



# Report on the operations of the Petrol Group and Petrol d.d., Ljubljana

In the first nine months of 2022

**PETROL**

Energy for life



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# INTRODUCTION

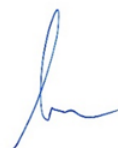
## 1. Statement of the Management's Responsibility

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 Zoran Gračner, 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 2022 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 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 2022 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 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 2022 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



**Zoran Gračner**  
Member of the Management Board and  
Worker Director

Ljubljana, 3 November 2022

## 2. Introductory notes

The report on the operations of the Petrol Group and Petrol, d.d., Ljubljana, Dunajska 50, in the first nine months of 2022 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 notes regarding 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 2022 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 2022 has been published on the website of Petrol d.d., Ljubljana, ([www.petrol.eu](http://www.petrol.eu), [www.petrol.si](http://www.petrol.si)), 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 2022 at its meeting held on 10 November 2022.

### Profile of the parent company, Petrol d.d., Ljubljana, as at 30. September 2022

Company name	<b>Petrol, slovenska energetska družba, d.d., Ljubljana</b>
Abbreviated company name	<b>Petrol d.d., Ljubljana</b>
Registered office	<b>Dunajska cesta 50, 1000 Ljubljana</b>
Telephone	<b>(01) 47 14 234</b>
Website	<b><a href="http://www.petrol.si">http://www.petrol.si</a>, <a href="http://www.petrol.eu">http://www.petrol.eu</a></b>
Activity code	<b>47,301</b>
Company registration number	<b>5025796000</b>
Tax number	<b>SI 80267432</b>
Share capital	<b>EUR 52.24 million</b>
Number of shares	<b>2,086,301</b>
President of the Management Board	<b>Nada Drobne Popović</b>
Members of the Management Board	<b>Matija Bitenc, Jože Bajuk, Jože Smolič, Zoran Gračner (worker director)</b>
President of the Supervisory Board	<b>Janez Žlak</b>

### 3. Business highlights of the Petrol Group

The Petrol Group	Unit	1-9 2022	1-9 2021	Index 2022/2021
Sales revenue	EUR million	7,016.0	3,074.0	228
Adjusted gross profit <sup>1</sup>	EUR million	405.3	410.7	99
Operating profit	EUR million	30.2	119.8	25
Net profit	EUR million	24.0	91.2	26
Equity <sup>3</sup>	EUR million	904.8	908.7	100
Total assets <sup>3</sup>	EUR million	2,783.7	2,383.5	117
EBITDA <sup>1</sup>	EUR million	98.3	175.7	56
EBITDA/Adjusted gross profit <sup>1</sup>	%	24.3	42.8	57
Operating costs/Adjusted gross profit <sup>1</sup>	%	86.5	70.1	123
Net debt/Equity <sup>1, 3</sup>		0.66	0.56	118
Net debt/EBITDA <sup>1, 2, 4</sup>		-	2.1	-
Added value per employee <sup>1</sup>	EUR thousand	35.1	54.4	65
Earnings per share attributable to owners of the controlling company	EUR	9.4	42.2	22
Net investments <sup>1</sup>	EUR million	36.3	37.4	97
Volume of fuels and fuel products sold	thousand tons	3,055.0	2,243.9	136
Volume of natural gas sold	TWh	13.1	24.9	53
Volume of electricity sold	TWh	8.6	9.9	87
Revenue from the sales of merchandise and services	EUR million	385.7	372.6	104

<sup>1</sup> Alternative performance measure (APM) as defined in chapter Alternative Performance Measures.

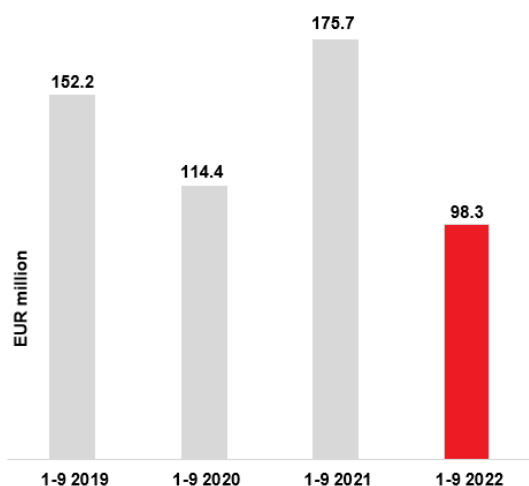
<sup>2</sup> EBITDA calculated at annual level.

<sup>3</sup> Data for 2021 as at 31 December.

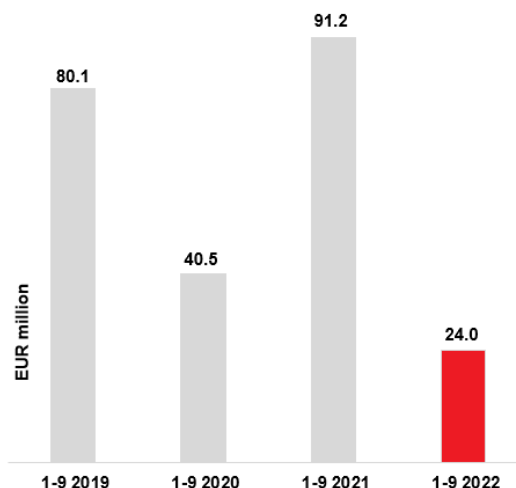
<sup>4</sup> The data cannot be calculated because of the uncertainty regarding the government compensation for the economic loss resulting from the regulation of the retail prices of petroleum products and due to the uncertainty related to the regulatory framework of electricity and natural gas price regulation in the part referring to loss compensation.

The Petrol Group	Unit	30 September 2022	31 December 2021	Index 2022/2021
Number of employees		6,283	6,237	101
Number of service stations		594	593	100
Number of e-charging points operated by the Petrol Group		384	296	130
Number of electricity customers	thousand	228	225	101
Number of natural gas customers (data for the Geoplin Group are not included)	thousand	54	47	114

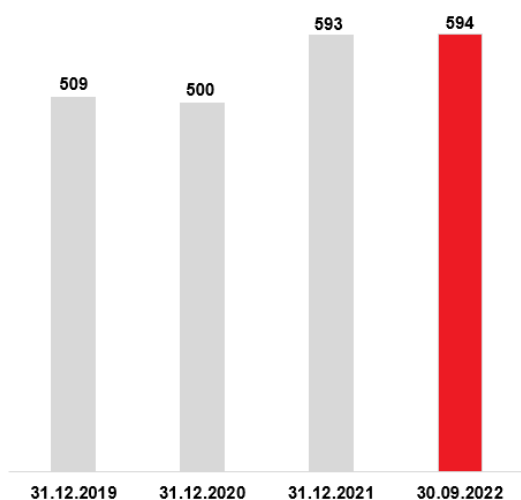
## EBITDA



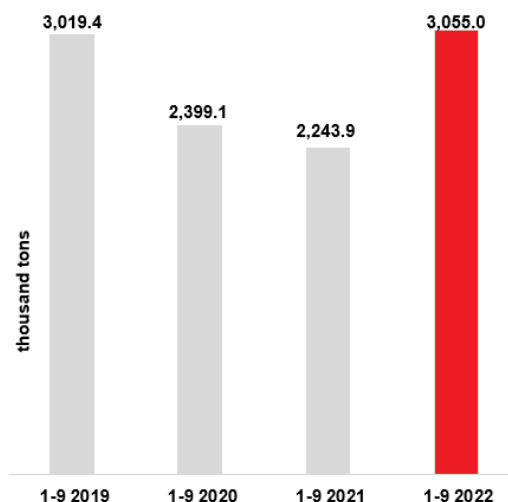
## Net profit or loss



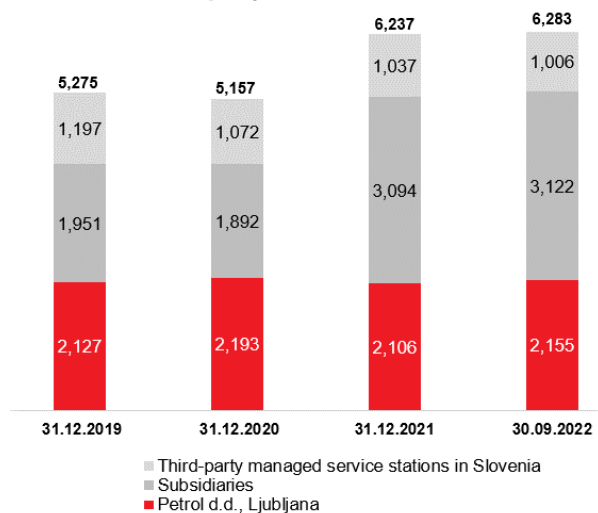
## The number of service stations



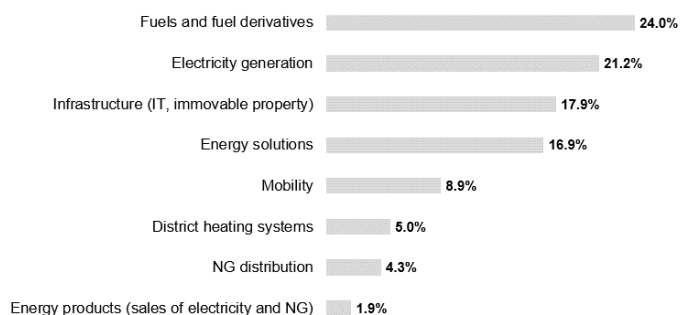
## Volumes of fuels and fuel products sold



## Number of employees



## Structure of investments





## 4. Strategic orientation

### Our mission

Through a broad range of energy commodities, comprehensive energy solutions and digital approach, we are putting the user at the centre of our attention. We want to become the first choice for shopping on the go. Together with our partners, we create solutions for a simpler transition to cleaner energy sources. We are building a green energy future in a decisive and active manner, increasing the value for our customers, shareholders and society over the long term.

### Our promise

Through energy transition, we are creating a green future and making a significant contribution to protecting our environment.

### Our vision

To become an integrated partner in the energy transition, offering an excellent customer experience.

### Our values

- **Respect:** We respect fellow human beings and the environment.
- **Trust:** We build partnerships through fairness.
- **Excellence:** We want to be the best at all we do.
- **Creativity:** We use our own ideas to make progress.
- **Courage:** We work with enthusiasm and heart.

At Petrol, we feel a strong sense of responsibility towards our employees, customers, suppliers, business partners, shareholders and the society as a whole. We meet their expectations with the help of motivated and business-oriented staff, we adhere to the fundamental legal and moral standards in all markets where we operate, and we protect the environment.

# BUSINESS REPORT

## **5. Business performance analysis**

### **5.1. Business environment**

We entered 2022 still faced with the Covid-19 epidemic. Economic growth was stable, although already accompanied by high prices of energy commodities which further skyrocketed as the war began in Ukraine. The high energy prices and the increasing inflation were the reason for the imposed fuel price regulation in the markets where we operate. Following fuel prices, regulation was imposed on the prices of natural gas and electricity, all of which has affected the Petrol Group's operations.

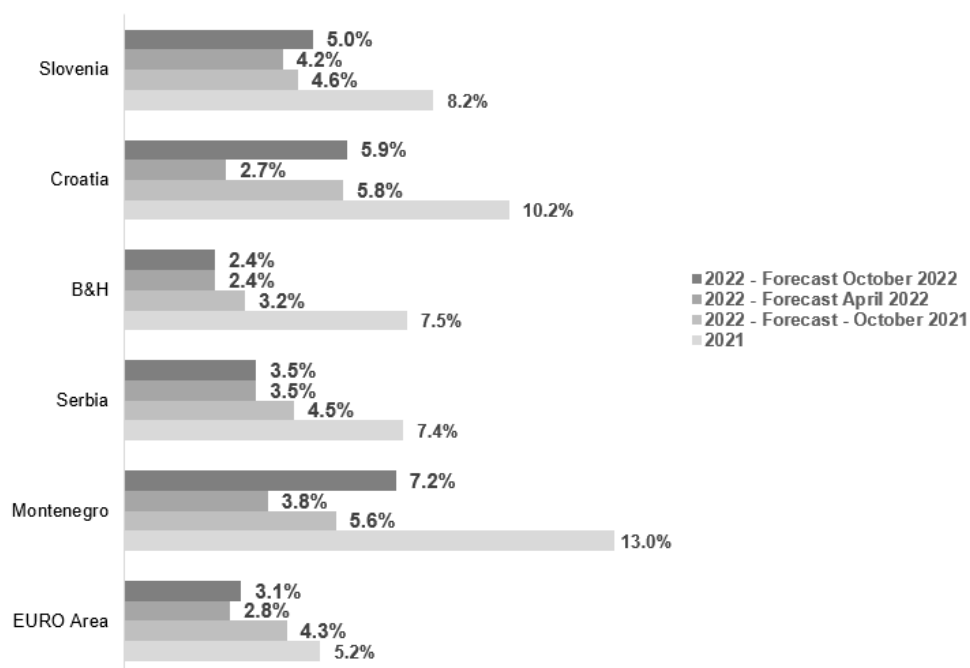
The Petrol Group operates in two highly competitive industries – energy and trade. Besides trends in the area of energy and commerce, the Group's operations are subject to several other and often interdependent factors, in particular changes in energy product prices and the US dollar exchange rate, which 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), measures taken by governments to regulate prices and the energy market, and measures taken by countries to contain the pandemic.

In its projections published in the World Economic Outlook at the beginning of October 2021, the International Monetary Fund expected the economy to recover. However, the outlook has worsened substantially with Russian invasion of Ukraine at the end of February 2022. In the time when the business plan for 2022 was being prepared, that is the autumn of 2021, the International Monetary Fund anticipated a 4.6 percent GDP growth for Slovenia and a 5.8 percent GDP growth for Croatia in its October Forecast. According to IMAD's Autumn Forecast (2021), Slovenia's GDP was expected to increase by 4.7 percent in 2022, especially on account of domestic consumption.

The greatest risk to the forecast GDP growth is connected to war developments in Ukraine, inflation, and the prices of energy commodities. The European Union is highly dependent on Russian gas imports. The already weakened trade flows with Russia have become even weaker, which has additionally affected the economic growth. Potential new Covid-19 flare-ups also remain an important risk to more stable recovery of certain activities.

In its most recent forecast (October 2022), the International Monetary Fund predicts a 5.7 percent economic growth for Slovenia and a 5.9 percent growth for Croatia. In its Autumn Forecast, IMAD predicts GDP growth of 5.0 percent for Slovenia for 2022, which is higher than expected in the Spring Forecast, mainly due to higher private consumption growth in the first half of the year. After favourable developments in the first half of the year, a significant slowdown is expected towards the end of the year.

## GDP change in %



Source: International Monetary Fund, IMAD

Consumer price growth accelerated up until the autumn and will remain high until the end of the year despite the expected slowdown. In its Autumn Forecast, IMAD expects an overall increase in consumer prices of 8.9% for Slovenia in 2022.

When preparing measures and putting them into practice, the Petrol Group complies fully, in all of its markets, with instructions issued by authorities. We complied with all instructions regarding the implementation of measures to curb the spread of SARS-CoV-2. Therefore, until 20 February 2022, entry to service stations was enabled solely to those who held a valid RVT certificate; this measure was terminated on 21 February 2022. We also comply with all decrees determining the prices of petroleum products and other energy commodities on all markets where we operate.

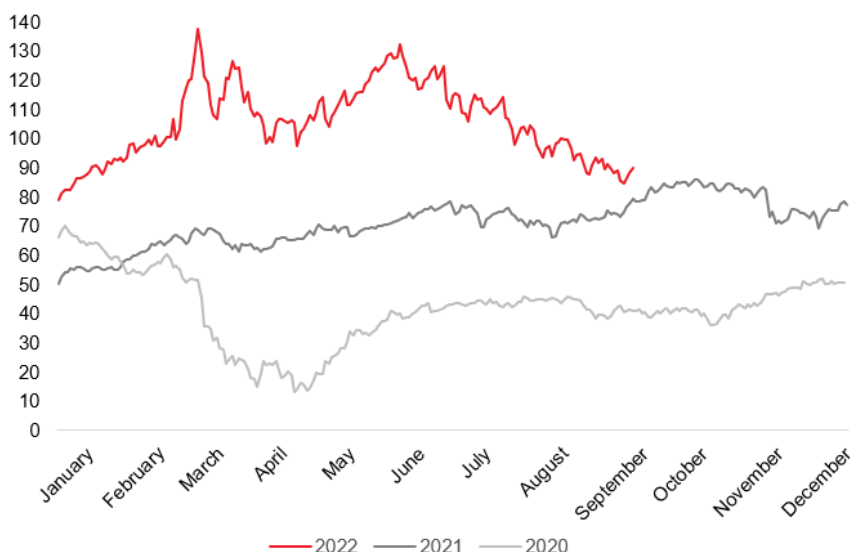
## Changes in oil and petroleum product prices

The Petrol Group's operations are significantly affected by changes in the prices of oil and petroleum products in the global market and the method of determining the prices of petroleum products.

The average price of Brent Dated North Sea crude oil stood at USD 105.6 per barrel in the first nine months of 2022, up by 55 percent year-on-year; the average price in euros increased by 75 percent year-on-year. In the period concerned, the price of Brent crude oil peaked on 8 March 2022, reaching USD 137.6 per barrel, and was the lowest on 4 January 2022 at USD 79.0 per barrel.

The prices of petrol and middle distillates mostly followed the crude oil price trend, although their growth was much more intensive. The petrol price growth was similar to that of crude oil and lower than that of diesel fuel, heating oil and kerosine.

## Changes in Brent Dated oil price in the first nine months of 2022 in USD/barrel



Source: Petrol, 2022

## Changes in Brent Dated oil price in the first nine months of 2022 in EUR/barrel



Source: Petrol, 2022

The prices of oil and petroleum products were slowly increasing in the beginning of this year, but after Russian invasion of Ukraine at the end of February 2022, we witnessed booming prices of oil and, consequently, all petroleum products. After initial shock, the steep growth settled down at the beginning of April, but the prices again started to increase sharply in mid-May and peaked towards the end of June. Afterwards, the prices dropped to the pre-crisis level from the beginning of March 2022. At the start of August, the prices of diesel fuel, heating oil and kerosine started to rise again and followed the growth of crude oil prices, whereas the prices of petrol stayed at the same level or even started to drop. The difference between diesel and petrol at the end of August increased to USD 300 per metric ton, diesel being more expensive.

Future oil price trends will be affected mostly by the situation in Ukraine, as well as OPEC's oil output agreements, potential return of Iranian oil production and offer, and the effect of the global recession on lower oil demand.

## Effect of petroleum product price regulation

In **Slovenia**, the retail prices of NMB-95 petrol and diesel were market-determined until 14 March 2022 when the Government of the Republic of Slovenia adopted the Decree Determining the Prices of Certain Petroleum Products to set the maximum permitted retail price of NMB-95 petrol at EUR 1.503 per litre and diesel at EUR 1.541 per litre. On 31 March 2022, the adopted Decree Determining the Prices of Certain Petroleum Products further set the maximum permitted wholesale price of NMB-95 at EUR 1.483 per litre and diesel at EUR 1.521 per litre. The Decree was in effect for retail and wholesale prices until 30 April 2022. Prices were not regulated until 10 May, after which they were again regulated from 11 May to 10 August 2022. The Government of the Republic of Slovenia capped the retail price of NMB-95 petrol at EUR 1.560 per litre and the wholesale price at EUR 1.540 per litre. The retail price of diesel was regulated at EUR 1.668 per litre and the wholesale price at EUR 1.648 per litre. The Decree was in effect until 20 June 2022.

The Government of the Republic of Slovenia adopted a new Decree on 15 June 2022, excluding prices of motor fuels at motorway and expressway service stations and premium fuels NMB 100 and iQ diesel. The retail and wholesale prices at such service stations and of premium fuels were market-determined. By way of the Decree, the Government stopped the limitation of maximum prices and limited fuel retailers' and wholesalers' margin at EUR 0.0591 per litre for diesel and for NMB-95 at EUR 0.0607 per litre; after 17 August 2022, the margin for diesel stands at EUR 0.0983 per litre and for NMB-95 at EUR 0.0994 per litre. The Decree is in effect from 21 June for a period of one year. Pursuant to the Decree, the bio-component markup is excluded from the model price calculation formula although the bio-component still needs to be added to fossil fuels pursuant to the Decree on Renewable Energy Sources in Transport.

