granted	5,946,261	8,729,075	10,790,069	7,354,443
Adjustment to the value of loans granted	(4,508,655)	(1,262,321)	(3,807,728)	(860,043)
Time deposits with banks (3 months to 1 year)	577,830	195,782	0	0
Interest receivables	1,365,646	1,245,217	6,216,546	5,832,807
Allowance for interest receivables	(1,352,208)	(1,206,125)	(5,730,072)	(5,479,163)
Total current financial receivables	2,028,874	7,701,628	7,468,815	6,848,043

20. Current operating receivables

(in EUR)	The Petrol Group		Petrol d.d.	
	30 September 2020	31 December 2019	30 September 2020	31 December 2019
Trade receivables	365,068,004	503,825,514	257,321,352	344,855,450
Allowance for trade receivables	(51,741,848)	(50,474,124)	(32,423,366)	(33,213,942)
Operating receivables from state and other institutions	4,808,694	12,670,165	230,957	201,981
Operating interest receivables	1,503,160	1,911,484	2,732,990	3,100,614
Allowance for interest receivables	(1,341,751)	(1,669,414)	(1,301,630)	(1,630,227)
Receivables from insurance companies (loss events)	155,012	799,148	41,107	659,553
Other operating receivables	14,531,543	7,300,800	6,985,442	6,587,940
Allowance for other receivables	(739,784)	(231,455)	(472,216)	0
Total current operating receivables	332,243,030	474,132,118	233,114,636	320,561,369

21. Financial assets at fair value through profit or loss

(in EUR)	The Petrol Group		Petrol d.d.	
	30 September 2020	31 December 2019	30 September 2020	31 December 2019
Assets arising from commodity swaps	2,623,067	495,381	2,568,356	359,549
Assets arising from forward contracts	173,613	34,530	173,613	34,530
Total financial assets at fair value through profit or loss	2,796,680	529,911	2,741,969	394,078

22. Prepayments and other assets

(in EUR)	The Petrol Group		Petrol d.d.	
	30 September 2020	31 December 2019	30 September 2020	31 December 2019
Prepayments	72,497,009	73,713,524	24,066,071	21,716,152
Prepaid subscriptions, specialised literature, etc.	2,288,263	914,471	2,069,683	768,126
Prepaid insurance premiums	1,028,920	510,661	593,479	347,423
Other deferred costs	4,473,441	3,469,056	2,702,745	765,871
Total prepayments and other assets	80,287,633	78,607,712	29,431,977	23,597,572

23. Financial liabilities

(in EUR)	The Petrol Group		Petrol d.d.	
	30 September 2020	31 December 2019	30 September 2020	31 December 2019
Current financial liabilities				
Bank loans	24,665,147	26,252,606	24,465,204	24,554,070
Liabilities to banks arising from commodity swaps	6,834,809	6,183,317	6,834,809	6,104,307
Liabilities to banks arising from interest rate swaps	5,488,881	5,045,370	5,026,980	4,812,230
Bonds issued	124,964	253,723	124,964	253,723
Liabilities to banks arising from forward contracts	1,308	811,542	1,308	811,542
Other liabilities arising from financial instruments	0	0	2,568,846	2,568,846
Other loans and financial liabilities	436,349	437,238	112,124,328	65,116,744
	37,551,458	38,983,796	151,146,438	104,221,462
Non-current financial liabilities				
Bank loans	225,568,224	243,866,632	175,550,335	193,695,821
Bonds issued	43,799,977	43,794,326	43,799,977	43,794,326
Loans obtained from other companies	378,583	96,830	29,636,849	44,636,849
	269,746,784	287,757,788	248,987,161	282,126,997
Total financial liabilities	307,298,242	326,741,584	400,133,599	386,348,458

24. Lease liabilities

(in EUR)	The Petrol Group		Petrol d.d.	
	30 September 2020	31 December 2019	30 September 2020	31 December 2019
Non-current lease liabilities	55,744,898	62,893,671	28,568,586	31,307,247
Current lease liabilities	8,712,473	9,718,871	3,227,791	3,500,072
Total lease liabilities	64,457,371	72,612,542	31,796,377	34,807,319

25. Current operating liabilities

(in EUR)	The Petrol Group		Petrol d.d.	
	30 September 2020	31 December 2019	30 September 2020	31 December 2019
Trade liabilities	266,077,749	422,816,785	216,575,003	344,918,615
Excise duty liabilities	83,070,420	56,222,534	70,688,990	51,375,029
Value added tax liabilities	33,837,653	32,671,428	21,781,392	13,409,885
Liabilities to employees	14,019,833	12,494,387	10,638,657	9,875,788
Environment pollution charge liabilities	8,778,664	8,995,979	8,493,606	8,668,158
Other liabilities to the state and other state institutions	3,900,957	4,357,665	1,781,734	2,503,588
Liabilities arising from interests acquired	3,221,515	6,086,864	2,997,694	5,845,754
Social security contribution liabilities	1,414,118	1,021,092	745,219	727,961
Import duty liabilities	1,025,322	1,749,912	0	0
Liabilities associated with the allocation of profit or loss	607,931	608,792	607,931	608,792
Other liabilities	3,588,644	5,125,835	1,345,486	1,584,809
Total current operating and other liabilities	419,542,806	552,151,273	335,655,712	439,518,379

26. Contract liabilities

(in EUR)	The Petrol Group		Petrol d.d.	
	30 September 2020	31 December 2019	30 September 2020	31 December 2019
Short-term prepayments and collaterals given	10,412,912	13,667,005	5,338,449	11,801,143
Deferred revenue from rebates granted	2,501,300	638,669	2,138,652	254,434
Deferred prepaid card revenue	1,148,281	1,613,874	1,019,302	1,467,400
Other	3,478	2,083	0	0
Total liabilities arising from contracts with customers	14,065,971	15,921,631	8,496,403	13,522,977

27. Other liabilities

(in EUR)	The Petrol Group		Petrol d.d.	
	30 September 2020	31 December 2019	30 September 2020	31 December 2019
Accrued annual leave expenses	2,696,378	2,716,757	1,839,744	1,839,744
Accrued expenses for tanker demurrage	446,872	552,664	446,872	545,873
Accrued concession fee costs	166,890	274,601	166,890	274,601
Accrued motorway site lease payments	91,604	108,859	91,604	108,859
Other accrued costs	11,867,241	10,916,587	5,412,696	6,659,610
Other deferred revenue	1,597,890	1,691,101	1,396,424	1,545,361
Total other liabilities	16,866,875	16,260,569	9,354,230	10,974,048

28. Financial instruments and risks

This chapter presents disclosures about financial instruments and risks. Risk management is explained in the interim report, in the chapter *Risk management*.

The impact of the Corona virus pandemic (COVID-19) on the Petrol Group's operations and risk management is reported also in Chapter *Impact of the pandemic on the Petrol Group's operations*.

Credit risk

In the first nine months of the year 2020 the Group/Company continued to actively monitor the balances of trade receivables and to apply strict terms on which sales on open accounts

is approved, requiring an adequate range of high-quality collaterals and with active collection of receivables.

Maximum exposure to credit risk represents the carrying amount of financial assets which was the following as at 30 September 2020:

(in EUR)	The Petrol Group		Petrol d.d.	
	30 September 2020	31 December 2019	30 September 2020	31 December 2019
Financial assets at fair value through other comprehensive income	4,528,987	4,528,987	2,117,914	2,117,914
Non-current financial receivables	2,404,972	5,017,649	36,142,991	31,876,297
Non-current operating receivables	8,801,033	8,389,853	8,780,382	8,368,720
Contract assets	1,723,734	1,819,842	2,548,023	2,095,457
Current financial receivables	2,028,874	7,701,628	7,468,815	6,848,043
Current operating receivables (excluding receivables from the state)	327,434,336	461,461,953	232,883,679	320,359,388
Financial assets at fair value through profit or loss	2,796,680	529,911	2,741,969	394,078
Cash and cash equivalents	67,229,750	41,730,269	20,233,542	17,680,102
Total assets	416,948,366	531,180,092	312,917,315	389,739,998

The category that was most exposed to credit risk on the reporting date were current operating receivables.