In light of the high energy prices, the Government of the Republic of Slovenia adopted the Decree Determining the Prices of Petroleum Products on 20 October 2021, thereby reintroducing government regulation of extra light heating oil (KOEL) prices. The maximum permitted margin was EUR 0.0600 per litre. The Decree was in force for three months and then extended by an additional three months on 20 January 2022. The regulation of margin at EUR 0.0600 per litre was extended by another month with a new Decree on 21 April 2022 and was in effect until 21 May when the regulation of the extra light heating oil prices ended. On 9 September 2022, the Government of the Republic of Slovenia adopted the Decree amending the Decree Determining the Prices of Petroleum Products, reimposing government regulation of the prices of extra light heating oil. From 13 September 2022, the margin has been capped at EUR 0.08 per litre.

In **Croatia**, the Government of the Republic of Croatia adopted Regulation on the Determination of the Highest Retail Prices of Petroleum Products on 7 February 2022, setting the maximum prices of the following fuels for a period of 30 days: petrol (Eurosuper 95) at HRK 11.37 per litre (EUR 1.51 per litre), diesel (Eurodiesel) at HRK 11.29 per litre (EUR 1.49 per litre) and blue-dyed diesel (Eurodiesel BS plavi) at HRK 6.50 per litre (EUR 0.86 per litre).

On 7 March 2022, the Government of the Republic of Croatia adopted new Regulation on the Determination of the Highest Retail Prices of Petroleum Products, which sets a pricing model for petrol, diesel and blue-dyed diesel. The Regulation also sets the maximum margin which fuel retailers and wholesalers can charge for: petrol (Eurosuper 95) at HRK 0.75 per litre (EUR

0.099 per litre), diesel (Eurodiesel) at HRK 0.75 per litre (EUR 0.099 per litre) and blue-dyed diesel at HRK 0.50 per litre (EUR 0.066 per litre). The Regulation can be in force up to 90 days.

On 17 March 2022, the Government of the Republic of Croatia adopted an amendment to Regulation, excluding bio-component markup from the maximum price calculation formula. On 17 March 2022, the Government of the Republic of Croatia adopted a new Regulation, reducing the fine for not blending the bio-component.

On 7 June 2022, the Croatian government adopted a Regulation to decrease the regulated margins of fuel retailers and wholesalers, namely for petrol (Eurosuper 95) and for diesel (Eurodiesel) to HRK 0.65 per litre (EUR 0.086 per litre) and for blue-dyed diesel to HRK 0.40 per litre (EUR 0.053 per litre). It also changed the retail price calculation method by extending the accounting period to 14 days (previously 7 days).

By amending Regulation on 20 June 2022, the Croatian government separated limitation of the prices of fuel sold at motorway service stations from other locations. For fuels not sold at motorway service stations, it set the following maximum retail prices: petrol (Eurosuper 95) at HRK 13.50 per litre (EUR 1.794 per litre), diesel (Eurodiesel) at EUR 13.08 per litre (EUR 1.738 per litre) and blue-dyed diesel (Eurodiesel BS plavi) at HRK 9.45 per litre (EUR 1.256 per litre). For fuels sold at motorway locations, it regulated the margin for petrol (Eurosuper 95) at HRK 0.65 per litre (EUR 0.0863 per litre), diesel (Eurodiesel) at HRK 0.65 per litre (EUR 0.0863 per litre), and blue-dyed diesel at HRK 0.40 per litre (EUR 0.0531 per litre).

The Government of the Republic of Croatia adopted a Regulation on 4 July 2022, keeping the separation of the regulation of the retail prices of fuel sold at motorway service stations from other locations, such as was imposed with the previous regulation adopted on 20 June 2022. Additionally, the wholesale price has been regulated in Croatia for the first time and it cannot be higher than the retail price set for non-motorway retail points of sale.

On 18 July 2022, the Government of the Republic of Croatia adopted a new Regulation, reimposing margin limitation for petrol (Eurosuper 95) at EUR 0.65 per litre (EUR 0.086 per litre) and diesel (Eurodiesel) at HRK 0.65 per litre (EUR 0.086 per litre), while for blue-dyed diesel, the maximum retail price stayed regulated at HRK 9.45 per litre (EUR 1.256 per litre). At the same time, the Regulation terminated the separation of regulation between motorway service stations and other locations. On 25 July 2022, the Croatian government adopted an amendment to the Regulation to limit the retailers' and wholesalers' margin for the blue-dyed diesel at HRK 0.40 per litre (EUR 0.053 per litre). The amendment was in force until 22 August 2022 when a new Regulation was passed to reintroduce the maximum price of HRK 8.49 per litre (EUR 1.13 per litre).

By adopting a new Regulation on 12 September 2022 in effect for 14 days from publishing, the Croatian government additionally regulated LPG, namely the margin for the propane-butane mixture for large gas holders at HRK 2.80 per kg (EUR 0.3716 per kg) and the maximum price for LPG cylinders (7.5 kg or more) at HRK 13.94 per kg (EUR 1.85 per kg). The validity of the previously adopted regulation was extended with the adoption of a new regulation on 26 September 2022, valid for 7 days from publishing.

In **Serbia**, the Government of the Republic of Serbia adopted Regulation on the Limitation of Prices of Petroleum Products (without additives), referring to Eurodiesel and unleaded petrol;



the Regulation has been in force since 12 February 2022. By amending the Regulation on 11 March 2022, the maximum retail price, including VAT, for Eurodiesel and NMB 95 unleaded petrol was set in the amount of the average wholesale price of fuel products in Serbia, increased by RSD 6 per litre (EUR 5 cents per litre), and later (with amendment on 29 April 2022) increased by RSD 7 per litre (EUR 6 cents per litre). Prior to this, retail prices of petroleum products were market-determined. The Serbian government extends the duration of the regulation on a monthly basis.

In **Bosnia and Herzegovina**, the maximum retail margin has been set at BAM 0.25 per litre (EUR 0.128 per litre) and the wholesale margin at BAM 0.06 (EUR 0.0307 per litre) since 3 April 2021; prior to this, retail prices of petroleum products were market-determined.

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 March 2021. The prices change fortnightly, subject to changes on the oil market (Platts European Marketscan) and the exchange rate of the euro and the US dollar is rounded. Prior to this, the prices of petroleum products were set pursuant to the Regulation, which was in force since 1 January 2011.

### **Changes in the prices of other energy commodities**

The rising trend of exchange prices in Europe in 2021 has continued this year. The high prices of electricity are a reflection of the high prices of other energy commodities, market speculation and the war in Ukraine; namely, the final price of electricity is largely affected by the price of natural gas.

The upward exchange price trend stopped at the end of August when the prices of electricity and natural gas peaked, after which the trend turned downward when ministers of EU member states announced a regulation with which they reached a political agreement on the measures to tackle to energy crisis.

Since the start of September, a downward trend has been seen in the electricity and natural gas exchange prices, primarily because the planned goal to fill EU's gas storage facilities has been met early and because of the agreement made by EU member states about the reduced consumption of both energy commodities.

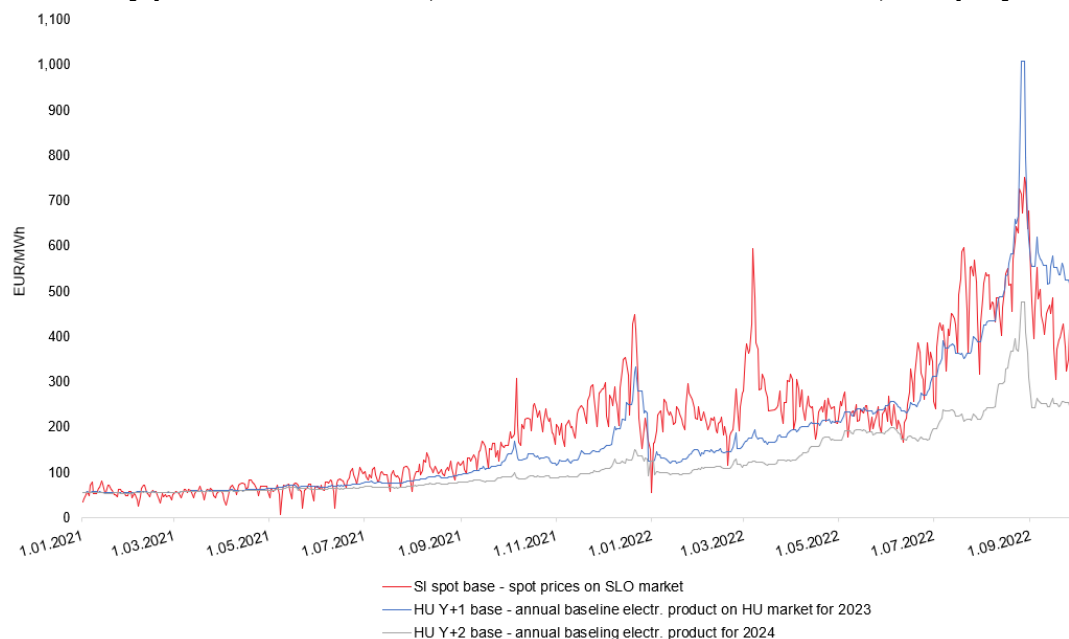
The gas leak at the Nord Stream 1 and 2 gas pipelines has enhanced volatility and raised fears for a long-term halt on Russian gas supply. An alternative to the Russian gas is LNG import, primarily from the US, but this option is more expensive due to the transport.

At the moment, all eyes in Europe are on the coming winter. In the best-case scenario, Europe could overcome the winter without any major problems, but there are many factors that could significantly aggravate Europe's energy balance, such as the inability or poor implementation of austerity measures, a cold winter, shortage of LNG supplies in the EU because of increased global need for LNG, especially in Asia, a full halt of the currently existing Russian gas supplies, and the like.

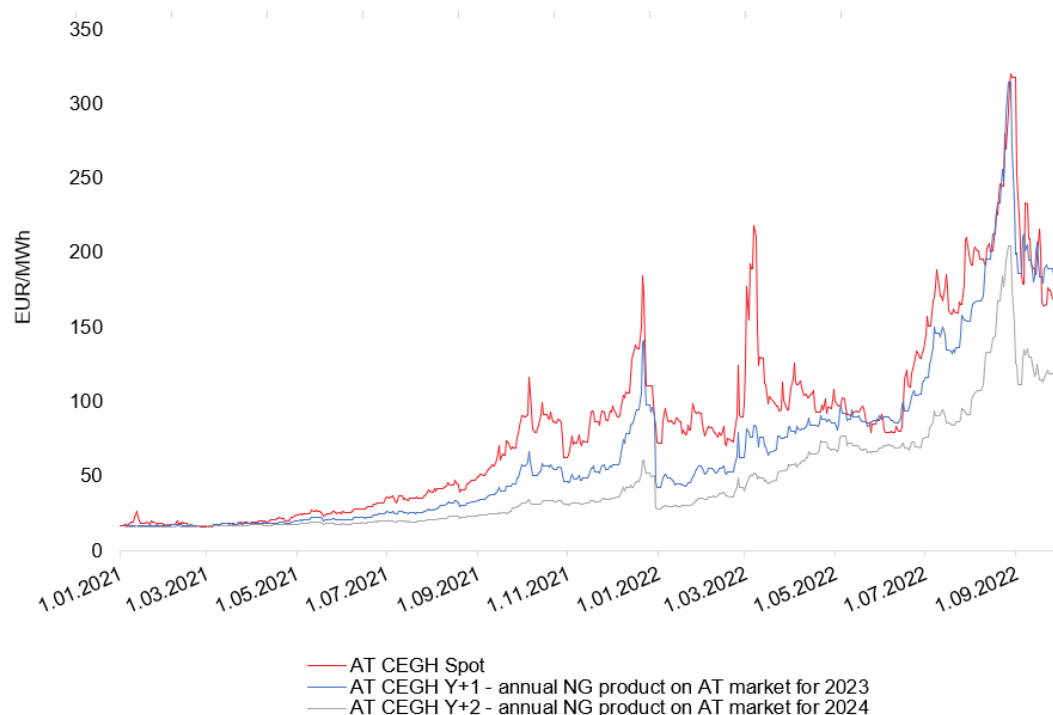
The rise in the prices of energy commodities based on futures contracts (for 2024, 2025...) stopped at the end of August; nevertheless, the situation in the EU remains unstable and the energy-related challenges do not seem to end any time soon.



## Electricity price trends in 2021, in the first nine months of 2022, and projections



## Natural gas price trends in 2021, in the first nine months of 2022 and projections



## Effect of other energy commodity price regulation

In **Slovenia**, the Government of the Republic of Slovenia adopted the Decree Determining the Prices of Electricity on 14 July 2022, setting the maximum permitted retail price of electricity for households and small business customers (Official Gazette of the RS, No. 95/22), as determined by the Electricity Supply Act (Official Gazette of the RS, No. 172/21) and for

consumption in common areas of multi-apartment buildings and common areas in mixed multi-apartment and business buildings.

On 21 July 2022, the Government of the Republic of Slovenia further adopted the Decree Determining the Prices of Natural Gas from the Gas System, which sets the maximum permitted retail price of natural gas from the transport and distribution network gas system for household consumers, end gas users supplying heat to several apartments via a shared heating device owned or co-owned by such households, essential social services such as determined in the second bullet of the first paragraph of Article 117 of the Electricity Supply Act and consumers who, on the Decree enforcement date, are small business customers as determined by the Electricity Supply Act.

Both Decrees set the maximum permitted retail price of energy commodities, which will be in effect from 1 September 2022 to 31 August 2023.

The Croatian government adopted the Regulation to Eliminate Disruptions on Domestic Energy Market on 8 September 2022, determining the price of electricity for households and business customers and for public institutions in effect from 1 October 2022 to 31 March 2023. On 14 September, it adopted Regulation amending the abovementioned Regulation, determining special measures for natural gas. On 19 September 2022, the Croatian government adopted a resolution on the amount of tariff items for natural gas supply to non-household end customers for the period from 1 October to 31 December 2022.

### Effect of changes in the USD/EUR exchange rate

The USD/EUR exchange rate ranged between 0.96 and 1.15 in the first nine months of 2022. The average exchange rate of the US dollar according to the exchange rate of the European Central Bank stood at USD 1.06 per euro in the period concerned (in 2021, the average exchange rate was USD 1.18 per euro).

## 5.2. The Petrol Group's business performance

In June 2021, the Petrol Group reorganised the Company and the Petrol Group with the purpose to achieve the strategic goals and position the Group in the context of a broader energy transition in line with the new vision of the Group. Reorganisation is reflected in a stronger connection of markets, regional approach and standardisation of business processes and it enables more efficient processes, the unification and optimisation of the operation of support functions, customer focus and a unified presence on the markets in subsidiaries.

We separated the sales segment, which is focused on customers with the goal to increase the time of engagement with customers and increase revenue, from product management, which is focused on developing products and managing their life cycle and on providing for a high customer experience and maximising product profitability in the Group.

In line with this, we have started to report operating results by the following product groups this year:

- **Fuels and fuel products**, including petroleum product sales, liquefied petroleum gas sales and other alternative energy commodities (compressed natural gas), transport, storage

and transshipment of fuels, revenue from payment cards, and sales of biomass, tyres, inner tubes and batteries.

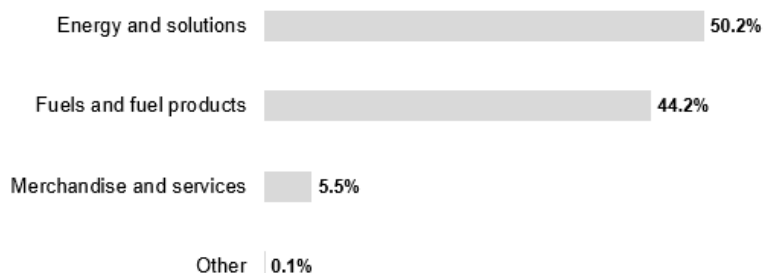
- **Merchandise and services**, including sales of food products, accessories, tobacco and lottery products, coupons and cards, coffee-to-go, Fresh products, automotive products and spare parts, and carwash services, sales promotion services, and other services, and catering facility rentals.
- **Energy and solutions**, including electricity and natural gas sales and trading, sales of energy solutions (systems of energy and environmental management of buildings, water supply systems, efficient lighting systems, district energy systems, water treatment, industry solutions), sales of heat systems, natural gas distribution, mobility and renewable electricity generation.
- **Other**: mining services, maintenance services, vacation rentals.

We have adjusted all data for the comparative period of 2021 and the plan for 2022 to the new reporting method.

## Sales revenue

In the first nine months of 2022, the Petrol Group's **sales revenue** stood at EUR 7.0 billion, a year-on-year increase of 128 percent. In 2022, the Petrol Group has operated under very complex conditions of the energy crisis and interventions taken by governments to mitigate the crisis. In January and most of February 2022, the Petrol Group's operations were influenced by the measures to contain the Covid-19 pandemic. Until 20 February 2022, entry to service stations was enabled solely to those who held a valid RVT certificate. The prices of all energy commodities started to grow already in 2021, but they soared at the end of February 2022 when Russia attacked Ukraine. Compared to the same period last year, the growth of revenue was affected by, in addition to increased volumes of fuels and fuel products sold, the growth of energy prices and fuel price regulation which capped the maximum retail and wholesale price of the most widely sold fuels – unleaded petrol NMB-95 and diesel fuel – over a certain period of time. The Petrol Group is not vertically integrated in the oil industry, meaning it does not have its own access to crude oil and its own refinery, as a result of which it is fully dependent on motor fuel imports.

### The Petrol Group's sales revenue by product group in the first nine months of 2022



In the first nine months of 2022, the Petrol Group sold 3,055.0 thousand tons of fuels and fuel products, a year-on-year increase of 36 percent, mostly because of the integration of Crodux derivati dva d.o.o. into the Petrol Group. In Slovenia, high growth was recorded in retail, especially because of the fuel price regulation in effect from 15 March 2022. In the period between 15 March and 20 June 2022 when the maximum retail price was set by a decree, prices of fuels were much lower in Slovenia compared to the neighbouring countries, which

has resulted in substantially increased sales at state border service stations, especially those bordering Italy; sales also increased to foreign truck operators at service stations in the hinterland area and, in the tourist season, to foreign nationals.

In the first nine months of 2022, we generated a revenue of EUR 385.7 million from the sales of merchandise and services, a year-on-year increase of 4 percent. The main reason for the increase is the integration of Crodux derivati d.o.o. into the Group. At Petrol d.d., Ljubljana, revenue from the sales of tobacco products and food and beverages increased, whereas the revenue from sales of toll stickers decreased because of the Motorway Company of the Republic of Slovenia's (DARS's) switch to electronic tolls. We now no longer have Slovenian toll stickers in stock, so we record as revenue only the difference between the final selling price and the cost, which we are entitled to based on the contract. Compared to last year, revenue from the sales of warm beverages decreased in Slovenia.

In the first nine months of 2022, we sold 13.1 TWh of natural gas, 8.6 TWh of electricity, and 108.5 thousand MWh of heat.

### **Adjusted gross profit**

In the period concerned, adjusted gross profit stood at EUR 405.3 million, a year-on-year decrease of 1 percent. The positive contribution by the integration of Crodux derivati d.o.o. into the Petrol Group to the growth of the adjusted gross profit was fully annulled by the effect of fuel price regulation in Croatia because the regulated prices did not enable us to cover the operational costs. In Slovenia, the selling prices of diesel fuel and petrol were below the cost throughout most of the period between 15 March and 20 June 2022. Due to the government-imposed measures on the motor fuel market, the Petrol Group has estimated a loss of EUR 108.9 million in Slovenia in the period between 15 March and 20 June 2022 and EUR 34.6 million in Croatia in the entire analysed period. In Slovenia, the regulated margin which was in effect between 21 June and 16 August 2022 did not enable us to cover all sales-related costs.

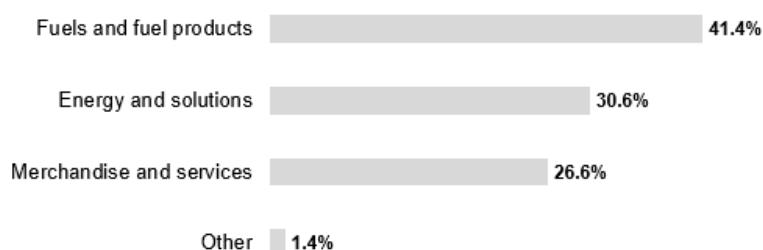
Due to the electricity network charge regulation between 1 February and 30 April 2022 and equalisation of household natural gas customers and floor owners from 1 January 2022 onwards (both in Slovenia), we have recorded an additional loss of EUR 2.4 million in adjusted gross profit.