The Group's short-term operating receivables by maturity:

(in EUR)	Breakdown by maturity					Total
	Not yet due	Up to 30 days overdue	31 to 60 days overdue	61 to 90 days overdue	More than 90 days overdue	
Trade receivables	409,376,524	32,130,824	9,269,440	811,911	1,762,691	453,351,390
Interest receivables	56,387	30,105	22,631	5,501	127,446	242,070
Other receivables (excluding receivables from the state)	7,383,483	332,125	152,885	0	0	7,868,493
Total as at 31 December 2019	416,816,394	32,493,054	9,444,956	817,412	1,890,137	461,461,953
(in EUR)	Breakdown by maturity					Total
	Not yet due	Up to 30 days overdue	31 to 60 days overdue	61 to 90 days overdue	More than 90 days overdue	
Trade receivables	279,082,667	26,126,356	5,288,711	1,441,522	1,386,900	313,326,156
Interest receivables	52,365	12,448	13,346	14,243	69,007	161,409
Other receivables (excluding receivables from the state)	6,514,392	7,271,274	4,955	2,019	154,131	13,946,771
Total as at 30 September 2020	285,649,424	33,410,078	5,307,012	1,457,784	1,610,038	327,434,336

The Company's short-term operating receivables by maturity:

(in EUR)	Breakdown by maturity					Total
	Not yet due	Up to 30 days overdue	31 to 60 days overdue	61 to 90 days overdue	More than 90 days overdue	
Trade receivables	275,982,968	20,451,938	6,769,784	386,633	8,050,185	311,641,508
Interest receivables	0	0	0	0	1,470,387	1,470,387
Other receivables (excluding receivables from the state)	6,762,480	332,125	152,888	0	0	7,247,493
Total as at 31 December 2019	282,745,448	20,784,063	6,922,672	386,633	9,520,572	320,359,388
(in EUR)	Not yet due	Up to 30 days overdue	31 to 60 days overdue	61 to 90 days overdue	More than 90 days overdue	Total
Trade receivables	197,796,200	14,387,383	3,975,459	1,095,863	7,643,081	224,897,986
Interest receivables	0	0	0	0	1,431,360	1,431,360
Other receivables (excluding receivables from the state)	2,416,489	4,137,844	0	0	0	6,554,333
Total as at 30 September 2020	200,212,689	18,525,227	3,975,459	1,095,863	9,074,441	232,883,679

The Group/Company measures the degree of receivables management using day's sales outstanding.

(in days)	The Petrol Group		Petrol d.d.	
	1-9 2020	1-12 2019	1-9 2020	1-12 2019
Days sales outstanding				
Contract days	46	41	41	36
Overdue receivables in days	5	4	5	4
Total days sales outstanding	51	45	46	40

Liquidity risk

Due to the uncertainties we faced during the epidemic, the Petrol Group paid special attention to managing liquidity risk.

We still have a key objective for the Group / Company to successfully manage its liquidity risk in accordance with the guidelines of Standard & Poor's.

The Group/Company manages liquidity risks through:

- sustainable debt level (measured as the net debt to EBITDA ratio) as laid down in the strategy and business plan;
- ensuring adequate structural liquidity in accordance with S&P methodology;
- standardised and centralised treasury management at Group level;
- annual planning of funds by the Petrol Group;
- daily planning and cash flow simulations for the parent company and its subsidiaries, two or three months in advance, which is an extremely important tool at this time;
- unified approach to banks in Slovenia and abroad;
- computer-assisted system for the management of cash flows of the parent company and all its subsidiaries;
- centralised collection of available cash through cash pooling.

In addition, the Group/Company has credit lines at its disposal both in Slovenia and abroad, the size of which enables the Group to meet all its due liabilities at any given moment.

Successful cash flow planning estimating the decrease in inflows due to the decrease in sales, as we have not recorded in the entire history of Petrol, enabled us timely or good liquidity forecast and optimal cash flow management at the Group level. A strong liquidity position also allows us to settle all liabilities on the due date.

The majority of financial liabilities arising from long-term and short-term loans are held by the parent company, which also generates the majority of revenue.

The Group's liabilities as at 31 December 2019 by maturity:

(in EUR)	Carrying amount of liabilities	Liability	Contractual cash flows			
			0 to 6 months	6 to 12 months	1 to 5 years	More than 5 years
Non-current financial liabilities	287,757,788	294,648,899	0	0	283,154,471	11,494,428
Long term lease liabilities	62,893,671	77,846,437	0	0	35,565,932	42,280,505
Non-current operating liabilities (excluding other liabilities)	24,000	24,000	0	0	24,000	0
Current financial liabilities	38,983,796	41,259,285	28,041,911	13,217,374	0	0
Current lease liabilities	9,718,871	12,051,137	6,126,874	5,924,263	0	0
Liabilities arising from commodity forward contracts	-	580,963,118	279,834,608	253,863,492	47,265,018	0
Current operating liabilities (excluding liabilities to the state, employees and arising from advance payments)	434,638,276	434,638,276	434,304,146	334,130	0	0
As at 31 December 2019	834,016,402	1,441,431,152	748,307,539	273,339,259	366,009,421	53,774,933

The Group's liabilities as at 30 September 2020 by maturity:

(in EUR)	Carrying amount of liabilities	Liability	Contractual cash flows			
			0 to 6 months	6 to 12 months	1 to 5 years	More than 5 years
Non-current financial liabilities	269,746,784	277,293,135	0	0	265,639,107	11,654,028
Long term lease liabilities	55,744,898	70,214,190	0	0	31,060,319	39,153,871
Non-current operating liabilities (excluding other liabilities)	24,000	24,000	0	0	24,000	0
Current financial liabilities	37,551,458	40,536,654	26,767,437	13,769,217	0	0
Current lease liabilities	8,712,473	11,091,449	5,684,787	5,406,661	0	0
Liabilities arising from commodity forward contracts*	-	419,127,831	202,287,743	118,705,338	98,134,750	0
Current operating liabilities (excluding liabilities to the state, employees and arising from advance payments)	273,495,839	273,495,839	273,030,394	465,445	0	0
As at 30 September 2020	645,275,452	1,091,783,097	507,770,361	138,346,661	394,858,176	50,807,899

The Company's liabilities as at 31 December 2019 by maturity:

(in EUR)	Carrying amount of liabilities	Liability	Contractual cash flows			
			0 to 6 months	6 to 12 months	1 to 5 years	More than 5 years
Non-current financial liabilities	282,126,997	288,374,289	0	0	276,961,111	11,413,178
Long term lease liabilities	31,307,247	44,772,725	0	0	13,272,342	31,500,383
Non-current operating liabilities (excluding other liabilities)	24,000	24,000	0	0	24,000	0
Current financial liabilities	104,221,462	105,157,702	37,482,425	67,675,276	0	0
Current lease liabilities	3,500,072	4,757,168	2,459,159	2,298,009	0	0
Liabilities arising from commodity forward contracts*	-	570,844,613	275,175,288	248,404,307	47,265,018	0
Current operating liabilities (excluding liabilities to the state, employees and arising from advance payments)	352,957,970	352,957,970	352,904,902	53,068	0	0
Contingent liabilities for ruarantees issued**	-	187,793,007	187,793,007	0	0	0
As at 31 December 2019	774,137,747	1,554,681,474	855,814,781	318,430,661	337,522,471	42,913,561

The Company's liabilities as at 30 September 2020 by maturity:

(in EUR)	Carrying amount of liabilities	Liability	Contractual cash flows			
			0 to 6 months	6 to 12 months	1 to 5 years	More than 5 years
Non-current financial liabilities	248,987,161	253,627,489	0	0	242,379,311	11,248,178
Long term lease liabilities	28,568,586	39,944,969	0	0	12,406,281	27,538,688
Non-current operating liabilities (excluding other liabilities)	24,000	24,000	0	0	24,000	0
Current financial liabilities	151,146,438	154,933,205	119,912,722	35,020,482	0	0
Current lease liabilities	3,227,791	4,323,863	2,254,294	2,069,569	0	0
Liabilities arising from commodity forward contracts*	-	416,194,423	199,354,335	118,705,338	98,134,750	0
Current operating liabilities (excluding liabilities to the state, employees and arising from advance payments)	221,526,114	221,526,114	221,358,664	167,450	0	0
Contingent liabilities for ruarantees issued**	-	178,858,814	178,858,814	0	0	0
As at 30 September 2020	653,480,090	1,269,432,876	721,738,830	155,962,839	352,944,341	38,786,866

*Liabilities arising from commodity forward contracts entered into for purchasing purposes represent contractual cash outflows based on these contracts. At the same time, the Group/Company will receive corresponding payments based on offsetting commodity contracts entered into for selling purposes.