In the first nine months of 2022, we witnessed turbulent events on global markets, including the markets where we operate. The beginning of the year was still marked by the Covid-19 pandemic and a stable economic growth resulting from the increasing energy prices. Until 20 February, entry to Petrol's service stations in Slovenia was enabled solely to those who held a valid RVT certificate. At the end of February, however, as the war broke out in Ukraine, prices of all energy commodities started to soar. Several countries responded by limiting selling prices of petroleum products. In Slovenia, the price of extra light heating oil has been regulated since 20 October 2021 with the exception of the period between 22 May and 12 September 2022, and the prices of NMB-95 petrol and diesel since 15 March 2022, except for a brief period between 1 and 10 May. Selling prices were limited until 20 June and since 21 June, fuel retailers' and wholesalers' margins have been capped by way of a decree. During the maximum selling price regulation period, fuel prices were much lower in Slovenia than in most neighbouring countries, which on the one hand gave a big boost to sales, but the regulated

selling prices were set below the cost, hence a negative margin in the period concerned. In Croatia, prices have been regulated since 7 February 2022. During the first month, maximum selling prices were determined by way of a regulation, but they were lower than the cost of regulated fuel; on 7 March, a regulation was passed to set the maximum margins which enable covering for the purchase price, but not all costs. On 7 June, the Government further decreased the maximum permitted margin and changed the accounting period from 7 to 14 days. The amended regulation of 20 June separated regulation of the prices of fuel sold at Croatian motorway service stations from other locations in Croatia. On 4 July, the maximum wholesale price was also regulated. On 18 July, a new regulation was adopted to terminate the separation of the regulation between motorway and non-motorway locations and regulate the margin for petrol and diesel (Eurodiesel). For blue-dyed diesel, margin was regulated until 22 August, following which the maximum price was reimposed. On 12 September, the Croatian government started regulating the prices of LPG for the propane-butane mixture for large gas holders and cylinders. In Serbia, price regulation has been in effect since 12 February 2022. All of this has resulted in a lower adjusted gross profit from the sales of petroleum products compared to the same period of last year.

In Italy, we gained new buyers who have storage facilities with the option of intra-community supplies, and we managed to increase sales to Austria. Due to the high growth of purchase prices, we achieved a lower result from electricity supply to end users than in the previous year. On the other hand, we generated good results in electricity trading. Due to the low temperatures during the heating season, our sales in the segment of district heating increased year-on-year, and the same goes for renewable electricity generation.

### The Petrol Group's adjusted gross profit by product group in the first nine months of 2022



### Operating costs

Operating costs stood at EUR 350.5 million in the first nine months of 2022, a year-on-year increase of EUR 62.6 million or 22 percent, of which EUR 39.1 million because of the integration of Crodex derivati d.o.o. into the Petrol Group and the rest mainly on account of the rising prices of energy commodities and costs directly linked to a higher volume of fuels sold, and the higher prices of motor fuels. The share of operating costs in adjusted gross profit for the period concerned stood at 86.5 percent compared to 70.1 percent in the same period last year. The deterioration is a result of the lost adjusted gross profit because of the regulated fuel prices and margins.

The Petrol Group (EUR)	1-9 2022	1-9 2021	Index 2022/2021
Cost of materials	27,459,257	20,017,801	137
Cost of services	130,547,721	102,921,750	127
Labour costs	101,286,549	83,095,688	122
Depreciation and amortisation	68,069,094	55,933,868	122
Other costs	23,181,884	25,929,714	89
<b>Operating costs</b>	<b>350,544,505</b>	<b>287,898,821</b>	<b>122</b>

**Costs of materials** stood at EUR 27.5 million in the first nine months of 2022, a year-on-year increase of 37 percent, owing especially to the higher costs of energy (gas and electricity consumed – district heating and energy solutions). Costs of consumables also increased due to the integration of Crodux derivati dva d.o.o. into the Petrol Group.

**Costs of services** stood at EUR 130.5 million and were up by 27 percent year-on-year. The major year-on-year increase was recorded in the costs of transport services, by 45 percent, with just over a half of this due to the higher sales of fuels and fuel products in Slovenia and the increased transport rates, and the rest because of the integration of Crodux derivati dva d.o.o. into the Petrol Group. The costs of payment transactions and banking services increased year-on-year because of the higher prices of fuel, the integration of Crodux derivati dva d.o.o. into the Petrol Group, and the high volumes sold in Slovenia in the second quarter of the year. Costs of maintenance increased largely as a result of the integration of Crodux derivati dva d.o.o. into the Petrol Group and because of the increased volume of building and equipment maintenance and the higher costs of cleaning and snow clearing at service stations. The growth of the costs of professional services was affected by a larger number of students hired to check the RVT certificates at service stations in the beginning of the year, a higher volume of student work due to the shortage of service station staff, and a higher cost of advisory services. Lease payments increased primarily because of the IT equipment lease and the integration of Crodux derivati dva d.o.o. into the Petrol Group. The growth of insurance services is affected by the increase in prices on the insurance market and the expansion of operations. The cost of service station managers increased because of the aforementioned hiring of students to check the RVT certificates at service stations and the higher volume of student work due to the shortage of service station staff.

**Labour costs**, which stood at EUR 101.3 million, increased by 22 percent year-on-year, of which EUR 13.2 million because of the integration of Crodux derivati dva d.o.o. into the Petrol Group. The costs also increased because of the minimum wage increase and promotions of employees with the lowest wages.

In line with the measures taken by countries to contain the Covid-19 pandemic, the Petrol Group made use of measures relating to the reimbursement of labour costs in the total amount of EUR 28.4 thousand in the first nine months of 2022 (the first nine months of 2021: EUR 0.6 million) and recorded the effects as a decrease in labour costs.

**Amortisation and depreciation charge**, which stood at EUR 68.1 million in the first nine months of 2022, was up by EUR 12.1 million or 22 percent year-on-year, mostly because of the integration of Crodux derivati dva d.o.o. into the Petrol Group and the start of operation of Vjetroelektrana Ljubač d.o.o. in July 2021.



**Other costs** totalled EUR 23.2 million, down by 11 percent year-on-year, most of all because of the lower costs of impairments.

Various activities are in place to manage costs. We have reinforced the group which is preparing analyses and improvement proposals relating to both the optimisation of operations and functioning and use of technological equipment at service stations. Costs are regularly monitored and, in case of deviations, proper measures are taken.

**Other revenue** stood at EUR 379.5 million and was EUR 246.2 million higher year-on-year. Gain on derivatives totalled EUR 372.7 million, up by EUR 244.0 million year-on-year.

**Other expenses** stood at EUR 404.0 million, a year-on-year increase of EUR 267.7 million. Loss on derivatives stood at EUR 403.7 million, up by EUR 267.8 million year-on-year. The Petrol Group is exposed to price and volumetric risks arising from energy operations (petroleum products, natural gas, electricity, LPG). The Petrol Group manages price and volumetric risks primarily by aiming to align purchases and sales of energy commodities in terms of quantities as well as purchase and sales conditions, thus securing its margin on energy commodities. Depending on the business model for each energy commodity, limits are in place that restrict exposure to price and volumetric risks. The Petrol Group uses mostly derivative financial instruments to hedge petroleum product prices. Partners in this area include global financial institutions and banks or suppliers of goods; therefore, the Petrol Group considers the counterparty default risk as minimal. The Petrol Group enters into derivative financial instruments also in connection with electricity trading, engaging financial institutions to ensure minimal counterparty default risk and taking into account the adopted market value limits. The value of financial transactions changes annually based on market price trends and needs for our portfolio hedging.

## EBITDA

In the first nine months of 2022, EBITDA stood at EUR 98.3 million, down by 44 percent year-on-year. The positive effect of the integration of Crodux derivati d.o.o. into the Petrol Group on EBITDA and a good result in the field of electricity trading which was used to compensate for the poorer result in electricity supply to end consumers was annulled by the loss resulting from the regulated fuel prices in Slovenia in the period between 15 March and 20 June 2022 and in Croatia throughout the entire analysed period in the total amount of EUR 143.4 million. In Slovenia, the regulated margin which was in effect between 21 June and 16 August 2022 did not enable us to cover all sales-related costs. The year-on-year results were also lower in natural gas supply to end customers; an additional EUR 2.4 million was lost due to the electricity network charge regulation for electricity distribution operators and the equalisation of household consumers of natural gas and floor owners. In the difficult situation, we continue to focus greatly on cost management.

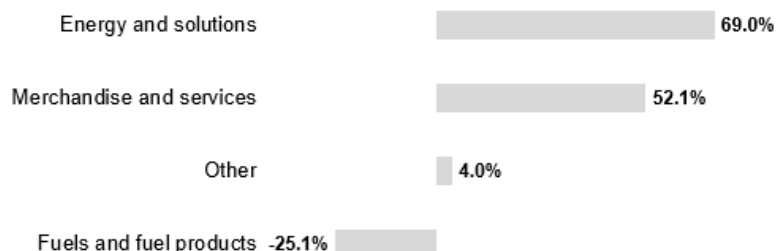
Petrol's business model as a fuel retailer and wholesaler does not enable us to cover all the costs in the period of retail price regulation in which refineries are making profits based on the cost of fuels. Due to the government-imposed measures on the motor fuel market, the Petrol Group has estimated a loss in EBITDA in the amount of EUR 108.9 million in Slovenia in the period between 15 March and 20 June 2022, and EUR 34.6 million in Croatia in the period between 8 February and 30 September 2022. Given the uncertain circumstances and the undefined amount of compensation from the Government, the estimated loss is not recognised

in the financial statements of Petrol d.d., Ljubljana, for the period of January–September 2022. The current Government terminated the retail price regulation measure in Slovenia with Decree of 15 June 2022, thereby preventing further loss from being incurred.

### EBITDA in the first nine months of 2022 compared to the same period of 2021



### The Petrol Group's EBITDA by product group in the first nine months of 2022



**Operating profit** stood at EUR 30.2 million, a year-on-year decrease of EUR 89.5 million or 75 percent. As mentioned in the analysis of the adjusted gross profit, the drop results mainly from the regulation of the selling prices of fuels in Slovenia and Croatia, while we were successful in electricity trading, renewable electricity production and heating systems. The integration of Crodex derivati dva d.o.o. into the Petrol Group also had a positive effect on the operating profit.

**Share of profit from equity accounted investees** stood at EUR 1.2 million, up by EUR 0.3 million year-on-year.

**Net finance expenses** of the Petrol Group stood at EUR 2.8 million in the first nine months of 2022, down by EUR 7.3 million year-on-year. Net foreign exchange losses were up by EUR 9.5 million, net interest expenses by EUR 3.2 million and net expenses for value adjustment of operating receivables by EUR 1.3 million year-on-year. In the period concerned, net gains



on derivatives were up by EUR 18.3 million and net other finance revenue by EUR 2.2 million year-on-year.

**Pre-tax operating profit** amounted to EUR 28.6 million in the first nine months of 2022 compared to EUR 110.5 million in the same period last year.

**Net profit** for the first nine months of 2022 stood at EUR 24.0 million compared to EUR 91.2 million in the same period of last year.

**Total assets** of the Petrol Group stood at EUR 2.8 billion as at 30 September 2022, an increase of 17 percent compared to 2021 year-end. Non-current assets totalled EUR 1.3 billion, down by 1 percent compared to the end of 2021, and current assets stood at EUR 1.5 billion, up by 38 percent compared to the end of 2021. Current operating receivables increased by EUR 222.0 million compared to the end of 2021, mostly because of the steep increase of energy prices.

**Equity** of the Petrol Group stood at EUR 904.8 million as at 30 September 2022 and was on a par with equity at the end of 2021.

**Net debt** totalled EUR 594.2 million, up by EUR 87.9 million compared to the end of 2021.

As at 30 September 2022, the Petrol Group's **working capital** stood at EUR 147.5 million, an increase of EUR 20.9 million compared to the end of 2021 when it stood at EUR 126.6 million. Compared to the end of 2021, inventories and trade receivables and payables increased.

The Petrol Group's model as a fuel retailer and wholesaler does not enable it to cover all costs based on the current purchase prices and regulation of selling prices or margins in the period from 15 March to 20 June 2022 in Slovenia and throughout most of the period in Croatia. Despite having responded quickly to changed market conditions, both by adjusting and diversifying its product range and streamlining and optimising costs, the Petrol Group did not manage to mitigate the negative effects of the fuel price regulation on its operations. The efforts and activities aimed at optimising costs and streamlining business operations had a positive impact on business results for the first nine months of 2022, since we managed to keep the costs which are not directly linked to the increased volumes of fuels sold and energy consumption within the planned values despite the high growth of prices and the rising inflation. The Petrol Group will continue to keep a close eye on the behaviour of its customers, all the while adapting its range of products and services to the market situation.

## 6. Operations by product groups

Below is a detailed presentation of the Petrol Group's operations in the first nine months of 2022 broken down by **product groups**:

- **Fuels and fuel products**, including petroleum product sales, liquefied petroleum gas sales, sales of other alternative energy commodities (compressed natural gas), transport, storage and transshipment of fuels, revenue from payment cards, and sales of biomass, tyres and batteries.

- **Merchandise and services**, including sales of food products, accessories, tobacco and lottery products, coupons and cards, coffee-to-go, Fresh products, automotive products and spare parts, and carwash services, sales promotion services, and other services, and catering facility rentals.
- **Energy and solutions**, including electricity and natural gas sales, sales of energy solutions (systems of energy and environmental management of buildings, water supply systems, efficient lighting systems, district energy systems, water treatment, industry solutions), sales of heat systems, natural gas distribution systems, mobility, and energy generation.

## 6.1 Fuels and fuel products

In the first nine months of 2022, the Petrol Group generated a revenue of EUR 3,101.5 million with the Fuel and Fuel Products product group.

The Petrol Group sold 3,055.0 thousand tons of fuels and fuel products in the first nine months of 2022, a year-on-year increase of 36 percent.

In **Slovenia**, we sold 1,287.6 thousand tons of fuels and fuel products in the first nine months of 2022, an increase of 22 percent compared to the same period of 2021. Good sales results in Slovenia were achieved especially from the sale of motor fuels.

In **SEE markets**, we sold 1,121.1 thousand tons of fuels and fuel products in the first nine months of 2022, up by 56 percent year-on-year, primarily because of the integration of Crodux derivati dva d.o.o. into the Petrol Group.

In **EU markets**, we sold 646.4 thousand tons of fuels and fuel products in the first nine months of 2022, a year-on-year increase of 37 percent, especially because of new petrol buyers in Italy who have storage facilities with the option of intra-community supplies and because of the increased sales of diesel to the Austrian market with the shortage of supply from the competitive source from Italy and reduced operation of refinery in Vienna due to technical issues.

With the integration of Crodux derivati dva d.o.o. into the Petrol Group, sales of fuels and fuel products in Slovenia decreased, while sales to SEE markets increased (1-9 2022: Slovenia 42 percent, SEE markets 37 percent and EU markets 21 percent; 1-9 2021: Slovenia 47 percent, SEE markets 32 percent and EU markets 21 percent).

Of 3,055.0 thousand tons of fuels and fuel products, 46 percent was sold in retail and 54 percent in wholesale. Retail sale increased by 38 percent. Growth resulted primarily from the integration of Crodux derivati dva d.o.o. into the Petrol Group and, in Slovenia, from fuel price regulation. During regulation, the maximum selling prices of fuels in Slovenia were much lower than in the neighbouring countries, which significantly boosted sales at state border service stations, especially at the border with Italy; sales also increased to foreign truck operators at service stations in the hinterland area. Wholesale increased by 35 percent, especially on account of the integration of Crodux derivati dva d.o.o. into the Petrol Group, increased sales to EU markets, and the growth of wholesale in Slovenia.

At the end of September 2022, the Petrol Group's retail network consisted of 594 service stations, of which 318 in Slovenia, 202 in Croatia, 42 in Bosnia and Herzegovina, 17 in Serbia (we opened a new point of sale in Niš in July) and 15 in Montenegro.

At the end of September 2022, the Petrol Group operated 5 concessions for liquefied petroleum gas supply in Slovenia. Furthermore, Petrol d.o.o. has two contracts concluded for liquefied petroleum gas supply in Šibenik and Rijeka. We also supply liquefied petroleum gas to buyers via gas storage tanks and with autogas at service stations.

## **6.2 Merchandise and services**

In the first nine months of 2022, the Petrol Group generated a revenue of EUR 385.7 million from the sales of merchandise and services.

In **Slovenia**, a revenue of EUR 271.7 million was generated from the sale of merchandise and services in the first nine months of 2022, a year-on-year decrease of 12 percent. The drop in revenue from the sale of merchandise and services was mostly affected by the Motorway Company of the Republic of Slovenia's (DARS) switch to the electronic tolling system – this way we no longer have Slovenian toll stickers in stock, so only the difference between the final selling price and the cost, which we are entitled to based on the contract, is recorded as revenue. We have recorded a drop in sales of warm beverages, accessories and technical products, which were extremely high in the first quarter of 2021 because of the restrictive measures in other activities. We recorded good results especially from sales of tobacco products. In the field of services, the previous year's results were improved primarily by the operation of carwashes and entries to restrooms. We included digital Lottery Slovenia displays in more than 150 points of sale in Slovenia. The range of products and services sold at Petrol's points of sale is quickly adjusted to meet the needs of our service station customers.

In **SEE markets**, we generated EUR 114.0 million in revenue from the sales of merchandise and services in the first nine months of 2022, a year-on-year increase of 82 percent, especially because of the integration of Crodux derivati d.o.o. into the Petrol Group. Other companies on SEE markets achieved good results especially from sales of tobacco and food products, whereas lower results, while poorer results were generated in the sales of warm beverages, especially in Croatia (excluding the effect of the integration of Crodux derivati d.o.o. into the Petrol Group). In Bosnia and Herzegovina, we introduced Loto – Bingo terminals at additional 16 locations and in Serbia we included electronic toll payment devices in 5 buildings.

### **Significant activities in sales of fuels and fuel products and merchandise and services**

The turbulent economic environment has strongly impacted the operations in the first nine months of the year. To mitigate the negative effects on the Group's operations, we have further enhanced the customer-centric activities.

We have reinforced the sales network position by emphasising the tailoring of the business models operated by third parties (cafes, restaurants, car washes), digital solutions (digitalisation of forms, the new SmartSpotter Team tool to track processes, the process of introducing electronic shelf labels at motorway locations, the setting up of totem poles and pricelists) and empowering employees to offer services adjusted to customers. We have been

integrating Crodux's points of sale into Petrol's network and unifying business standards on the Croatian market.

We have organised various educational contents to enhance the key competencies of all employees to offer services tailored to customers (expanded the network of internal coaches, audited protocols for the implementation of work processes at points of sale, point of sale appearance, optimised crowd management procedures, monitored the CEX indicator).

We have monitored the quality of sales process implementation via outsourcers – mystery shoppers. Customer satisfaction is monitored via the Transaction Net Promoter Score in which buyers give feedback regarding satisfaction with services at points of sale. A big emphasis is put on the cleanliness and tidiness of service stations.

By optimising our operations, work, and technological equipment, using cost tracking models for individual segments and making improvement suggestions, we have provided for the cost optimisation of operations.

In the field of B2B, we have focused greatly on retaining good business relationships and successful cooperation with clients, which was especially important in the time of big changes in the cost of fuels and fuel selling price and margin regulation. We have been gaining new customers and offering new products to the ones that are already with us. We have ensured appropriate financial collaterals and appointed key account managers who are in charge of providing a comprehensive range of our products for all major clients.

In the time of petroleum product supply disruptions, we have established cooperation with several private service stations in SEE markets, strengthened cooperation with some of our major clients, concluded new contracts of gas cylinder supply and obtained new bitumen buyers. We have been integrating Crodux's wholesale network into our wholesale processes.

We follow closely public tenders in all markets where we operate. In Slovenia, we signed a contract for fuels with Javni holding Maribor and were successful at Energetika Ljubljana's tender for heating oil.

### **6.3 Energy and solutions**

In the first nine months of 2022, the Petrol Group generated EUR 3,523.3 million in sales revenue in the Energy and Solutions segment.

The Energy and Solutions segment includes products and services offered in the following fields:

- Energy solutions (systems of energy and environmental management of buildings, water systems, efficient lighting systems, district energy, water treatment, industrial solutions),
- Heat systems,
- Natural gas distribution,
- Energy commodities (electricity sales and trading, natural gas sales and trading),
- Mobility, and
- Electricity generation.

### **6.3.1 Energy solutions**

#### **Energy renovation of buildings**

We help public partners (municipalities, ministries, etc.) achieve a more efficient and environmentally friendly energy profile of buildings through performance contracting – public-private partnerships. Our solutions ensure the optimal use of energy from renewable sources in all types of buildings, while meeting the relevant user standards. We find an optimal investment solution for energy renovation and take care of the whole energy renovation process. After the renovation, we manage buildings throughout the contract period, thereby generating savings.

The EOL 3 project (Municipality of Ljubljana – improvement of energy and technological performance in buildings owned by the MOL) was partly completed in the first nine months of 2022; additional works on three facilities of the Municipality of Novo mesto were started, three new concession agreements were signed for energy contracting under the principle of contractual provision of energy savings in the residential care home in Jesenice, six buildings owned by the Municipality of Ig and four buildings owned by the Municipality of Brezovica; works for the energy renovation of buildings were started in all of these buildings. We signed a contract for public building renovation in the Municipality of Ruše where preparatory activities for the implementation phase are already underway; cooperation with the City of Ljubljana (EOL 4) is in progress and activities on several other projects are underway. We are concluding the project of new boiler room construction for heating in schools and kindergartens in the Municipality of Kula (Serbia).

#### **Efficient public lighting**

We are replacing old energy-wasting lights with modern LED luminaires, which direct light where it is needed; this can reduce energy consumption by up to 80 percent. Through this comprehensive approach, we improve the quality of maintenance, general and traffic safety, as well as the service life of public lighting. At the same time, we reduce energy, maintenance and operational costs and, most importantly, light pollution.

In the period concerned, the Šentilj project, three projects in Croatia (Sveti Ivan Zelina, Kraljevica, Oriovac) and projects in Serbia (Šid and Kikinda) were completed in the field of energy efficient public lighting under the PPA model. We were successful in the public tender in Trogir, Croatia, and we also actively develop new projects in the region. We provided services of general economic interest in all projects in Slovenia and implemented energy management on all projects and all markets. In the existing projects, we regularly fulfil our contractual obligations and achieve, or even exceed, the contractually ensured electricity savings.

#### **Optimisation of drinking water supply systems**

We endeavour to ensure the quality of water resources in cities, as well as diligent and efficient water management. We provide our public partners with comprehensive support in improving the efficiency of the water supply system and help identify water losses and advise on measures to reduce these. This provides operators with greater reliability, improves their efficiency and reduces risks.

In the period concerned, activities continued on currently the major project of operational optimisation and drinking water savings provision in Croatia (ordered by Vodovod Slavonski Brod). We successfully completed the upgrade of the Aquis software for efficient water distribution management within measuring areas of the water system managed by JP VOKA Snaga Ljubljana. A study was prepared to connect two water systems and two municipalities with two operators with the purpose to prevent risks in drinking water supply in case of an emergency situation – climate change (drought).

We have started maintenance works on the SCADA system and the Aquis hydraulic model at JP Komunala Novo mesto as a continuation of the major drinking water supply telemetry digitalisation project thus far which financed from EU cohesion funds. We completed the largest water loss reduction project in Slovenia to date, in the City of Kranj, where we saved more than 1.9 million m<sup>3</sup> of drinking water over a period of 10 years through the digitalisation of infrastructure and management processes, thereby helping to change the distribution network operation regime. We reduced the volumes of electricity consumed for the operation of the Gorenja Sava pumping site and water ultrafiltration from the Bašelj water source and, hence, contributed to carbon footprint reduction.

### **Optimisation of district heating systems**

In the field of district heating and cooling, we offer a comprehensive solution for optimising district heating systems, which enables generating significant savings and developing a district heating system as part of the smart city infrastructure. By utilising optimal solutions, we manage the entire district heating process: heat generation, distribution and consumption or only a part of the process, as well as ensure significant savings and a more efficient service.

In the first nine months of 2022, we fulfilled our contractual obligations with an external partner to HEP on district heating projects (Zagreb, Sisak, Osijek), extended the contract with the partner Energetika Ljubljana for the provision of support and updating the Termis software, and implemented regular maintenance work on the district heating system at Komunala Velenje, Energetika Ljubljana and Energetika Maribor. Negotiations for the extension of the maintenance contract with the client Centralno grijanje from Tuzla are underway.

### **Wastewater treatment**

Ensuring safe and reliable water supply is one of the key challenges of the 21<sup>st</sup> century; therefore, the quality of water resources is of utmost importance. We build and operate industrial and municipal wastewater treatment plants for our public partners (communities) and manage concessions for performing the public utility service of treating municipal wastewater.

In the period concerned, the connection of boiler room to LPG was completed and the sludge drying process from purification plant launched. The procedures of phase II of the concession agreement or upgrade of the Sežana municipal purification plant from 6,000 PE to 12,000 PE were started; works will be started in 2023 and completion is expected in 2024. We successfully fulfilled all obligatory services of general economic interest for wastewater treatment on all projects.



## Industrial solutions

We are building solar power plants successfully in all markets. More than 10 MWp<sup>1</sup> of new units will be installed or built in the B2B segment this year. This year, we launched the so far largest solar power plant in Slovenia at our client, Cinkarna Celje, with the power of 1 MWp. At the moment, we are building an even larger one with the power of 2.1 MWp at the same client. New sales projects in total exceeding 10 MWp of power are in the closing sales phase. In Serbia, we are finishing the construction of several solar power plants for our business partner Delta Grupa at their production and business locations with a total power of 1.5 MWp. In Croatia, we are building the infrastructure necessary to enter the market of solar power plants. This year, we are newly launching a rooftop PPA<sup>2</sup> project investment model. This is a new business model providing Petrol with stable long-term sales of electricity from own and leased green sources and our clients with a safe, reliable and long-term price-stable supply of electricity which is especially important in the time of extreme volatility of energy markets.

In the field of industrial solutions, we operate two closed economic areas situated in Ravne and Štore, a virtual power plant included in the tertiary power supply and a boiler room in Trebnje.

In addition to managing solutions in the fields of steam and heat, natural gas, technical gases and compressed air, water, waste heat, cooling systems and industrial treatment plants, and a virtual power plant, we pay special attention to preparing and ensuring comprehensive energy solutions for all consumers in the relevant fields.

In the first nine months of the year, we focused particularly on finding solutions of renewable energy source provision, especially in the field of solar power plants and electricity battery storages. Several studies and offers were prepared, but have not been realised yet.

### 6.3.2 Heat systems

District heat supply consists of heat systems where heat is produced in one or more boiler rooms and distributed to end customers via a hot-water network. Heat distribution systems are now considered to be one of the most reliable and, in terms of the environment and costs, acceptable systems for supplying heat to end customers. Buildings supplied via a district heating system do not require their own heating source, with the system itself providing the following supply advantages:

- higher energy efficiency,
- friendlier to the environment,
- straightforward operation and maintenance, reliability, comfort, and convenience,
- lower cost of investment, and
- lower costs of operation and maintenance.

Large-scale reconstruction is in place at the Hrastnik Heat Plant, involving the replacement of natural gas cogeneration and two natural gas boilers with the total power of 7 MW and the

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<sup>1</sup> MWp – Megawatt peak – a unit for nominal power in photovoltaic systems

<sup>2</sup> roof-top PPA - Power Purchase Agreement – a model of long-term purchase agreement in photovoltaic rooftop systems

installation of a new 1 MW biomass boiler. Apart from GHG reduction, the objective of reconstruction is to ensure reliable heat generation using various energy sources at the lowest price possible, which is important in the period of volatility on the energy market.

In the first nine months of 2022, the Petrol Group sold 108.5 thousand MWh of heat, a year-on-year increase of 7 percent.

### 6.3.3 Natural gas distribution

At the end of September 2022, the Petrol Group operated **31 natural gas supply concessions** in Slovenia. In Serbia, we supply natural gas to the municipalities of Bačka Topola and Pećinci and three municipalities in Belgrade. Since the end of 2018, the Petrol Group has been present in the Croatian market with Zagorski metalac d.o.o. which distributes natural gas in certain municipalities of the Zagorje-Krapina and Zagreb Counties.

In **Slovenia**, we completed the gas network construction and expansion in Idrija, started the gas pipeline construction in Vransko, completed the construction of the gas network connection in Črenšovci and Beltinci and started the final phase of the gas pipeline construction in Škocjan.

In **Croatia**, we built primarily small connections and prepared for the start of works in four locations in the municipalities of Zabok and Veliko Trgovišće.

In **Serbia**, the network was extended primarily in Belgrade and the municipality of Pećinci. The majority of connections (more than a half of all connections built in the first half of the year) were built in the municipality of Čukarica; with Perutnina Ptuj, discussions were held with the aim to expand the network in the field of chicken farms in Bačka Topola.

In the first nine months of 2022, the Petrol Group distributed 852.1 thousand MWh of natural gas, a year-on-year decrease of 5 percent.

### 6.3.4 Energy commodities

#### Natural gas sales and trading

At the end of September 2022, the Petrol Group had 54 thousand users of natural gas (excluding the Geoplin Group's customers). In the first nine months of 2022, sales of natural gas to end users stood at 8.4 TWh, a year-on-year decrease of 54 percent as a result of a lower volume of sales on foreign markets (a drop in sales on markets of Eastern Europe due to the intensified geopolitical tensions, a one-off transaction abroad in the comparable period of last year, a part of sales that is usually realised in January was implemented already in December 2021). The volumes sold in trading stood at 4.7 TWh in the first nine months of 2022.



## Electricity sales and trading

The Petrol Group has positioned itself as an important electricity market player. It has set up a complete infrastructure for wholesale electricity trading in Slovenia, EU countries and SEE markets. Electricity sales to end users (businesses and households) already in place in Slovenia are now being expanded to SE Europe. At the end of September 2022, the Petrol Group had more than 228 thousand electricity customers.

Sales to end customers stood at 2.4 TWh in the first nine months of 2022, down by 10 percent year-on-year. In the period concerned, the volumes sold in trading stood at 6.2 TWh.

Given the current situation on the electricity market, our result in electricity supply to end users is below that from the comparable period of last year. The lower result was balanced with better results in the field of electricity trading.

### 6.3.5 Mobility

- E-mobility – setting up, managing, and maintaining EV-charging infrastructure, and providing for the charging service.
- Mobility services – “vehicle as a service”, fleet management, short-term leasing and door-to-door services run by the subsidiary Atet d.o.o.

In the context of **e-mobility**, we carry out services linked to the setting up, management and maintenance of infrastructure for the charging of electric vehicles as well as services linked to the performance and billing of the charging service, and customer care.

In the first nine months of 2022, the Petrol Group managed 278 ordinary charging stations with a maximum capacity of 22 kW, 90 fast-charging stations with a maximum capacity of 100 kW, and 16 ultra-fast charging stations with a maximum capacity of 350 kW.

In 2022, we have continued our work in all three international projects for which we have also received EU grants and established partnerships to co-finance charging point deployment at motorway and city centre service stations in Slovenia and Croatia.

We applied for Časnik Finance's National Energy Award Competition 2022 with our battery storage solution in connection with 1 fast and 2 ultra-fast chargers at Petrol's Kozina point of sale, which is part of the **NEXT-E project**, and won in the category Energy Efficiency in Transport and Logistics 2022. At the end of August 2022, we included the battery storage in Petrol's portfolio of manual frequency restoration reserve units (tertiary regulation). In the context of the NEXT-E project, we also made 2 ultra-fast chargers available for public use in Croatia and 1 fast charger at the Desinec jug point of sale, the Mosor sever point of sale, and the Mosor jug point of sale, the Krka istok rest area and the Krka zapad rest area, respectively. EU's NEXT-E project is now completed.

As part of the **URBAN-E project**, we installed 2 additional fast-charging stations for public use at Petrol's retail points of sale Ljubljana – Barjanska cesta and Rudnik zahod. We now have 7 out of the 9 planned fast-charging stations and 45 out of the 47 AC charging stations in use in

Slovenia. In Croatia, we additionally set up 19 charging stations in the context of the same project; these will be launched by the end of 2022.

The contracts for further expansion of the public charging infrastructure were signed for the Jože Pučnik Ljubljana Airport and the Meksiko and Šentpeter parking garages in Ljubljana. These will be partly co-financed from the European **MULTI-E project**. Two other calls are underway for the selection and acquisition of charging infrastructure (mini ultra-fast chargers and an AC station with one charging point) in the context of the same project; suppliers have been selected and we are currently in the phase of coordinating purchase agreements. Under the same project, we have launched 2 AC charging stations for public use in Croatia at each location of our partner, Lesnina H d.o.o. - Lesnina Rijeka Kukuljanovo, Lesnina Zagreb east and Lesnina Zagreb west.

We installed one fast-charging station in front of the Hofer shop in Ljubljana-Polje and one in front of Marina Portorož in Portorož, and two fast chargers at Stop Shop Kaštel Sućurac in Croatia. For our own needs, we installed four regular charging stations in front of Petrol's premises in Dravlje.

We continue to drive successful sales projects in the business part; at the end of March, we closed a major sales **project BMW-BTC** with which we ensured delivery, installation and activation of 16 chargers in front of the Crystal Palace business centre at BTC Ljubljana. In the second quarter of the year, we deployed a charging infrastructure and installed a total of 12 chargers at 3 locations for Nova KBM d.d.; we will manage the chargers. Moreover, we were successful in the City of Maribor's public call where we will supply and set up 1 fast-charging station (100 kw) for e-buses.

At the end of September 2022, Petrol's charging stations had more than 21,200 users.

As a result of the increasing number of electric vehicles, new packages prepared for users and the increased charging in roaming based on contracts concluded with foreign charging service providers, we have recorded more than a two-fold increase of revenue from the charging service in the period concerned compared to the same period of 2021.

In the area of **mobility services**, we are developing services related to new concepts and types of mobility. We offer **vehicle fleet management** service through Atet d.o.o. and ensure mobility with long- and short-term rentals. In addition, our goal is to establish partnerships with companies and municipalities in the green transition and achievement of their sustainability targets through fleet electrification.

At the end of September 2022, we operated a total of 1,809 vehicles; of this, 397 were included in the management and optimisation service, 977 vehicles were used for the door-to-door service, 184 for long-term rentals, and 251 for short-term rentals.

We prepare various mobility and electricity service packages to even better tailor our offer to the needs of end users. In September 2022, we approved the continued development of a solution to provide digital support to vehicle fleet management.

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. For a company with a background mainly in petroleum product sales, this is a significant and important challenge.

### **6.3.6 Electricity generation**

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 generation has a special strategic place in Petrol's decision to become a modern energy company. It helps us secure our own long-term sources for 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 generation in SE Europe. By developing our own production capacities, we pursue the strategic orientation of becoming a recognised regional provider of comprehensive energy and environmental solutions, and a partner in the development of the circular economy for the transition to a low-carbon society.

The Petrol Group has been present in electricity generation since 2003. We are present in Bosnia and Herzegovina and in Serbia with hydroelectric power generation; in Bosnia and Herzegovina, we produce hydroelectric power in five small hydropower plants and in Serbia we generate electricity in the Grajiči small hydropower plant.

We operate two wind power plants in Croatia – Glunča WPP and Ljubač WPP. The construction of the Suknovci, Pliskovo and Vrbnik power plants with the total installed capacity of 22 MW is underway in Croatia; the power plants are expected to be launched at the beginning of 2023.

In the first nine months of 2022, the Petrol Group generated 136.8 thousand MWh of electricity, a year-on-year increase of 78 percent, especially due to the new Ljubač wind power plant.

## **7. Major corporate projects**

### **SAP ERP implementation**

We implemented new and renewed processes, all necessary organisational changes and migration to SAP ERP, which covers the field of finance, accounting, controlling, HR and salaries, energy supply and the entire added value chain in the fields of LPG and petroleum products and merchandise.

### **'Oil&Gas E2E' supply chain digitalisation**

The supply chain digitalisation project is in place in order to optimise logistics. The goals are:

- To digitalise the supply chain for service station supply heating oil and gas delivery and sales of cylinders;

- To optimise transportation (cost reduction, better transparency and control over the location of goods...);
- To track cylinders and liquefied petroleum gas (LPG) supply;
- To gradually migrate from the ERP system in PIS to SAP.

### **Crodux derivati dva d.o.o. – Integration project**

Since the closing of the Crodux derivati dva d.o.o. acquisition on 6 October 2021, the project of its integration in the Petrol Group has been in place and is expected to be completed at the start of November 2022, which is two months before the planned completion. The following activities are underway: the transfer of best practices, the supply chain optimisation and centralisation, the implementation of the optimal supply to point of sale model, the implementation of a new functional organisational structure, and other M&A related activities. In March 2022, we successfully migrated the first Crodux derivati dva d.o.o. service station into Petrol's information system.

The legal merger of Crodux derivati dva d.o.o. into Petrol d.o.o., Zagreb was entered into the Register of Companies in Croatia on 2 November 2022. On the date when the merger was entered into the Register of Companies, Crodux derivati dva d.o.o. was dissolved and its entire operations, including assets and liabilities, were transferred to Petrol d.o.o. Zagreb. The merger, as the last step of integration, was scheduled to be executed by the end of 2022; however, all related procedures and tasks have been successfully completed two months prior to the scheduled deadline.

### **IT integration of E3 – technical integration of E 3, d.o.o.**

The main goal of the IT integration of E3 d.o.o. project is to standardise the support business processes and implement IT solutions from Petrol d.d., Ljubljana to E 3, d.o.o.

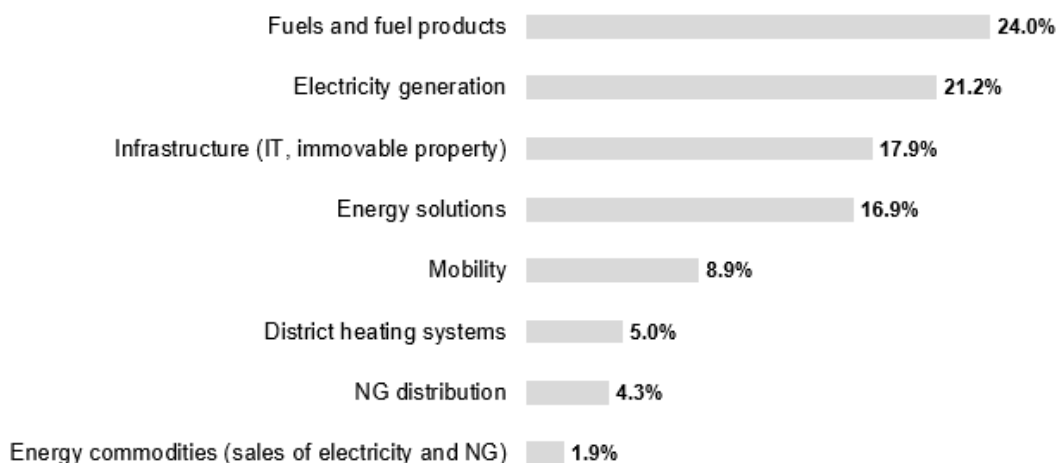
### **RES – Petrol Green**

We will deploy solar power plants at several Petrol's points of sale, thereby pursuing the sustainable development commitments of the Petrol Group.

## **8. Investments**

In the first nine months of 2022, we earmarked a net of EUR 36.3 million for investments in property, plant and equipment, intangible assets and long-term investments, of which 24.0 percent for sales of fuels and fuel products, 21.2 percent for renewable electricity generation, 17.9 percent for infrastructure (IT, immovable property), 16.9 percent for energy solutions, 8.9 percent for mobility activities, 5.0 percent for district heating systems, 4.3 percent for natural gas distribution, and 1.9 percent for energy commodities. In the first nine months of 2022, 58.2 percent of investments were earmarked for energy transition.

## Breakdown of the Petrol Group's investments in the first nine months of 2022



## 9. Risk management

The Petrol Group manages risks using a comprehensive risk management system to ensure that the key risks the Company is exposed to 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 operations. 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 2021–2025 strategy, the Petrol Group has tailored its business objectives according to its risk management policies and risk appetite.