** A maximum amount of contingent liabilities is allocated to the period in which the Company can be requested to make a payment.

Foreign exchange risk

As far as foreign exchange risks are concerned, the Group/Company is mostly exposed to the risk of changes in the EUR/USD exchange rate. Petroleum products are generally purchased in US dollars and sold in local currencies. For government-regulated fuels, hedging is performed in accordance with the Group's foreign exchange risk management policies prepared on the basis of the Decree Setting Prices for certain Petroleum Products, whereas for fuels with market-determined prices, internal Rules on the Pricing of Mineral Fuels are used. Foreign exchange hedging is used to hedge against the exposure to changes in the EUR/USD exchange rate. The EUR/USD exchange rate is thus fixed at the rate recognised under the Decree on Setting Prices for Certain Petroleum Products and the internal rules, and the margin is secured. The hedging instruments used in this case are forward contracts entered into with banks. There was no need to change the exchange rate hedging system at the time of the epidemic and the fall in oil prices.

Given that forward contracts for hedging against foreign exchange risks are entered into with first-class Slovene banks, the Group/Company considers the counterparty default risk as minimal.

The Group is exposed to foreign exchange risks also due to its presence in South-eastern Europe. Considering the low volatility of local currency exchange rates in South-eastern markets and the relatively low exposure, the Group/Company believes it is not exposed to significant risks in this area. To control these risks, we rely on natural hedging to the largest possible extent.

In the first nine months of 2020, the Group/Company was also exposed to certain other currencies (RON, HUF), which were hedged using derivative financial instruments.

Exposure to the exchange rates on other markets where the Group/Company is present with its companies is either smaller or their rates against the euro are significantly less volatile. We estimate that the change in the exchange rate would not have a significant impact on the operating profit.

The Group/Company regularly monitors its open currency position and sensitivity based on the VaR method for all currencies to which it is exposed.

Price and volumetric risk

The Group/Company is exposed to price and volumetric risks deriving from energy commodities. The Group/Company manages price and volumetric risks primarily by aligning purchases and sales of energy commodities in terms of quantities as well as purchase and sales conditions, thus securing its margin. Potential residual mismatches are hedged with derivative financial instruments. Depending on the business model for each energy commodity, appropriate limit systems are in place that limit exposure to price and volumetric risks.

The Group/Company hedges energy commodity prices primarily by using commodity swaps (variable to fixed price swap). Partners in this area include global financial institutions and banks or suppliers of goods. The Group/Company considers the counterparty default risk as minimal.

Interest rate risk

The source of interest rate risks are loans with a floating interest rate that are mostly Euribor based.

In the first nine months of 2020, the Group/Company continued to monitor the limit corresponding to changes in net interest expense.

The exposure to interest rate risks is hedged using the following instruments:

- partly through ongoing operations, the Group's/Company's interest rate on operating receivables being Euribor-based,
- partly through interest rate swaps and
- funding with a fixed interest rate.

The Group/Company uses hedge accounting on interest rate swaps. Hedged items and hedging instruments represent an effective hedging relationship, which is why interest rate risk hedging outcomes are recognised directly in equity.

Capital Adequacy Management

The main purpose of capital adequacy management is to ensure the best possible financial stability, solvency and maximum shareholder value. The Group/Company achieves this also through stable dividend pay-out policy.

Testifying to our financial stability are the »BBB-« credit rating received from S&P at the end of June 2014 and the successful international issuance of eurobonds worth a total of EUR 265 million, which were fully repaid in 2019. On 24 June 2020, Standard & Poor's Ratings Services reaffirmed the »BBB-« long-term credit rating and the »A-3« short-term credit rating of Petrol d.d., Ljubljana, also reaffirming the »stable« credit rating outlook.

In the first nine months of 2020, despite the impact of the epidemic, the Petrol Group continued to pursue its strategic orientation to drive down financial debt and to improve the net debt to equity ratio through good operating performance and disposal of non-core assets.