In the first nine months of the year, all of the activities adopted already in 2020 to manage risks arising from the Covid-19 pandemic and mitigate the negative effects arising therefrom were continued.

We continued to implement measures taken to provide for the safety and health of employees and customers as well as to ensure an uninterrupted supply to businesses. Additional attention was still given to credit risk management as an increased risk of defaults by our customers is still expected at the Petrol Group level.

A detailed report on the impact of the Covid-19 pandemic on the Petrol Group's operations and risk management is presented in section "The Petrol Group's performance analysis".

In the first nine months of 2022, the trend of the booming prices of all energy commodities continued. We monitored closely the Russo-Ukrainian situation which further affected the prices and, consequently, the operations of the Petrol Group. Moreover, the first nine months of 2022 also saw changes or limitations regarding the setting of retail and wholesale petroleum product prices in Slovenia, Croatia and Serbia as adopted by governments of individual countries where the Petrol Group is present, which has further affected the operations.

Decrees and regulations adopted by individual countries are described in detail in section “The Petrol Group’s performance analysis” and sub-chapter “Business environment”.

At Petrol d.d., Ljubljana, we keep a close eye on events in the business environment and will take the necessary measures to protect the interests of the Company in the future.

Petrol’s risk model comprises 20 risk categories divided into two groups:

- Environment risks, and
- Performance risks.

Risks at the Petrol Group were reassessed in 2021. Based on the new results, the most relevant and probable are the following financial risks: credit risk, price and volumetric risk, and foreign exchange risk.

In addition to the main financial risks, the most relevant and probable risks include economic environment risks, business decision-making risks, financial environment risks, process risks, strategic decision-making risks, IT system risks, interest rate risks, legislation and regulation risks, security and protection risks, and information risks.

In 2021, risk assessment scores were higher compared to the previous assessment.

### **Price and volumetric risk and foreign exchange risk**

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

The Petrol Group purchases petroleum products under international market conditions, pays for them mostly in US dollars and sells them in local currencies (mostly in EUR). As a result, the 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 derivatives, in particular commodity swaps in the case of price risks and forward contracts in the case of foreign exchange risks. The war in Ukraine has resulted in uncertainty and challenges in deliveries of petroleum products. A crisis team was appointed to regularly address these challenges. Despite the intensified situation, the uninterrupted supply of petroleum products was ensured and no major challenges are expected in the coming months in this field, despite the adopted sanctions on Russian origin commodities where no additional early tightening will occur as compared to the transitional period for sanctions and concluded contracts at Petrol.

Electricity operations expose the Group to price and volumetric risks. In the period from the beginning of 2022 to 26 August 2022, the prices of electricity, based on the Hungarian power futures in 2023, increased. As at 26 August 2022, the price peaked at EUR 1,007 per MWh, following which the prices gradually decreased until 30 September 2022. As at 30 September 2022, the price stood at EUR 497.44 per MWh, meaning that it increased by 291 percent since the beginning 2022 when it stood at EUR 127 per MWh. The main reason for the steep growth



of electricity prices is the surge in natural gas prices as a result of the closure of nuclear power plants in Germany and the war in Ukraine. Such high rise in energy prices leads to substantially higher price risks, which the Group manages with an assortment of limit systems defined depending on the business partner, value at risk, and volumetric exposure, and with appropriate processes in place to monitor and control these risks. The Group also regularly monitors the adequacy of the limit systems used, and updates them when necessary.

In addition to the risks arising from changes in the EUR/USD exchange rate, the Petrol Group is also exposed, to some degree, 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 quarter-yearly basis.

## **Credit risk**

The credit risk was assessed in 2021 as the most relevant financial risk, also as a result of the Covid-19 pandemic. The Petrol Group was exposed to credit risk 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 receivable management processes, we constantly and actively pursue the collection of receivables, a process which has been even more intense since the Covid-19 pandemic onset due to the exceptional economic situation. We refine procedures for approving the amount of exposure (limits) to individual buyers and, in the current difficult time, 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, collaterals, corporate guarantees, securities, pledges), which proved to be a big challenge last year. At the beginning of 2020, the Petrol Group introduced a new insurance scheme for keeping track of the 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 SEE markets, where the solvency and payment discipline of the business sector differs from that in Slovenia. Receivables are systematically monitored by portfolio, region and organisational unit as well as by credit risk assessment, level of insurance and individual customer. In addition, we introduced centralised control over credit insurance instruments received and centralised the collection process.

Due to the pandemic and the related economic downturn, companies were faced with liquidity shocks leading to our customers being exposed to a higher credit risk; furthermore, high prices of energy commodities in recent months have been an additional challenge. In the first nine months of 2022, the Petrol Group continued to monitor closely the indicators of increased risk and engaged in intensive communication with its customers. At the operational level, all Petrol Group companies still closely monitor the balance of receivables on a daily basis and actively work with customers when it comes to collecting them.

Despite the above measures, the Petrol Group cannot fully avoid the consequences of bankruptcies, compulsory composition proceedings and personal bankruptcies. Given the

substantial increase in energy prices, we expect credit risks to increase over the period of the next few years. This refers especially to partners in the electricity and natural gas sales segment where the futures price for 2023, as at 7 October 2022, exceeded the price for this year from a year ago by 439 percent (electricity) and 427 percent (natural gas) – for comparison: this factor for diesel futures price for next month is 91 percent. In order to limit credit and price risks, a policy was adopted for electricity and natural gas sales in the last period; it sets the most rigorous method of entering into transactions for 2023. Additionally, a methodology to systematically address higher assumed risks via a higher contract margin (the risk/reward aspect) is in preparation.

We estimate that the Petrol Group has been managing credit risk satisfactorily. Our estimate is based on the type of products that we sell, the market share, a large customer base, a high number of security instruments, a high volume of secured receivables, and a low level of overdue receivables. 68 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 91 percent.

### **Liquidity risk**

The Petrol Group's stability is affirmed by the long-term BBB- rating, which was confirmed by Standard & Poor's in April 2021. The 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. Liquidity risks are managed in accordance with relevant S&P methodology. On 20 July 2022, Standard & Poor's Rating Services announced on Bloomberg website that it has placed Petrol d.d., Ljubljana's long-term rating of BBB- and short-term rating of A-3 on CreditWatch Negative because of the consequences of the negative intervention on the motor fuel market where sellers were forced to sell motor fuels even below the cost as a result of the selling price regulation, and uncertainty as regards the compensation for the loss incurred and the risks related to potential additional interventions on the energy market. Nevertheless, Standard & Poor's Rating Services estimates that, given the current situation, the financial risk of Petrol d.d., Ljubljana has not deteriorated.

In the first nine months of 2022, average petroleum product and energy commodity prices were much higher year-on-year, meaning that slightly more working capital is needed. Despite the constant growth of energy prices, the Petrol Group's liquidity situation has remained stable, both at the Group level and the level of subsidiaries. Through appropriate structure and volume of long-term and short-term credit lines, we have been able to ensure continued liquidity of the Petrol Group. Even if the economic situation deteriorates, the current volume of credit lines will help us to ensure appropriate liquidity structure of the Petrol Group in accordance with S&P criteria. To ensure a stable liquidity position for the Group, we have launched the activities to obtain additional lines of credit in the third quarter of the year and, hence, further consolidated the Group's stable liquidity position.

The current events in the business and broader social environment in the EU and globally are strongly affected by the war in Ukraine, the energy crisis (high prices and unstable fuel and energy product supply), and consequently the various national approaches to motor fuel price regulation aimed at mitigating the effect of the energy crisis on the population and companies, and high inflation. The Company hence continues to work intensely, paying close attention and



prudence to cash flow management of the Petrol Group, especially as regards the planning of cash inflows from layaway sales, this being the main source of liquidity and, consequently, credit risks. Furthermore, we pay close attention to the internal liquidity management in the Petrol Group companies and the full integration of Crodux derivati dva d.o.o., which we acquired in the last quarter of 2021.

The Petrol Group settles all liabilities as they fall due, thanks to its relatively low debt levels and strong liquidity position.

### **Interest rate risk**

Interest rate risk is a risk that changes in market interest rates could negatively affect the operations of the Petrol Group. The Petrol Group's exposure to the interest rate arises from the potential change of the EURIBOR reference interest rate. The Petrol Group regularly monitors its exposure to the interest rate risk. 81 percent of the Group's non-current financial liabilities have a variable interest rate linked to EURIBOR. In the first nine months of 2022, the average values of EURIBOR surpassed the values from the end of 2021.

The Petrol Group also manages the interest rate risk by concluding traditional derivative financial instruments (interest swaps and forward interest rate agreements). The Petrol Group has derivative financial instruments for all concluded and drawn long-term loans with a variable interest rate, thereby protecting its interest position. We did not take up any new interest collateral in the first nine months of 2022.

The interest rate risk referring to short-term financial resources is managed in the context of the Petrol Group's liquidity risks and policies.

## **10. Share and ownership structure**

In the first nine months of 2022<sup>3</sup>, prices of shares on the Ljubljana Stock Exchange were to a large extent affected by the escalation of tensions and war in Ukraine and the energy crisis. The SBITOP (the Slovenian 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 and which includes Petrol's shares) stood at 961.9 at the end of September 2022, down by 23.6 percent compared to the end of 2021 when it stood at 1,258.8, since many shares recorded significant drops in value. In the same period, the price of Petrol's share lost 27.2 percent in value. In terms of trading volume, which in the case of Petrol's share amounted to EUR 35.3 million between January and September 2022 (including batch trading totalling EUR 1.7 million), the Petrol's share was ranked 3<sup>rd</sup> among the shares traded on the Ljubljana Stock Exchange. In terms of market capitalisation, which stood at EUR 771.9 million as at 30 September 2022, the Petrol's share was ranked third and accounted for 11.0 percent of the total Slovenian stock market capitalisation on the said date.

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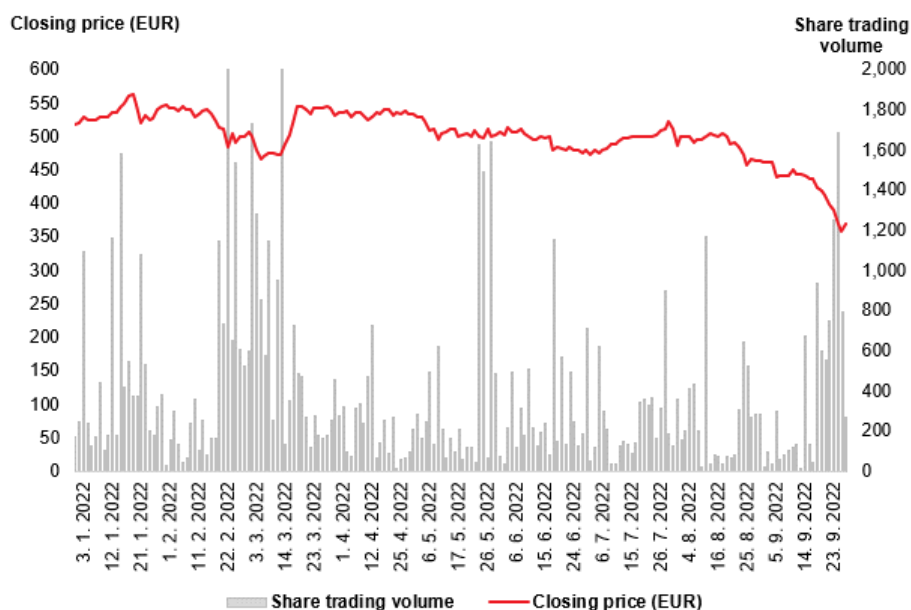
<sup>3</sup> Sources of data for chapter "Petrol's shares": Ljubljana Stock Exchange website, Petrol share register, statements of the Petrol Group for January–September 2022.

## Base index changes for Petrol d.d., Ljubljana's closing share price against the SBITOP index in the first nine months of 2022 compared to the end of 2021

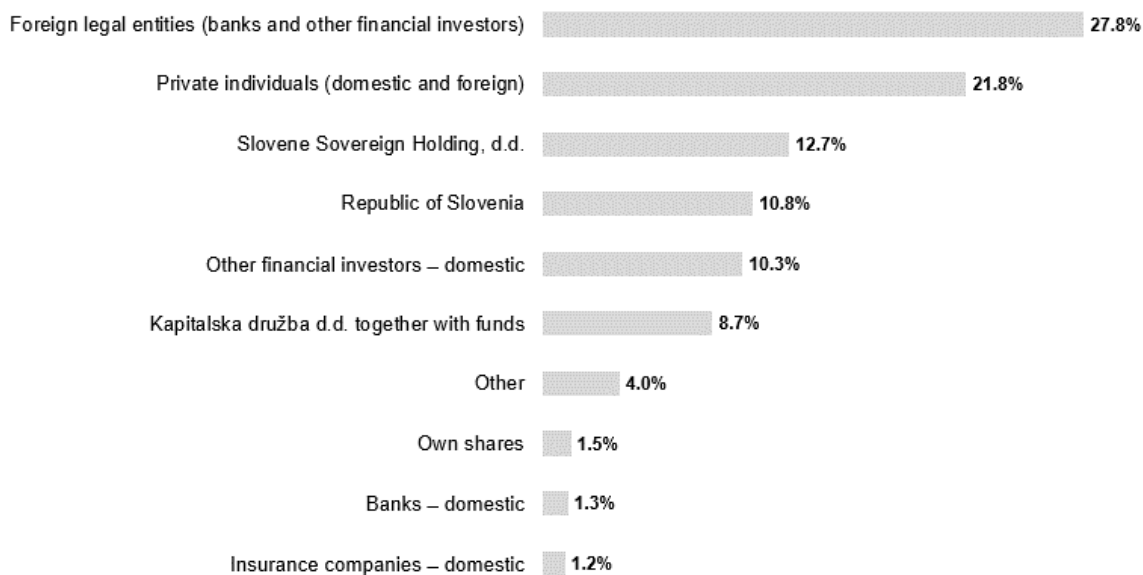


In the first nine months of 2022, the closing Petrol share price ranged between EUR 357.0 and EUR 562.0 per share. The average price for the period stood at EUR 501.3; at the end of September 2022, it stood at EUR 370.0. The earnings per share (EPS) of the Petrol Group's majority shareholders stood at EUR 9.43; the book value per share stood at EUR 433.68. As at 30 September 2022, Petrol d.d., Ljubljana had 21,128 shareholders. At the end of September 2022, 582,232 shares or 27.91 percent of all shares were held by foreign legal entities or natural persons. Compared to the end of 2021, the share of foreign shareholders increased by 0.5 percentage points.

## Closing price and the volume of trading in Petrol's shares in the first nine months of 2022



## Ownership structure of Petrol d.d., Ljubljana as at 30 September 2022



## Changes in the ownership structure of Petrol d.d., Ljubljana (comparison between 30 September 2022 and 31 December 2021)

Petrol d.d., Ljubljana	30. September 2022		31 December 2021	
	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	182,390	8.7%	182,543	8.7%
Republic of Slovenia	225,699	10.8%	225,699	10.8%
Other institutional investors - domestic	214,635	10.3%	218,818	10.5%
Banks - domestic	27,581	1.3%	28,415	1.4%
Insurers - domestic	24,428	1.2%	25,479	1.2%
Foreign legal entities (banks and other inst. inv.)	579,764	27.8%	568,942	27.3%
Private individuals (domestic and foreign)	453,841	21.8%	459,646	22.0%
Own shares	30,723	1.5%	30,723	1.5%
Others	82,724	4.0%	81,520	3.9%
<b>Total</b>	<b>2,086,301</b>	<b>100.0%</b>	<b>2,086,301</b>	<b>100.0%</b>

## Ten largest shareholders of Petrol d.d., Ljubljana as at 30 September 2022

	Shareholder	Address	Number of shares	Holding in %
1	Clearstream Banking SA - fiduciarni račun	42 Avenue J. F. Kennedy, L-1855, Luxembourg	321,820	15.43%
2	SDH, 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, Croatia	142,159	6.81%
6	Vizija Holding, d.o.o.	Dunajska cesta 156, 1000 Ljubljana	71,676	3.44%
7	Vizija Holding Ena, d.o.o.	Dunajska cesta 156, 1000 Ljubljana	67,107	3.22%
8	Erste Group Bank AG - PBZ Croatia Osigur	Am Belvedere Wien, Austria	37,976	1.82%
9	Perspektiva FT d.o.o.	Dunajska cesta 156, 1000 Ljubljana	36,262	1.74%
10	Nova KBM d.d.	Ulica Vita Kraigherja 4, 2000 Maribor	25,985	1.25%

## Shares owned by members of the Supervisory and Management Board as at 30 September 2022

Name and Surname	Position	Shares owned	Equity share
<b>Supervisory Board</b>		<b>88</b>	<b>0.0042%</b>
<b>External members</b>		<b>0</b>	<b>0.0000%</b>
1. Janez Žlak	President of the Supervisory Board	0	0.0000%
2. Borut Vrviščar	Deputy President of the Supervisory Board	0	0.0000%
3. Aleksander Zupančič	Member of the Supervisory Board	0	0.0000%
4. Alenka Urnaut Ropoša	Member of the Supervisory Board	0	0.0000%
5. Mladen Kaliterna	Member of the Supervisory Board	0	0.0000%
6. Mário Selecký	Member of the Supervisory Board	0	0.0000%
<b>Internal members</b>		<b>88</b>	<b>0.0042%</b>
1. Marko Šavli	Member of the Supervisory Board	88	0.0042%
2. Alen Mihelčič	Member of the Supervisory Board	0	0.0000%
3. Robert Ravnikar	Member of the Supervisory Board	0	0.0000%
<b>Management Board</b>		<b>4</b>	<b>0.0002%</b>
1. Nada Drobne Popović	President of the Management Board	4	0.0002%
2. Matija Bitenc	Member of the Management Board	0	0.0000%
3. Jože Bajuk	Member of the Management Board	0	0.0000%
4. Jože Smolič	Member of the Management Board	0	0.0000%
5. Zoran Gračner	Member of the Management Board and Worker Director	0	0.0000%

## Contingent increase in share capital

In the period up to 30 September 2022, 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 adopted at the 34<sup>th</sup> General Meeting held on 21 April 2022, Petrol d.d., Ljubljana paid a gross dividend of EUR 30.00 per share for 2021 on 5 August 2022. In 2021, the gross dividend was paid in the amount of EUR 22.00 per share.

## The Petrol (PETG) share split

On 1 November 2022, Petrol d.d., Ljubljana, executed the PETG share split in the 1:20 ratio in accordance with the resolution adopted at the 34<sup>th</sup> General Meeting of Shareholders, after the effective date of the resolution on the amendment of the Articles of Association by entering such amendment into the Register of Companies, executing a corporate action and implementing the stipulated procedures in the Central Securities Register at KDD d.o.o. and Ljubljanska borza, d.d., Ljubljana.

As proposed by the Management and Supervisory Boards of the Company, the 34<sup>th</sup> General Meeting of Shareholders of Petrol d.d., Ljubljana, held on 21 April 2022, adopted a resolution on the PETG share split. The Petrol share is traded on the Prime Market under the symbol PETG; it has been listed on the Ljubljana Stock Exchange since 5 May 1997. The share capital of Petrol d.d. Ljubljana in the amount of EUR 52,240,977.04 is divided into 2,086,301 ordinary registered no-par value shares. The General Meeting agreed to the 1:20 split ratio, meaning that with the amendment to the Articles of Association and the split, the total number of shares

was multiplied by 20, from 2,086,301 to 41,726,020. After the PETG share split, the share capital of Petrol d.d., Ljubljana in the amount of EUR 52,240,977.04 has stayed the same.

### **Own shares**

Petrol d.d., Ljubljana, did not repurchase its own shares in the period from January to September 2022. As at 30 September 2022, 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 from 1997 to 1999. Their total cost equalled EUR 2.6 million as at 30 September 2022 and was EUR 6.5 million lower than their market value on that date. The remaining 6,020 shares are considered as own shares which were held by the subsidiary Geoplin d.o.o. Ljubljana at the time it was incorporated into the Petrol Group.

Petrol d.d., Ljubljana's own shares, excluding Geoplin d.o.o. Ljubljana's shares, in total amounting to 36,142, were purchased between 1997 and 1999. The Company may acquire these own shares only for the purposes laid down in Article 247 of the Slovenian Companies Act (ZGD-1) and as remuneration for the Management and Supervisory Boards. Own shares are used in accordance with the Company's Articles of Association.

Pursuant to the resolution adopted at the 34<sup>th</sup> General Meeting held on 21 April 2022, the Management Board of Petrol d.d., Ljubljana is authorised to purchase own shares over a period of 12 months starting on the effective date of the resolution. The authorisation applies for the acquisition of a maximum of such number of shares that the total percentage of the shares acquired based on this authorisation, together with other own shares already held by the Company on this authorisation adoption date, does not exceed 2% of the Company's share capital. The Company may acquire own shares by way of transactions concluded on the regulated market at the market price as valid at the respective time. The Company may also acquire own shares on the over-the-counter market. In acquiring shares on the regulated or over-the-counter market, the purchase price of shares cannot be lower than 50% of the book value per share calculated based on the last published audited annual statements of the Petrol Group. Likewise, the purchase price of shares cannot be higher than 11-times the amount of earnings per share (EPS) calculated based on the last published audited annual financial statements of the Petrol Group. Pursuant to the third and fourth paragraphs of Article 381 of the ZGD-1, the Company may reduce (one-time or successively) its share capital through the withdrawal of all own shares acquired based on this authorisation (but not also those own shares acquired previously) under the simplified procedure and to the debit of other profit reserves based on the Supervisory Board's consent. The Company may use own shares acquired based on this authorisation solely in accordance with this resolution. The resolution shall enter into effect on 30 November 2022, but not prior to the PETG share split.

### **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 public presentations. We regularly attend investors' conferences that are organised each year by stock exchanges, banks, and brokerage companies. In the first nine months of 2022, we held some videoconferences with investors and analysts. In March and August, we took part in the Ljubljana Stock Exchange's webinar "Slovenian Stock Companies Online" and in May in the

conference “Slovenian and Croatian Investor Day” organised by the Ljubljana Stock Exchange in cooperation with the Zagreb Stock Exchange. In May, we also took part in the Ljubljana Stock Exchange's event “Trade on the Stock Exchange”.

# SUSTAINABLE DEVELOPMENT



## 11. Responsibility towards the natural environment

At Petrol, we embrace our responsibility and are aware of the importance and complexity of the energy transition to a low-carbon society in partnership with our employees and the social environment.

We prepared the Report on Sustainability Activities and Investments for Petrol d.d., Ljubljana for 2021 pursuant to the Taxonomy Regulation. In 2021, revenue from taxonomy-eligible activities accounted for 1.98 percent of total revenue in Petrol d.d., Ljubljana, of which the majority in energy. Investments in fixed assets from taxonomy-eligible activities amounted to EUR 14,706,557, accounting for 57.3 percent of total gross investments in fixed assets, excluding M&A projects, which points to a strong commitment towards energy transition, and revenue must be in line with this.

Our energy and environment team has set up an environment protection protocol, which defines a system of administrators for individual direct and indirect environmental impacts made by Petrol d.d., Ljubljana with its activities.

In our development strategy by 2025, we have set an ambitious goal to reduce Scope 1 and 2 carbon footprints for our own activity by 40 percent.

We began calculating carbon footprint already in 2020 when we started analytical data capturing to get a basis for an accurate and transparent carbon footprint calculation. To calculate the carbon footprint of Petrol d.d., Ljubljana, we used the international GHG protocol (Greenhouse Gas Protocol), a standard introduced by the World Resources Institute (WRI) in World Business Council for Sustainable Development (WBCSD).

Based on the collected data we calculated the baseline carbon footprint for 2021 for sales activities of petroleum products and merchandise which are carried out in the context of the parent company, Petrol d.d., Ljubljana (including data for locations of business buildings, storage facilities, own and leased points of sale, vacation rentals...) and refer to own energy use (use of energy, water and refrigerant gases for own use while carrying out the activity and for the operation of devices). The energy commodities transformed into another form of energy for sales or supply to end consumers are not included in such data.

The total carbon footprint that determines the total volume of CO<sub>2-eq</sub> emissions in 2021 stands at 21,697.05 tons CO<sub>2-eq</sub> for Petrol d.d., Ljubljana (excluding Energy and Solutions OU). In the total carbon footprint, Scope 1 (direct emissions) accounts for 30 percent and amounts to 6,441 tons CO<sub>2-eq</sub>, whereas Scope 2 (indirect emissions) accounts for 70 percent of total carbon footprint and amounts to 15,256 tons CO<sub>2-eq</sub>.

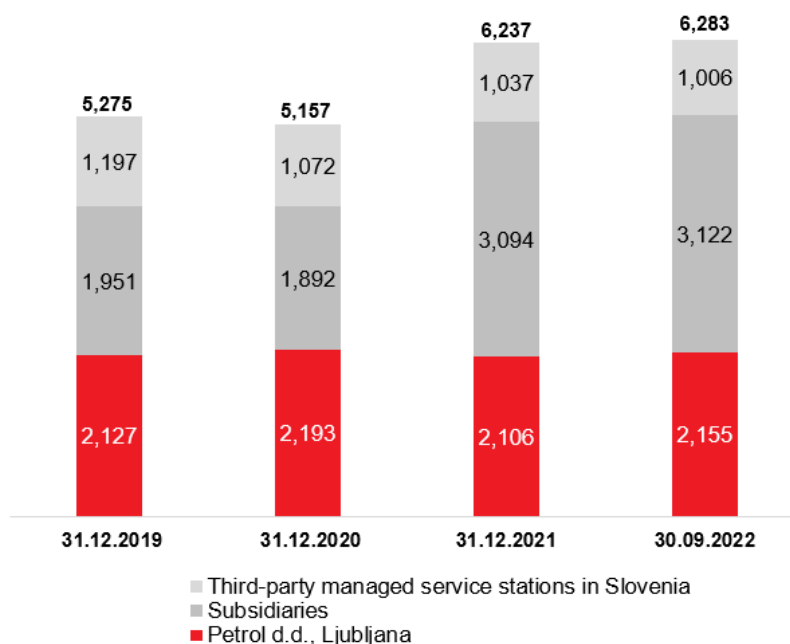
The procedure to obtain the ESG rating from S&P Global Ratings is currently in progress. ESG rating evaluates the company's corporate policy in terms of the environmental, social, economic and corporate governance policy and its readiness to operate successfully in the future.

In order to operate sustainably and manage the ESG risks, Petrol has started preparing a record of environmental risks in line with the double materiality principle; the record will also include climate effects and adjustments aimed to mitigate negative effects.

## 12. Employees

On 30 September 2022, the Petrol Group had 6,283 employees, of which 47 percent worked for subsidiaries abroad. The number of employees at the Petrol Group increased by 46 compared to the end of 2021. At Petrol d.d., Ljubljana and third-party managed service stations, the number of employees increased by 18 and in subsidiaries by 28.

### Changes in the number of employees of the Petrol Group and at third-party managed service stations in the period 2019–2022



### Training

In the first nine months of 2022, the Petrol Group provided more than 82.7 thousand teaching hours of training (more than 24.2 thousand attendances).

The Petrol Group has an internal training system in place to provide training to all employees in a systematic and comprehensive manner.

Employees attend education events and trainings in the fields of sustainable development, occupational health, know-how and skills, and developments in projects, and have an option to take part in language, computer, and specialist courses. We organise various workshops and events related to the Company's strategy and the presentation of segments and projects. Employees are welcome to take part in discussions in round tables with the management and experts in individual fields who attend professional meetings, conferences and congresses in Slovenia and abroad.

In the period concerned, training for the management, Strategy in Action, was continued.

The Information Security e-course was provided for all Petrol Group employees who use Petrol's computer system; all employees working at the Company seat in Ljubljana attended the Evacuation of Tall Buildings e-course. The Corporate Integrity and the How We

Communicate at Petrol e-courses were organised for new employees. The following trainings and workshops were organised in the Retail segment: the Card Transaction Safety e-course was organised for all employees at points of sale; the Business Tools to Facilitate Point of Sale Management training and the Energy to Lead situational leadership workshops were organised for managers; for point of sale managers, the training Get to Know the Work at Fresh Cafes was organised; the new employees at points of sale attended the e-course How to Sell at Points of Sale 2022. We also enabled students who work at points of sale to attend two e-courses, Card Transaction Safety, and Occupational Safety and Health and Fire Safety. Point of sale managers and directors of regional units also attended trainings to improve management and coaching of personnel. Based on an internal call, we selected potential candidates for internal coaches in retail and included them in the training programme to obtain the internal coaching license.

The internal knowledge transfer was carried out for the implementation of the SAP information system at E 3, d.o.o. In the context of integration, training on change implementation was organised for Crodux derivati dva d.o.o. employees.

### **13. Quality control**

We continuously upgrade and expand the quality systems. At Petrol, we have certified systems of quality management (ISO 9001), environmental management (ISO 14001) and energy management (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, the occupational health and safety system according to ISO 45001, and the IT security system in line with SIST ISO 27001.

Regular activities related to the maintenance of the quality management systems have been in place in 2022.

At the end of 2021, a recertification audit of the energy management system was implemented at Petrol d.d., Ljubljana. The energy management system was tailored to the requirements of the new ISO 50001:2018. We received the ISO 50001:2018 certificate in January 2022, which is valid until January 2025.

At Petrol d.o.o., Beograd, the second ISO 9001, ISO 14001 and ISO 45001 surveillance audit was carried out in January 2022 in respect of the Industrial Equipment Sale, Engineering and Project Management process. The validity of the certificates was preserved.

At Beogas d.o.o., a surveillance audit of the ISO 9001:2015 quality management system took place in March 2022. The validity of the certificate was preserved.

At Petrol d.d., Ljubljana, a report was prepared to extend the Responsible Care Certificate (POR), which is now valid until January 2023.

At Petrol Laboratory, a surveillance visit by SA for quality management system was implemented in June 2022 in line with the SIST EN ISO/IEC 17025:2021 standard requirements. The Petrol Laboratory currently has 52 test methods accredited.

In April, a surveillance audit of the quality management system and fulfilment of FSC principles was implemented at Petrol d.d., Ljubljana by an FSC authorised authority. The validity of the certificate was preserved.

In May, a recertification audit of the ISO 9001 quality system and ISO 14001 environment management system was conducted at Petrol d.o.o. No inconsistencies were found and the certificate validity will be extended until 2025.

In June 2022, a surveillance certification audit of the ISO 9001 quality system and ISO 14001 environment management system was conducted at Petrol d.d., Ljubljana. No inconsistencies were recorded.

Petrol d.d., Ljubljana is one of the first energy companies in Europe to have been awarded the European Quality Trademark (EQTM) certificate by the European Organisation for Quality (EOQ); the certificate was awarded for the Q Max fuels. In order to obtain the certificate, special requirements need to be met by both the product and the company.

### 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 50001:2018	SIST EN ISO/IEC 17025:2017, SIST EN ISO/IEC 17020:2012	EQTM, ISCC, AEO***, RC*, FSC**
Petrol d.o.o.	ISO 9001:2015	ISO 14001:2015	/	/	/
Petrol Geo d.o.o.	ISO 9001:2015	/	/	/	/
Beogas d.o.o.	ISO 9001:2015	/	/	/	/
Petrol d.o.o. Beograd	ISO 9001:2015	ISO 14001:2015	/	/	ISO 45001:2015

\* 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 FSC certified product sale. 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.

## 14. Social responsibility

Caring for social and environmental issues has been part of 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.

At Petrol d.d., Ljubljana, we established a **Sustainable Development Committee** in March 2022. The Committee's purpose and mission are based on the pillars of education, guidance and decision making in the field of sustainable development. At its meetings, the Committee is informed about the situation and new developments in the field of sustainable development in the EU, as well as new directives and guidelines which affect the national agenda. Furthermore, it discusses topics in the field of integrity and compliance, co-shapes the Company's action plans for carbon footprint reduction, decides about action to be taken regarding sustainability requirements in the supply chain and is informed about the activities faced by the economy on the way to achieving the Fit for 55 package targets.

In the first nine months of this year, we donated funds and 350 hours of volunteer work to local environments throughout Slovenia via our Our Energy Connects project; furthermore, we made donations to the Sponsorship in Sports programme and planted lavender bushes at points of sale in Slovenia to support pollinators and biodiversity.

Petrol has been one of the major supporters of sports, arts and the society for a number of years. Through sponsorships and donations, we support the development of various sports disciplines and the success and development of athletes in Slovenia and Croatia.

We sponsor individual top athletes and promising young athletes, clubs and associations, and sports events at the international, national and local levels.

By September 2022, Petrol was present at major sports competitions, such as the Volleyball Men's World Championship in Ljubljana, the Ski Jumping World Cup in Planica, and many smaller-scale events. In addition, Petrol was present in many matches of the Slovenian Football and Basketball National Teams.

In addition to sponsorships in sports, the Petrol Group cooperates on technical projects linked to various energy and environmental activities. We sponsored conferences, symposia and events in the fields of sustainable development, energy efficiency and management, marketing and PR conferences.

In culture, we supported the Ljubljana Festival, the Magnificent 7 (Cankarjev Dom), Lent 2022 and some other cultural events.

Petrol has been a supporter of the blood donation campaign Donate Energy for Life for the 11<sup>th</sup> consecutive year. In the context of the campaign, together with the Red Cross of Slovenia and the Transfusion Institute, Petrol has been raising awareness of the importance of blood donation throughout Slovenia.

## OTHER INFORMATION

## **15. Strategy of the Petrol Group for the period 2021–2025**

On 28 January 2021, the Supervisory Board of Petrol d.d., Ljubljana approved the Strategy of the Petrol Group for the period 2021–2025. Ensuring business growth and increasing the profitability of operations while maintaining the commitment to sustainable development are the main principles underpinning the preparation and implementation of the strategic plan.

The Petrol Group's strategy for the 2021–2025 period is an overarching development document defining the path to a successful future based on the Group's vision, goals and strategic business plan.

The environment in which the Petrol Group operates is facing important changes. Energy transition towards a low-carbon company and the development of new technologies are transforming established ways of how energy commodities are produced, sold and used. Petrol is committed to making a transition to green energy and is making significant investments to achieve it. While co-creating opportunities brought about by the energy transition we will also continue to supply the market with hydrocarbons.

The new strategy of the Petrol Group defines clear targets for implementing our vision to become an integrated partner in the energy transition, offering an excellent user experience. This helps us focus on our core business, which is to supply energy commodities, as it is this area where we still see great potential and opportunities in connection with the energy transformation.

Creating and cultivating relationships with customers is our priority and we will continue to strengthen our sales network in the region as a result. Thanks to new digital channels, a broader range of energy commodities and personalised offer, we will be even closer to our customers, helping them to make a transition from traditional energy sources to cleaner renewable energy. Our aim is to become a key link in a broader ecosystem by offering energy sources that are adapted to and co-shape the market. For this reason, we will increase operational efficiency to free up additional funds for investments in renewable energy production.

The Petrol Group recognises the importance of sustainable development. The transition to a low-carbon energy company, partnership with employees and the social environment, and the circular economy constitute the Petrol Group's business commitments in this strategic period. As a partner to industry, public sector and households, Petrol is assuming a leading role in achieving the environmental goals.

Through continuous development of fuels, we will actively contribute to reducing emissions. At the same time, we will help to reduce the carbon footprint of both the Petrol Group and our customers by pursuing clear sustainable policies.

Thanks to improved internal processes, new competences and empowered employees, we will be even more proactive in addressing the current and future needs of our customers in the energy industry and adapt our operations to the user, who is at the centre of our attention. We want to become the first choice for shopping on the go.



In this strategic period, we will remain present in all markets, focusing on:

- Slovenia, where we will consolidate our position of a leading energy company and partner in the energy transition;
- Croatia, where we will use our sales network to expand our portfolio of customers in the field of energy commodities and energy transition services and invest in renewable electricity production; and
- Serbia, where we will increase our share in the energy product sales market.

We will work to remain the first choice for energy transition projects in the region by offering integrated services with high added value. We will develop and strengthen our presence in the supply and sale of natural gas and electricity, in the sale of liquefied petroleum gas and in energy efficiency projects. Renewable electricity production, where we will position ourselves to become a major supplier in SE Europe, plays a particular role in the energy transition.

The development of new solutions in the field of electric mobility and mobility services constitutes an important pillar of Petrol's sustainable and innovative business. When it comes to mobility, the Petrol Group focuses on two segments. The first segment is linked to the charging infrastructure, which means setting up, managing and maintaining the infrastructure for the charging of electric vehicles as well as providing the charging service. The second segment is comprised of mobility services, such as operating leases, fleet electrification and fleet management services.

In 2025, EBITDA is planned to total EUR 336 million, with net profit amounting to EUR 180 million. The net debt-to-EBITDA ratio is planned to be below 1. In the period of 2021–2025, we plan to invest a total of EUR 698 million, of which more than 35 percent will be dedicated to the energy transition and thus to carbon footprint reduction. As for other investments, the greater part will be allocated to expanding and upgrading our retail network and to digitalising our business.

Financial projections take into account the impact of Covid-19 in the first quarter of 2021 and assume that the vaccination coverage of the population will have been achieved by mid-2021. In accordance with the projections of international financial institutions, economic recovery is expected to be V-shaped.

By achieving the goals, we will strengthen long-term financial stability of the Petrol Group. Through a stable dividend policy, we will ensure a balanced dividend yield for shareholders and the use of free cash flows to finance the Petrol Group's investment plans. This will allow for long-term growth and development of the Group, maximising its value for the owners. The dividend policy target for the strategic period 2021–2025 is 50 percent of the Group's net profit, taking into account the investment cycle, Group indicators and the achieved objectives.

#### **The main strategic targets for 2025 are:**

- Sales revenue of EUR 4.7 billion (the 2025 sales revenue figures rely on the assumption that energy product prices will match the levels used in the plans for 2021),
- EBITDA of EUR 336 million,
- Net debt-to-EBITDA ratio <1,
- Net profit of EUR 180 million,
- Total investments in fixed assets of EUR 698 million in the period 2021–2025, of which 35 percent in energy transformation,

- Renewable electricity production output of 160 MW,
- Retail network consisting of 627 service stations,
- 1,575 charging points for electric vehicles,
- Energy savings of 73 GWh for end-customers in the period 2021–2025.

## 16. Business plan for 2022

Energy market participants are faced with great challenges and changes. On the one hand, we are faced with an extremely complex systemic transition to renewable supply sources, while on the other, a considerable shift can be observed in the behaviour of end customers, who are becoming increasingly engaged and environmentally conscious. As a main energy company in Slovenia and SE Europe, the Petrol Group took on an active role in increasing energy independence, energy efficiency and the share of renewables. To this end, the Petrol Group will further endeavour to reduce its carbon footprint also in 2022.

The sales of merchandise and services make up an important part of the Petrol Group's revenue, which is why the situation in the trade sector has a major impact on operations. Digitalisation has changed consumers' expectations and shopping habits, as well as sales channels. The pandemic has further highlighted the need to reduce and control costs by optimising supply and sales chains, thereby ensuring point-of-sale profitability.

Providing a full range of customer-focused products and services with an excellent shopping experience is at the heart of Petrol's operations. As we try to approach our customers in innovative ways, we also change and upgrade our internal operating processes, which enable us to develop new solutions and sustainable models.

### **The Petrol Group's main business targets for 2022:**

- Sales revenue of EUR 5.9 billion,
- Adjusted gross profit of EUR 643.9 million,
- EBITDA of EUR 297.8 million,
- Net profit of EUR 158.3 million,
- net debt-to-EBITDA ratio of 1.6,
- sales of petroleum products in the amount of 3.6 million tons,
- sales of liquefied petroleum gas in the amount of 162.4 thousand tons,
- sales of natural gas in the amount of 24.2 TWh,
- revenue from sales of merchandise<sup>4</sup> in the amount of EUR 532.2 million.

### **Risks to achieving the plan**

At the Petrol Group, we are aware that despite careful preparation, informed business decisions, quick response to change and an efficient risk management system, external factors may arise in the business environment, which are beyond our direct control and may pose a risk or a threat when it comes to meeting our targets.

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<sup>4</sup> Non-oil merchandise sold mostly under the Merchandise and Services product group and partly under the Fuels and Fuel Products product group (biomass, tyres, batteries).