Carrying amount and fair value of financial instruments

(in EUR)	The Petrol Group			
	30 September 2020		31 December 2019	
	Carrying amount	Fair value	Carrying amount	Fair value
Non-derivative financial assets at fair value				
Financial assets at fair value through other comprehensive income	4,528,987	4,528,987	4,528,987	4,528,987
Non-derivative financial assets at amortised cost				
Financial receivables (excluding derivative financial instruments)	4,433,846	4,433,846	12,719,277	12,719,277
Operating receivables (excluding receivables from the state)	336,235,369	336,235,369	469,851,806	469,851,806
Cash and cash equivalents	67,229,750	67,229,750	41,730,269	41,730,269
Total non-derivative financial assets	412,427,952	412,427,952	528,830,339	528,830,339
Non-derivative financial liabilities at amortised cost				
Bank loans and other financial liabilities (excluding derivative fin.instr.)	(294,973,244)	(294,973,244)	(314,701,355)	(314,701,355)
Lease liabilities	(64,457,371)	(64,457,371)	(72,612,542)	(72,612,542)
Operating liabilities (excluding other non-current liabilities and current liabilities to the state, employees and arising from advance payments)	(273,519,839)	(273,519,839)	(434,662,276)	(434,662,276)
Total non-derivative financial liabilities	(632,950,454)	(632,950,454)	(821,976,173)	(821,976,173)
Derivative financial instruments at fair value				
Derivative financial instruments (assets)	2,796,680	2,796,680	529,911	529,911
Derivative financial instruments (liabilities)	(12,324,998)	(12,324,998)	(12,040,229)	(12,040,229)
Total derivative financial instruments	(9,528,318)	(9,528,318)	(11,510,318)	(11,510,318)

(in EUR)	Petrol d.d.			
	30 September 2020		31 December 2019	
	Carrying amount	Fair value	Carrying amount	Fair value
Non-derivative financial assets at fair value				
Financial assets at fair value through other comprehensive income	2,117,914	2,117,914	2,117,914	2,117,914
Non-derivative financial assets at amortised cost				
Financial receivables (excluding derivative financial instruments)	43,611,806	43,611,806	38,724,340	38,724,340
Operating receivables (excluding receivables from the state)	241,664,061	241,664,061	328,728,108	328,728,108
Cash and cash equivalents	20,233,542	20,233,542	17,680,102	17,680,102
Total non-derivative financial assets	307,627,323	307,627,323	387,250,463	387,250,463
Non-derivative financial liabilities at amortised cost				
Bank loans and other financial liabilities (excluding derivative fin.instr.)	(385,701,656)	(385,701,656)	(372,051,534)	(372,051,534)
Lease liabilities	(31,796,377)	(31,796,377)	(34,807,319)	(34,807,319)
Operating liabilities (excluding other non-current liabilities and current liabilities to the state, employees and arising from advance payments)	(221,550,114)	(221,550,114)	(352,981,970)	(352,981,970)
Total non-derivative financial liabilities	(639,048,147)	(639,048,147)	(759,840,823)	(759,840,823)
Derivative financial instruments at fair value				
Derivative financial instruments (assets)	2,741,969	2,741,969	394,078	394,078
Derivative financial instruments (liabilities)	(14,431,942)	(14,431,942)	(14,296,925)	(14,296,925)
Total derivative financial instruments	(11,689,973)	(11,689,973)	(13,902,847)	(13,902,847)