The main risk underlying the achievement of the set plan in 2022 was the negative impact of the energy crisis on inflation and, consequently, on the growth of living expenses and the management of higher operating costs. The rising prices of energy commodities started to grow even more steeply after Russian invasion of Ukraine. In the second half of the year, the oil price growth settled down and in September reached the levels from the beginning of March. Electricity and natural gas price growth peaked in August, following which the prices dropped. Nevertheless, great uncertainty exists regarding the changes in the prices of all energy commodities in the coming period.

Due to the extremely tense and unpredictable situation which has resulted in the realisation of certain risks that we have identified when preparing the plan:

- the tightening of purchase conditions in the purchase of petroleum products,
- regulation of selling prices of energy products,
- negative effects of the energy crisis on inflation and, consequently, on the growth of the cost of living and decline in economic growth,

the result is below the targets set for the first nine months of the year.

### **Energy price regulation**

When adopting the plan for 2022, the Petrol Group indicated the introduction of the regulation of selling prices of energy commodities as a risk to not meeting the plan. In a way, we were faced with the fuel price regulation on all markets where we operate. In the period concerned, the operations of the Petrol Group were mostly affected by the price regulation in Slovenia and Croatia, which is described in detail in the section about the business environment.

When adopting the new Decree Determining the Prices of Certain Petroleum Products on 10 May 2022, which limited prices of motor fuels, the Slovenian government communicated that after the end of the measure, it would define an appropriate compensation for the companies which would suffer significant loss because of the measure during the effective period of the measure.

On 21 July 2022, the Government of the Republic of Slovenia issued a decision calling upon Eles, d.o.o. and Plinovodi d.o.o. to prepare and submit within three months an analysis about a potential mechanism to determine the entitlement to compensation for the companies which could suffer substantial loss because of the temporary electricity and natural gas price control measure. Since the incurred loss settlement method and amount are not known as of yet, it is not possible to make an accurate estimate of the total price regulation effect and the expected loss compensation from the government.

The Management Board of the Company presented the Report on the Effect of Fuel and Energy Product Price Regulation on the Petrol Group's Business Plan for 2022, including the possible scenarios, to the Supervisory Board, with a focus on the estimation of the effect of the fuel price regulation measures already in force in the first half of 2022 and the scenarios of the energy product price regulation measures forecast for the second half of 2022. Geoplin d.o.o. is faced with natural gas reductions under the Russian contract and making alternative purchases at higher prices. The effects of this cannot be estimated because of the high volatility of the prices of this energy commodity.

Owing to the high uncertainty regarding the compensation for the economic loss and the lost profit of the Petrol Group resulting from the limitation of prices of motor fuels and other energy commodities (electricity and natural gas) in Slovenia and Croatia in 2022, and the volatility of the cost of energy commodities, the effect of the measures on the realisation of the Petrol Group's Business Plan for 2022 cannot be accurately estimated as of yet and, as a result, the Petrol Group's Revised Business Plan for 2022 cannot be prepared.

## 17. Alternative performance measures

To present its business performance, the Petrol Group also uses alternative performance measures (APMs) as defined by ESMA (The European Securities and Market Authority). The APMs we have chosen provide additional information about the Petrol Group's performance.

### List of alternative performance measures

APM	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 without allowances for operating receivables and impairment of goodwill + Depreciation and amortisation charge.	EBITDA indicates business performance and is the primary source for ensuring returns to shareholders.
EBITDA/Adjusted gross profit	Ratio = EBITDA/Adjusted gross profit	The ratio is a good approximation of the share of free cash flows from operating activities in adjusted gross profit.
Operating costs/Adjusted gross profit	Ratio = Operating costs/Adjusted gross profit	The ratio is relevant because it concerns the cost-effectiveness of operations.
Net debt/Equity	Net debt = Current and non-current financial liabilities + Current and non-current lease liabilities – Cash and cash equivalents; Ratio = Net debt/Equity	The ratio reflects the relation between debt and equity and is, as such, relevant for monitoring the Company's capital adequacy.
Net debt/EBITDA	Ratio = Net debt/EBITDA	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.
Added value/Employee	Added value per employee = (EBITDA + Integral labour costs)/Average number of employees. Integral labour costs = Labour costs relating to Petrol Group employees + Labour costs relating to third-party managed service stations, which stood at EUR 18.6 million in the period from January to September 2022 and EUR 18.9 million in the same period of 2021.	This productivity ratio indicates average newly created value per Petrol Group employee.
Working capital	Working capital = Operating receivables + Contract assets + Inventories – Current operating liabilities – Contract liabilities	The ratio reflects operational liquidity of the Petrol Group.
Net investments	Net investments = Investments in fixed assets (EUR 41.1 million in the period from January to September 2022) + Non-current investments (EUR 4.3 million in the period from January to September 2022) – Disposal of fixed assets and reimbursements (EUR 9.2 million in the period from January to September 2022).	The information about investments reflects the direction of the Petrol Group's development.
Book value per share	Book value per share = equity/total number of issued shares	Book value per share reflects the value of a public limited company's total equity per share.

## 18. General Meeting resolutions

Resolutions adopted at the 34<sup>th</sup> General Meeting of Petrol d.d., Ljubljana held on 21 April 2022 (available [here](#)):

1. Attorney Uroš Pogačnik from a Grosuplje-based Law Firm Čeferin, Pogačnik, Novak, Koščak in partnerji, o.p., d.o.o. shall be elected Chairman of the General Meeting, and Gregor Mavsar and Barbara Jama Živalič as officials responsible for counting the votes. The General Meeting is informed that the notarial protocol will be drawn up by Bojan Podgoršek, Notary Public from Ljubljana.
2. **2.1.** The profit for appropriation as of 31 December 2021, amounting to EUR 61,847,940 will be distributed as follows:
  - part of the profit for appropriation amounting to EUR 61,667,340 will be distributed as dividend payments to shareholders: gross dividend of EUR 30.00 per share (own shares do not participate),
  - the remaining part of the profit for appropriation in the amount of EUR 180,600 and any amounts which may result from the number of own shares on the record date and from rounding off the dividend payment figures, will be transferred to other profit reserves. The Company will pay out dividends on 5 August 2022 to all shareholders registered at KDD (Central Securities Clearing Corporation) as of 4 August 2022.
- 2.2.** The General Meeting has taken note and hereby endorses the Report on Remuneration to Management and Supervisory Bodies of Petrol d.d., Ljubljana in the financial year 2021.
- 2.3.** The General Meeting gives a discharge to the Management Board of the Company for the financial year 2021.
- 2.4.** The General Meeting gives a discharge to the Supervisory Board of the Company for the financial year 2021.
3. **3.1.** The General Meeting has taken note and hereby endorses the Remuneration Policy for Management and Supervisory Bodies of Petrol d.d., Ljubljana.
4. **4.1.** Pricewaterhousecoopers d.o.o., Cesta v Kleče 15, 1000 Ljubljana is appointed as the Company auditor for the financial years of 2022, 2023 and 2024.
5. **5.1.** With the aim to align the Company's Articles of Association with the provision of the third paragraph of Article 297 of the ZGD-1, point 11.07 of 11.00, Chapter IV., shall be amended to read as follows: "Only those shareholders who have registered for participation in the General Meeting not later than at the end of the fourth day prior to the General Meeting, and who have been registered in the Central Book-Entry Securities Register as of the end of the seventh day prior to the General Meeting, shall be entitled to participate in the General Meeting and exercise their voting rights."
6. **6.1.** Each ordinary registered no-par value share of the Company with the PETG symbol shall be split into 20 ordinary registered no-par value shares of the Company.  
**6.2.** In the Company's Articles of Association, point 04.01. of Article 04.00 Share capital, number and types of shares, Chapter II. Share capital and shares shall be amended to read as follows:  
 "The Company's share capital amounts to EUR 52,240,977.04 (fifty-two million, two hundred and forty thousand, nine hundred and seventy-seven euros and four cents) and is divided into 41,726,020 (forty-one million, seven hundred and twenty-six thousand and twenty) ordinary registered no-par value shares."  
**6.3.** A new point 18.03. shall be added in Article 18.00. Articles of Association and general acts of Chapter VIII. Articles of Association and general acts of the Company's

Articles of Association, which reads as follows: “The Company has 2,086,301 (two million, eighty-six thousand, three hundred and one) ordinary registered no-par value shares in the Central Book-Entry Securities Register until the total number of Company’s shares in the Central Book-Entry Securities Register is aligned with point 04.01 of these Articles of Association with the entry of the split of each share into 20 (twenty) parts.”

**6.4.** Points of resolutions 6.1. to 6.3., inclusive, shall enter into effect on 19 August 2022.

**6.5.** The General Meeting hereby authorises the Supervisory Board to align the text of the Articles of Association in accordance with the points of resolutions 6.1. to 6.4., inclusive, and draw up a clean copy of the Articles of Association.

The Management Board of the Company shall implement the necessary procedures for the PETG share split after the entry of the Articles of Association amendment into the Court Register of Companies.

- 7. 7.1.** The General Meeting authorises the Management Board of the Company to purchase own shares over a period of 12 months starting on the effective date of this resolution. The authorisation applies for the acquisition of a maximum of such number of shares that the total percentage of the shares acquired based on this authorisation, together with other own shares already held by the Company on this authorisation adoption date, does not exceed 2% of the Company’s share capital.

The Company may acquire own shares by way of transactions concluded on the regulated market at the market price as valid at the respective time. The Company may also acquire own shares on the over-the-counter market. In acquiring shares on the regulated or over-the-counter market, the purchase price of shares cannot be lower than 50% of the book value per share calculated based on the last published audited annual statements of the Petrol Group. Likewise, the purchase price of shares cannot be higher than 11-times the amount of earnings per share (EPS) calculated based on the last published audited annual financial statements of the Petrol Group.

Pursuant to the third and fourth paragraphs of Article 381 of the ZGD-1, the Company may reduce (one-time or successively) its share capital through the withdrawal of all own shares acquired based on this authorisation (but not also those own shares acquired previously) under the simplified procedure and to the debit of other profit reserves based on the Supervisory Board’s consent. The Company may use own shares acquired based on this authorisation solely in accordance with this resolution.

**7.2.** Resolution 7.1 shall enter into effect on 30 November 2022, but not prior to the PETG share split execution, pursuant to General Meeting resolutions 6.1. to 6.5., in the Central Book-Entry Securities Register.

## 19. Supervisory Board of Petrol d.d., Ljubljana

Composition of the Supervisory Board did not change in the first nine months of 2022. It consists of President Janez Žlak, Deputy President Borut Vrviščar, and Members Mário Selecký, Mladen Kaliterna, Alenka Urnaut Ropoša, Aleksander Zupančič, Alen Mihelčič, Robert Ravnikaar and Marko Šavli.



## 20. Credit rating

On 9 April 2021, Standard & Poor's Ratings Services again reaffirmed Petrol d.d., Ljubljana's "BBB-" long-term credit rating, its "A-3" short-term credit rating and its "stable" credit rating Outlook. On 20 July 2022, Standard & Poor's Rating Services announced on Bloomberg website that it has placed Petrol d.d., Ljubljana's long-term rating of BBB- and short-term rating of A-3 on CreditWatch Negative because of the consequences of the negative intervention on the motor fuel market where sellers were forced to sell motor fuels even below the cost as a result of the selling price regulation, and uncertainty as regards the compensation for the loss incurred and the risks related to potential additional interventions on the energy market. Nevertheless, Standard & Poor's Rating Services estimates that, given the current situation, the financial risk of Petrol d.d., Ljubljana has not deteriorated.

## 21. Events after the end of the accounting period

### Energy commodity price regulation

On 4 October 2022, the Croatian government issued a new Regulation, effective 14 days from publishing, extending the validity of the Regulation adopted on 27 September 2022 with which it regulated LPG, namely it set the margin for the propane-butane mixture for large gas holders at HRK 2.80 per kg (EUR 0.3716 per kg) and the maximum price for LPG for cylinders (7.5 kg or more) at HRK 13.94 per kg (EUR 1.85 per kg).

On 17 October 2022, the Croatian government adopted a new Regulation, effective 7 days from publishing, regulating the maximum prices of the following energy commodities: EUR 10.72 per litre (EUR 1.42 per litre) for petrol (Eurosuper 95), HRK 12.30 per litre (EUR 1.63 per litre) for diesel fuel, HRK 8.49 per litre (EUR 1.13 per litre) for blue-dyed diesel, HRK 13.94 per kg (EUR 1.85 per kg) for LPG for cylinders, HRK 10.01 per kg (EUR 1.33 per kg) for LPG for gas holders.

The Croatian government adopted a new Regulation on 24 October 2022, reimposing margin regulation for petrol (Eurosuper 95) at HRK 0.65 per litre (EUR 0.0863 per litre), diesel (Eurodiesel) at HRK 0.65 per litre (EUR 0.0863 per litre), the propane-butane mixture for large gas holders at HRK 2.80 per kg (EUR 0.3716 per kg), LPG cylinders (7.5 kg or more) at HRK 6.20 per kg (EUR 0.8229 per kg), while the maximum regulated retail price has remained effective for blue-dyed diesel at HRK 8.49 per litre (EUR 1.13 per litre). The Regulation is effective 14 days from publishing.

Ever since the petroleum product price regulation was imposed in Croatia for the first time, we have been emphasising that the regulations and measures are unsustainable and that, as a result, we have been incurring economic loss. Under the current price regulation, Petrol d.o.o., Zagreb, and Crodux derivati dva d.o.o. are unable to cover and, together with the other retailers and wholesalers who do not have their own refineries, they are carrying the entire burden of such regulation. On 19 October 2022, Petrol's Management Board presented our current situation to the Croatian Ministry of Economy and Sustainable Development and expects that regulation will be adjusted accordingly so that it will enable retailers and wholesalers to operate viably in the long run.

At its 22<sup>nd</sup> regular session, the Government of the Republic of Slovenia issued a Decree amending and supplementing the Decree Determining the Prices of Natural Gas from the System, based on which the highest retail price will also be determined for district heating customers from November 2022 onwards. The Decree also newly defines the highest retail price of gas for nurseries, primary schools, health centres and for the alternative and primary supply of natural gas to protected customers.

The Croatian government adopted the Regulation to Eliminate Disruptions on Domestic Energy Market on 8 September 2022, determining the price of electricity for households and business customers and for public institutions in effect from 1 October 2022 to 31 March 2023. On 14 September, it adopted Regulation amending the abovementioned Regulation, determining special measures for natural gas. On 19 September 2022, the Croatian government adopted a resolution on the amount of tariff items for natural gas supply to non-household end customers for the period from 1 October to 31 December 2022.

### **Operations of Geoplin d.o.o.**

Geoplin d.o.o.'s operations are affected by the natural gas market situation which is highly unpredictable and volatile in 2022 because of the war in Ukraine and the related reduced natural gas supplies from Russia.

The owners of Geoplin d.o.o. Ljubljana and the management of the company have immediately started tackling the situation. At the General Meeting of Geoplin d.o.o. held on 26 September 2022, the shareholders, that is, Petrol d.d. holding a 74.34 percent ownership share, the Republic of Slovenia holding a 25.01 percent ownership share, and the other two minor shareholders, were informed about the preliminary findings from the financial and legal due diligence and the scenarios and calculations concerning the possible consequences of natural gas buy-ins and, hence, the need for additional liquid assets and the additional capital until the end of the year.

On 6 October 2022, Petrol d.d., Ljubljana familiarised the Supervisory Board of Petrol d.d., Ljubljana with the further preliminary findings from the independent business review and the legal review of Geoplin d.o.o. Ljubljana, including the legal and financial effects of the reduced natural gas supplies from the Russian Federation and the increased natural gas purchases from alternative sources, and the effect thereof on Geoplin d.o.o. Ljubljana's need for additional liquid assets and capital until the end of 2022. The assumptions are based on various scenarios of gas price trends and halted supplies of gas from the Russian Federation, whereby none of the scenarios can be confirmed with sufficient certainty as of yet.

The Supervisory and Management Boards of Petrol d.d., Ljubljana are committed to managing liquidity and business risks related to Geoplin d.o.o. Ljubljana with the purpose to ensure a reliable supply of natural gas and limit the potential negative effects on Petrol d.d., Ljubljana.

On 21 October 2022, the General Meeting of Geoplin d.o.o. Ljubljana gave its preliminary consent to the conclusion of a loan agreement which will ensure liquidity and uninterrupted operations of Geoplin d.o.o. Ljubljana.

The management of Geoplin d.o.o. Ljubljana continues to carry out all activities to ensure the uninterrupted supply to Slovenian natural gas customers.

### **Petrol d.d., Ljubljana share split**

Petrol d.d., Ljubljana, executed the PETG share split in the 1:20 ratio on 1 November 2022, in accordance with the resolution adopted at the 34<sup>th</sup> General Meeting of Shareholders, after the effective date of the resolution on the amendment of the Articles of Association, namely by entering the amendment into the Register of Companies, executing a corporate action and implementing the stipulated procedures in the Central Securities Register at KDD d.o.o. and Ljubljanska borza, d.d., Ljubljana.

### **Legal merger of Crodux derivati dva d.o.o. into Petrol d.o.o., Zagreb**

The legal merger of Crodux derivati dva d.o.o. into Petrol d.o.o., Zagreb was entered into the Register of Companies in Croatia on 2 November 2022. On the date when the merger was entered into the Register of Companies, Crodux derivati dva d.o.o. was dissolved and its entire operations, including assets and liabilities, were transferred to Petrol d.o.o. Zagreb. On 6 October 2021, Petrol d.d., Ljubljana closed the acquisition of the 100 percent business share in Crodux derivati dva d.o.o. This was followed by the integration of Crodux derivati dva d.o.o. into the Petrol Group. The procedures and tasks related to the merger which, as the last step of the integration, was scheduled to be executed by the end of 2022 have been successfully completed two months prior to the scheduled deadline.

There were no other events after the reporting date that would significantly affect the financial statements for the first nine months of year 2022.