29. Related party transactions

(in EUR)	The Petrol Group		Petrol d.d.	
	1-9 2020	1-9 2019	1-9 2020	1-9 2019
Sales revenue:				
Subsidiaries	-	-	150,813,397	247,955,331
Jointly controlled entities	373,484	587,868	58,288	32,407
Associates	14,942	15,996	14,942	15,996
Cost of goods sold:				
Subsidiaries	-	-	30,068,749	30,416,451
Jointly controlled entities	72,719	145,817	0	0
Cost of materials:				
Subsidiaries	-	-	145,564	178,864
Jointly controlled entities	1,158	2,505	564	1,191
Cost of services:				
Subsidiaries	-	-	457,875	564,763
Gain of derivatives:				
Subsidiaries	-	-	1,019,973	678,681
Loss on derivatives:				
Subsidiaries	-	-	1,366,679	966,777
Finance income from interests in Group companies:				
Subsidiaries	-	-	2,099,057	756,521
Jointly controlled entities	107,330	132,970	172,934	150,000
Associates	726,077	575,878	1,099,358	1,204,194
Finance income from interest:				
Subsidiaries	-	-	369,221	225,927
Jointly controlled entities	648	641	648	641
Associates	0	12	0	12
Other finance income:				
Subsidiaries	-	-	159,992	134,854
Associates	1,261	1,335	1,261	1,335
Finance expenses due to impairment of investments:				
Subsidiaries	0	0	3,047,825	0
Finance expenses for interest:				
Subsidiaries	-	-	798,261	700,968
Jointly controlled entities	0	108	0	108
Allowance for operating receivables:				
Jointly controlled entities	628,420	411,000	628,420	411,000

(in EUR)	The Petrol Group		Petrol d.d.	
	30 September 2020	31 December 2019	30 September 2020	31 December 2019
Investments in Group companies:				
Subsidiaries	-	-	346,749,377	341,346,801
Jointly controlled entities	544,352	610,273	233,000	233,000
Associates	53,516,540	54,655,607	29,185,477	29,939,454
Non-current financial receivables:				
Subsidiaries	-	-	35,094,252	30,838,499
Jointly controlled entities	388,006	3,386,400	543,006	3,541,400
Contract assets:				
Subsidiaries	-	-	1,441,923	531,449
Current operating receivables:				
Subsidiaries	-	-	19,719,822	20,455,188
Jointly controlled entities	68,266	111,605	7,432	7,387
Associates	506	533	506	533
Current financial receivables:				
Subsidiaries	-	-	6,306,821	5,365,733
Jointly controlled entities	584,628	201,281	584,628	201,281
Short-term deposits (up to 3 months):				
Subsidiaries	-	-	259,957	0
Non-current financial liabilities:				
Subsidiaries	-	-	29,636,849	44,636,849
Current financial liabilities:				
Subsidiaries	-	-	114,475,049	67,467,465
Jointly controlled entities	125,012	125,012	125,012	125,012
Current operating liabilities:				
Subsidiaries	-	-	1,894,856	9,262,126
Jointly controlled entities	6,527	28,200	0	0
Current accrued costs and expenses:				
Subsidiaries	-	-	893,104	3,432,743
Contract liabilities:				
Subsidiaries	-	-	5,773	1,675

30. Contingent liabilities

Contingent liabilities for guarantees issued

(in EUR)	Petrol d.d.		Petrol d.d.	
	30 September 2020	31 December 2019	30 September 2020	31 December 2019
Guarantee issued to:	Value of guarantee issued		Guarantee amount used	
Petrol d.o.o.	107,994,742	102,091,025	71,402,308	76,293,834
Vjetroelektrarna Ljubač d.o.o.	23,792,130	23,792,130	0	0
Geoplin d.o.o. Ljubljana	13,000,000	28,000,000	5,630,000	2,174,815
Petrol d.o.o. Beograd	7,620,081	6,580,000	532,199	466,736
Petrol BH Oil Company d.o.o. Sarajevo	4,466,135	4,466,135	2,602,985	2,200,742
Petrol Trade Handelsgesellschaft m.b.H.	3,000,000	3,000,000	1,800,000	1,800,000
Aquasystems d.o.o.	911,309	911,309	911,309	911,309
Petrol Crna Gora MNE d.o.o.	590,000	590,000	171,385	97,770
Total	161,374,397	169,430,599	83,050,186	83,945,206
Other guarantees	6,948,896	5,019,756	6,948,896	4,924,665
Bills of exchange issued as security	10,535,522	13,342,652	10,535,522	13,342,652
Total contingent liabilities for guarantees issued	178,858,814	187,793,007	100,534,603	102,212,523

The value of a guarantee issued represents the maximum value of the guarantee issued, whereas the guarantee amount used represents a value corresponding to a company's liability for which the guarantee has been issued.

Contingent liabilities for lawsuits

The total value of lawsuits against the Company as defendant and debtor totals EUR 21,946,715 EUR. The Company's management estimates that there is a possibility that some of these lawsuits will be lost. As a result, the Company set aside long-term provisions, which stood at EUR 358,031 as at 30 September 2020.

The total value of lawsuits against the Group as defendant and debtor totals EUR 22,383,332. The Group's management estimates that there is a possibility that some of these lawsuits will be lost. As a result, the Group set aside long-term provisions, which stood at EUR 511,798 as at 30 September 2020.

31. Events after the reporting date

The appearance of the virus and the global pandemic also affect the Petrol Group's operations. The impacts are presented in more detail in the chapter Impact of the pandemic on the Petrol Group's operations.

There were no events after the reporting date that would significantly affect the financial statements for the first nine months of year 2020.

APPENDIX 1: ORGANISATIONAL STRUCTURE OF THE PETROL GROUP

The Petrol Group as at 30 September 2020	SALES	ENERGY AND ENVIRONMENTAL SOLUTIONS	PRODUCTION OF RENEWABLE ELECTRICITY	MOBILITY
The parent company				
PETROL d.d., LJUBLJANA	✓	✓	✓	✓
Subsidiaries				
PETROL d.o.o. (100%)	✓	✓		✓
PETROL JAVNA RASVJETA d.o.o. (100%)		✓		
ADRIA-PLIN d.o.o. (75%)	✓			
PETROL BH OIL COMPANY d.o.o. Sarajevo (100%)	✓			
PETROL d.o.o. BEOGRAD (100%)	✓	✓		
Petrol LUMENNIS PB d.o.o. Beograd (100%)		✓		
Petrol LUMENNIS VS d.o.o. Beograd (100%)		✓		
PETROL CRNA GORA MNE d.o.o. (100%)	✓			
PETROL TRADE HANDELSGES.m.b.H. (100%)	✓			
BEOGAS d.o.o. (100%)	✓	✓		
PETROL LPG d.o.o. Beograd (100%)	✓			
TIGAR PETROL d.o.o. (100%)	✓			
PETROL LPG HIB d.o.o. (100%)	✓			
PETROL POWER d.o.o. Sarajevo (99.7518%)			✓	
PETROL-ENERGETIKA DOEL Skopje (100%)	✓			
PETROL BUCHAREST ROM S.R.L. (100%)	✓			
PETROL PRAHA CZ S.R.O. (100%)	✓			
PETROL TRADE SLOVENIJA L.L.C. (100%)	✓			
PETROL HIDROENERGIJA d.o.o. Teslić (80%)			✓	
VJETROELEKTRANE GLUNČA d.o.o. (100%)			✓	
IG ENERGETSKI SISTEMI d.o.o. (100%)	✓			
PETROL GEO d.o.o. (100%)		✓		
EKOEN d.o.o. (100%)		✓		
EKOEN GG d.o.o. (100%)		✓		
EKOEN S d.o.o. (100%)		✓		
ZAGORSKI METALAC d.o.o. (75%)	✓	✓		
MBILLS d.o.o. (100%)	✓			
ATET d.o.o. (72.96%; 76% voting rights)				✓
VJETROELEKTRANA LJUBAČ d.o.o. (100%)			✓	
STH ENERGY d.o.o. Kraljevo (80%)				
GEOPLIN d.o.o. Ljubljana (74.28%)	✓			
GEOCOM d.o.o. (100%)	✓			
GEOPLIN D.O.O., Zagreb (100%)	✓			
GEOPLIN D.O.O. Beograd (100%)	✓			
ZAGORSKI METALAC d.o.o. (25%)	✓	✓		
Jointly controlled entities				
PETROL OTI SLOVENIJA L.L.C. (51%)	✓			
PETROL - OTI - TERMINAL L.L.C. (100%)	✓			
GEOENERGO d.o.o. (50%)		✓		
VJETROELEKTRANA DAZLINA d.o.o. (50%)			✓	
SOENERGETIKA d.o.o. (25%)		✓		
Associates				
PLINHOLD d.o.o. Ljubljana (29.6985%)		✓		
AQUASYSTEMS d.o.o. (26%)		✓		
IVICOM ENERGY d.o.o., Žagubica (25%)			✓	