# FINANCIAL REPORT

## 22. Financial performance of the Petrol Group and 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 2022	1-9 2021	1-9 2022	1-9 2021
<b>Sales revenue</b>	25.1	<b>7,016,011,514</b>	<b>3,073,991,325</b>	<b>5,420,623,171</b>	<b>2,156,846,740</b>
<b>Cost of goods sold</b>		<b>(6,610,722,653)</b>	<b>(2,663,299,712)</b>	<b>(5,184,051,931)</b>	<b>(1,878,330,127)</b>
Costs of materials	25.2	(27,459,257)	(20,017,801)	(20,407,234)	(16,423,699)
Costs of services	25.3	(130,547,721)	(102,921,750)	(99,421,685)	(83,138,175)
Labour costs	25.4	(101,286,549)	(83,095,688)	(62,794,375)	(59,407,508)
Depreciation and amortisation	25.5	(68,069,094)	(55,933,868)	(34,291,316)	(34,988,420)
Other costs	25.6	(23,181,884)	(25,929,714)	(15,331,832)	(14,373,607)
<b>Operating costs</b>		<b>(350,544,505)</b>	<b>(287,898,821)</b>	<b>(232,246,442)</b>	<b>(208,331,408)</b>
Other income	25.7	379,467,031	133,224,236	378,602,426	125,051,780
Other expenses	25.8	(403,970,052)	(136,238,272)	(398,337,960)	(135,656,527)
<b>Operating profit or loss</b>		<b>30,241,335</b>	<b>119,778,756</b>	<b>(15,410,736)</b>	<b>59,580,459</b>
<b>Share of profit or loss of equity accounted investees</b>		<b>1,152,216</b>	<b>862,257</b>	<b>-</b>	<b>-</b>
<b>Finance income from dividends paid by subsidiaries, associates and jointly controlled entities</b>		<b>-</b>	<b>-</b>	<b>1,229,076</b>	<b>2,573,895</b>
Other finance income	25.9	79,720,396	16,850,724	74,492,088	14,274,544
Other finance expenses	25.9	(82,543,263)	(26,982,547)	(72,335,549)	(22,243,572)
<b>Net finance expense</b>		<b>(2,822,867)</b>	<b>(10,131,823)</b>	<b>2,156,539</b>	<b>(7,969,028)</b>
<b>Profit before tax</b>		<b>28,570,684</b>	<b>110,509,190</b>	<b>(12,025,121)</b>	<b>54,185,326</b>
Tax expense		(6,401,123)	(19,593,415)	-	(9,290,911)
Deferred tax		1,828,354	245,589	2,493,792	(166,906)
<b>Corporate income tax</b>		<b>(4,572,769)</b>	<b>(19,347,826)</b>	<b>2,493,792</b>	<b>(9,457,817)</b>
<b>Net profit for the period</b>		<b>23,997,915</b>	<b>91,161,364</b>	<b>(9,531,329)</b>	<b>44,727,510</b>
Net profit for the period attributable to:					
Owners of the controlling company		19,379,784	86,840,661	(9,531,329)	44,727,510
Non-controlling interest		4,618,131	4,320,703	-	-
Basic and diluted earnings per share attributable to owners of the controlling company	25.10	9.43	42.25	(4.62)	21.70

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 2022	1-9 2021	1-9 2022	1-9 2021
<b>Net profit for the period</b>	<b>23,997,915</b>	<b>91,161,364</b>	<b>(9,531,329)</b>	<b>44,727,510</b>
Effective portion of changes in the fair value of cash flow variability hedging	42,224,877	3,190,540	38,491,710	2,718,221
Change in deferred taxes	(7,985,395)	(601,479)	(7,313,424)	(516,462)
Change in the fair value of financial assets through other comprehensive income	-	(61,866)	-	-
Change in deferred taxes	-	11,755	-	-
Foreign exchange differences	(330,226)	1,668,221	-	-
<b>Other comprehensive income to be recognised in the statement of profit or loss in the future</b>	<b>33,909,256</b>	<b>4,207,171</b>	<b>31,178,286</b>	<b>2,201,759</b>
Attribution of changes in the equity of subsidiaries	-	-	-	-
Change in deferred taxes	-	-	-	-
Attribution of changes in the equity of associates	-	-	-	-
Change in deferred taxes	-	-	-	-
<b>Total other comprehensive income to be recognised in the statement of profit or loss in the future</b>	<b>33,909,256</b>	<b>4,207,171</b>	<b>31,178,286</b>	<b>2,201,759</b>
Unrealised actuarial gains and losses	-	-	-	-
<b>Other comprehensive income not to be recognised in the statement of profit or loss in the future</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Attribution of changes in the equity of subsidiaries	-	-	-	-
Attribution of changes in the equity of associates	-	-	-	-
<b>Total other comprehensive income not to be recognised in the statement of profit or loss in the future</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Total other comprehensive income after tax	33,909,256	4,207,171	31,178,286	2,201,759
<b>Total comprehensive income for the year</b>	<b>57,907,171</b>	<b>95,368,535</b>	<b>21,646,957</b>	<b>46,929,269</b>
Total comprehensive income attributable to:				
Owners of the controlling company	53,289,603	91,053,074	21,646,957	46,929,269
Non-controlling interest	4,617,568	4,315,461	-	-

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**

		The Petrol Group		Petrol d.d.	
		30 September 2022	31 December 2021	30 September 2022	31 December 2021
(in EUR)	Note				
<b>ASSETS</b>					
<b>Non-current (long-term) assets</b>					
Intangible assets	25.11	339,415,516	345,329,895	151,826,295	155,524,818
Right-of-use assets	25.12	111,323,032	102,621,512	28,352,987	27,874,823
Property, plant and equipment	25.13	757,909,531	767,704,711	361,140,654	366,262,157
Investment property		15,315,910	16,139,743	11,649,522	12,335,994
Investments in subsidiaries	25.14	-	-	554,032,932	553,970,331
Investments in jointly controlled entities	25.15	1,002,382	704,501	233,000	210,000
Investments in associates	25.16	55,067,490	55,169,626	26,610,477	26,610,477
Financial assets at fair value through other comprehensive income	25.17	4,116,804	4,133,044	2,117,914	2,117,914
Financial receivables		1,930,490	991,831	79,996,324	83,299,185
Operating receivables		7,282,712	8,228,771	7,264,417	8,219,107
Deferred tax assets		7,020,394	11,379,674	3,336,638	8,155,514
		<b>1,300,384,261</b>	<b>1,312,403,308</b>	<b>1,226,561,160</b>	<b>1,244,580,320</b>
<b>Current assets</b>					
Inventories	25.18	269,222,716	178,191,288	128,841,307	96,573,239
Contract assets		42,987,669	3,338,893	51,109,334	7,604,649
Financial receivables	25.19	846,079	16,168,692	44,159,375	16,181,049
Operating receivables	25.20	872,369,309	650,343,180	565,316,880	385,829,891
Corporate income tax assets		19,107,459	616,729	12,654,921	-
Financial assets at fair value through profit or loss	25.21	69,928,242	34,666,891	69,795,147	34,561,544
Financial assets at fair value through other comprehensive income	25.22	41,500,069	1,776,801	37,088,191	1,100,446
Prepayments and other assets	25.23	95,373,258	85,718,759	38,003,405	50,728,784
Cash and cash equivalents		71,962,650	100,226,890	18,937,871	57,567,397
		<b>1,483,297,451</b>	<b>1,071,048,123</b>	<b>965,906,431</b>	<b>650,146,999</b>
<b>Total assets</b>		<b>2,783,681,712</b>	<b>2,383,451,431</b>	<b>2,192,467,591</b>	<b>1,894,727,319</b>
<b>EQUITY AND LIABILITIES</b>					
<b>Equity attributable to owners of the controlling company</b>					
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		290,134,267	318,523,082	312,488,747	340,914,615
Fair value reserve		(789,611)	(789,611)	39,809,449	39,809,449
Hedging reserve		33,380,898	(858,584)	30,041,434	(1,136,850)
Foreign exchange differences		(8,964,083)	(8,634,420)	-	-
Retained earnings		348,323,164	362,184,854	(9,531,329)	33,241,471
		<b>857,304,952</b>	<b>865,645,638</b>	<b>569,894,236</b>	<b>609,914,620</b>
<b>Non-controlling interest</b>		<b>47,491,486</b>	<b>43,052,367</b>	<b>-</b>	<b>-</b>
<b>Total equity</b>		<b>904,796,438</b>	<b>908,698,005</b>	<b>569,894,236</b>	<b>609,914,620</b>
<b>Non-current liabilities</b>					
Provisions for employee post-employment and other long-term benefits		9,514,252	9,516,091	7,969,809	7,969,809
Other provisions		49,711,201	34,323,479	34,607,692	17,606,490
Long-term deferred revenue		43,303,242	34,447,444	33,402,365	29,459,071
Financial liabilities	25.24	416,038,567	433,812,995	386,759,252	404,555,761
Lease liabilities	25.25	99,265,473	92,991,633	27,326,126	26,735,533
Operating liabilities		5,661,782	5,661,782	5,661,782	5,661,782
Deferred tax liabilities		3,348,615	1,583,658	-	-
		<b>626,843,132</b>	<b>612,337,082</b>	<b>495,727,026</b>	<b>491,988,446</b>
<b>Current liabilities</b>					
Financial liabilities	25.24	134,950,433	65,958,447	321,703,962	272,485,762
Lease liabilities	25.25	15,890,537	13,768,130	2,884,438	2,717,596
Operating liabilities	25.26	978,941,006	690,456,613	699,935,972	442,507,932
Corporate income tax liabilities		2,002,621	18,786,511	-	16,353,199
Contract liabilities	25.27	58,105,608	14,828,344	52,387,637	7,905,838
Other liabilities	25.28	62,151,937	58,618,299	49,934,320	50,853,926
		<b>1,252,042,142</b>	<b>862,416,344</b>	<b>1,126,846,329</b>	<b>792,824,253</b>
<b>Total liabilities</b>		<b>1,878,885,274</b>	<b>1,474,753,426</b>	<b>1,622,573,355</b>	<b>1,284,812,699</b>
<b>Total equity and liabilities</b>		<b>2,783,681,712</b>	<b>2,383,451,431</b>	<b>2,192,467,591</b>	<b>1,894,727,319</b>

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





Report on the operations of the Petrol Group and the company Petrol d.d., Ljubljana in the first nine months of 2022

## 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							
<b>As at 1 January 2021</b>	52,240,977	80,991,385	61,987,955	4,708,359	(4,708,359)	316,057,569 (30,775,958)	(753,447)	(4,195,723)	(9,126,807)	290,793,508 (14,446,758)	787,995,417 (45,222,716)	38,674,020	826,669,437 (45,222,716)
Dividend payments for 2020													
Increase/(decrease) in non-controlling interest												(331,803)	(331,803)
<b>Transactions with owners</b>	-	-	-	-	-	(30,775,958)	-	-	-	(14,446,758)	(45,222,716)	(331,803)	(45,554,519)
Net profit for the current year										86,840,661	86,840,661	4,320,703	91,161,364
Other changes in other comprehensive income							(37,222)	2,589,061	1,660,574		4,212,413	(5,242)	4,207,171
<b>Total changes in total comprehensive income</b>	-	-	-	-	-	-	(37,222)	2,589,061	1,660,574	86,840,661	91,053,074	4,315,461	95,368,535
<b>As at 30 September 2021</b>	52,240,977	80,991,385	61,987,955	4,708,359	(4,708,359)	285,281,611	(790,669)	(1,606,662)	(7,466,233)	363,187,411	833,825,775	42,657,678	876,483,453
<b>As at 1 January 2022</b>	52,240,977	80,991,385	61,987,955	4,708,359	(4,708,359)	318,523,082 (28,425,869)	(789,611)	(858,584)	(8,634,420)	362,184,854 (33,241,474)	865,645,638 (61,667,343)	43,052,367	908,698,005 (61,667,343)
Dividend payments for 2021													
Increase/(decrease) in non-controlling interest						37,054					37,054	(178,449)	(141,395)
<b>Transactions with owners</b>	-	-	-	-	-	(28,388,815)	-	-	-	(33,241,474)	(61,630,289)	(178,449)	(61,808,738)
Net profit for the current year										19,379,784	19,379,784	4,618,131	23,997,915
Other changes in other comprehensive income								34,239,482	(329,663)		33,909,819	(563)	33,909,256
<b>Total changes in total comprehensive income</b>	-	-	-	-	-	-	-	34,239,482	(329,663)	19,379,784	53,289,603	4,617,568	57,907,171
<b>As at 30 September 2022</b>	52,240,977	80,991,385	61,987,955	4,708,359	(4,708,359)	290,134,267	(789,611)	33,380,898	(8,964,083)	348,323,164	857,304,952	47,491,486	904,796,438

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 1 January 2021	52,240,977	80,991,385	61,749,884	4,708,359	(2,604,670)	338,449,102	39,796,454	(3,796,881)	14,446,758	585,981,368
Dividend payments for 2020						(30,775,958)			(14,446,758)	(45,222,716)
Transactions with owners	-	-	-	-	-	(30,775,958)	-	-	(14,446,758)	(45,222,716)
Net profit for the current year									44,727,510	44,727,510
Other changes in other comprehensive income								2,201,759		2,201,759
Total changes in total comprehensive income	-	-	-	-	-	-	-	2,201,759	44,727,510	46,929,269
As at 30 September 2021	52,240,977	80,991,385	61,749,884	4,708,359	(2,604,670)	307,673,144	39,796,454	(1,595,122)	44,727,510	587,687,921
As at 1 January 2022	52,240,977	80,991,385	61,749,884	4,708,359	(2,604,670)	340,914,615	39,809,449	(1,136,850)	33,241,471	609,914,620
Dividend payments for 2021						(28,425,869)			(33,241,474)	(61,667,343)
Transactions with owners	-	-	-	-	-	(28,425,869)	-	-	(33,241,474)	(61,667,343)
Net profit for the current year									(9,531,329)	(9,531,329)
Other changes in other comprehensive income								31,178,286		31,178,286
Total changes in total comprehensive income	-	-	-	-	-	-	-	31,178,286	(9,531,329)	21,646,957
As at 30 September 2022	52,240,977	80,991,385	61,749,884	4,708,359	(2,604,670)	312,488,747	39,809,449	30,041,434	(9,531,329)	569,894,236

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 2022	1-9 2021	1-9 2022	1-9 2021
<b>Cash flows from operating activities</b>					
<b>Net profit</b>		<b>23,997,915</b>	<b>91,161,364</b>	<b>(9,531,329)</b>	<b>44,727,510</b>
<b>Adjustment for:</b>					
Corporate income tax		4,572,769	19,347,826	(2,493,792)	9,457,817
Depreciation of property, plant and equipment, investment property and right-of-use assets	25.5	57,505,096	46,500,089	26,874,742	27,791,812
Amortisation of intangible assets	25.5	10,563,998	9,433,779	7,416,574	7,196,607
(Gain)/loss on disposal of property, plant and equipment	25.6, 25.7	(1,985,584)	230,378	(575,568)	219,632
Impairment, write-down/(reversed impairment) of assets		-	9,939,373	-	1,320,938
Revenue from assets under management		(48,926)	(48,926)	(48,926)	(48,926)
Net (decrease in)/creation of provisions for long-term employee benefits		(1,477)	(9,995)	-	-
Net (decrease in)/creation of other provisions and long-term deferred revenue		24,250,532	9,708,278	20,944,494	10,105,621
Net goods surpluses		(4,555,606)	1,712,228	(3,514,942)	431,763
Net (decrease in)/creation of allowance for receivables	25.9	4,917,276	3,600,019	2,383,177	1,459,179
Net finance (income)/expense	25.9	4,594,908	3,614,410	2,190,097	4,493,320
Impairment of investments	25.9	-	878,805	-	944,000
Share of profit of jointly controlled entities		(390,091)	(159,471)	-	-
Share of profit of associates		(762,125)	(702,787)	-	-
Finance income from dividends received from subsidiaries		-	-	(299,422)	(1,110,165)
Finance income from dividends received from jointly controlled entities		-	-	(115,217)	(135,495)
Finance income from dividends received from associates		-	-	(814,437)	(1,328,236)
<b>Cash flow from operating activities before changes in working capital</b>		<b>122,658,685</b>	<b>195,205,370</b>	<b>42,415,451</b>	<b>105,525,376</b>
Net (decrease in)/creation of other liabilities	25.28	3,538,084	2,986,839	(919,605)	1,270,233
Net decrease in/(creation) of other assets	25.23	(1,936,270)	(19,141,921)	(314,697)	(13,406,135)
Change in inventories	25.18	(86,520,510)	(39,540,408)	(28,753,126)	1,287,185
Change in operating and other receivables and contract assets	25.20	(287,917,535)	(82,706,428)	(242,423,760)	(34,013,249)
Change in operating and other liabilities and contract liabilities	25.26, 25.27	330,915,419	79,015,101	309,206,520	(5,288,878)
<b>Cash generated from operating activities</b>		<b>80,737,873</b>	<b>135,818,553</b>	<b>79,210,783</b>	<b>55,374,533</b>
Interest paid	25.9	(10,300,337)	(5,762,277)	(6,858,359)	(4,890,117)
Taxes paid		(42,068,459)	(8,011,474)	(28,964,937)	4,642,927
<b>Net cash from (used in) operating activities</b>		<b>28,369,077</b>	<b>122,044,802</b>	<b>43,387,487</b>	<b>55,127,343</b>
<b>Cash flows from investing activities</b>					
Payments for investments in subsidiaries	25.14	(720,482)	(14,950,000)	(720,482)	(22,450,000)
Receipts from investments in subsidiaries	25.14	3,063,000	-	3,063,000	-
Payments for investments in jointly controlled entities	25.15	(23,000)	-	(23,000)	-
Receipts from investments in associates	25.16	-	2,575,000	-	2,575,000
Receipts from intangible assets	25.11	107,745	131,775	107,031	131,775
Payments for intangible assets	25.11	(5,753,865)	(3,899,895)	(3,629,845)	(2,644,919)
Receipts from property, plant and equipment	25.13	2,564,814	2,072,375	1,292,453	613,311
Payments for property, plant and equipment	25.13	(49,407,406)	(37,943,426)	(25,475,498)	(18,401,493)
Receipts from investment property		21,725	-	21,725	-
Payments for investment property		(125,114)	-	-	-
Receipts from loans granted	25.19	15,056,122	2,199,077	117,017,361	101,898,051
Payments for loans granted	25.19	(247,755)	(16,300)	(140,657,353)	(94,404,128)
Interest received	25.9	3,859,835	2,032,802	3,382,623	1,494,326
Dividends received from subsidiaries		-	-	299,422	1,110,165
Dividends received from jointly controlled entities		115,217	135,495	115,217	135,495
Dividends received from associates		864,261	1,403,355	814,437	1,328,236
Dividends received from others		258,925	150,493	148,925	40,493
<b>Net cash from (used in) investing activities</b>		<b>(30,365,978)</b>	<b>(46,109,249)</b>	<b>(44,243,984)</b>	<b>(28,573,688)</b>
<b>Cash flows from financing activities</b>					
Payments for right-of-use assets	25.25	(12,040,117)	(6,901,840)	(2,707,720)	(2,666,218)
Proceeds from borrowings	25.24	1,394,086,060	439,297,043	1,900,926,651	687,013,437
Repayment of borrowings	25.24	(1,346,625,116)	(490,684,484)	(1,874,318,846)	(692,154,369)
Dividends paid to shareholders		(61,673,114)	(45,222,804)	(61,673,114)	(45,222,804)
<b>Net cash from (used in) financing activities</b>		<b>(26,252,287)</b>	<b>(103,512,085)</b>	<b>(37,773,029)</b>	<b>(53,029,954)</b>
Increase/(decrease) in cash and cash equivalents		(28,249,188)	(27,576,532)	(38,629,526)	(26,476,299)
<b>Changes in cash and cash equivalents</b>					
<b>At the beginning of the year</b>		<b>100,226,890</b>	<b>88,674,952</b>	<b>57,567,397</b>	<b>44,670,525</b>
Foreign exchange differences		(15,052)	151,107	-	-
Cash acquired through acquisition of companies		-	792,219	-	-
Increase/(decrease)		(28,249,188)	(27,576,532)	(38,629,526)	(26,476,299)
<b>At the end of the period</b>		<b>71,962,650</b>	<b>62,041,746</b>	<b>18,937,871</b>	<b>18,194,227</b>

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

## **23. 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, 1000 Ljubljana. Below we present consolidated financial statements of the Group for the period ended 30 September 2022 and separate financial statements of the company Petrol d.d., Ljubljana for the period ended 30 September 2022. 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 3 November 2022.

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 2021.

The financial statements for the period from January–September 2022 are prepared based on the same accounting policies used for the preparation of financial statements for the year ended 31 December 2021.

#### **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:
  - o identifying a lease,
  - o determining the lease term,
  - o determining the discount rate,
- revenue from contracts with customers:
  - o treatment of excise duty when selling petroleum products,
  - o determining the timing of satisfaction of performance obligations,
  - o sale in the name and for the account of third parties,
  - o determining whether the loyalty points provide additional benefits to customers,
- allocating assets or part of the assets to investment property,
- business combinations:
  - o defining a business combination,
  - o net asset value recognition date,
  - o estimating the fair value of net assets,
- estimating the useful lives of depreciable assets,
- assets impairment testing,
- parameters/assumptions applied in assessing asset values,
- estimating of the fair value of assets,
- estimating of the influence in jointly controlled entities,
- estimate of provisions for litigation,
- estimate of provisions for partial non-compliance in the area of renewables,
- estimate of provisions for employee post-employment and other long-term benefits,
- estimate of provisions for onerous contracts,
- assessing the possibility of using deferred tax assets.

#### **e. Changes of financial statement presentation**

The Group/Company did not change its accounting policies and financial statement presentation in 2022.

## **24. 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.

In June 2021, the Petrol Group adopted new organisation of the company and the Petrol Group. Reorganisation was implemented in order for the Group to achieve the strategic goals and position itself in the context of a broader energy transition in line with the new vision of the Group. Reorganisation is reflected in stronger connection of markets, regional approach and

standardisation of business processes. It enables more efficient processes, unification and optimisation of support functions, customer centricity and unified appearance on markers in subsidiaries. A product group is the criterion for segment reporting.

Segment reporting is presented in detail in the business report, in chapters *The Petrol Group's business performance* and *Operations by product groups*.

Since 1 January 2022 the management monitors information on four levels.

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

- fuels and fuel products,
- merchandise and services,
- energy and solutions,
- other.

Fuels and fuel products consist of:

- petroleum product sales,
- liquefied petroleum gas sales and other alternative energy commodities,
- transport, storage and transshipment of fuels,
- revenue from payment cards,
- sales of biomass,
- sales of tyres, inner tubes and batteries.

Merchandise and services consist of:

- sales of food products, accessories, tobacco and lottery products, coupons and cards,
- sales of coffee-to-go, Fresh products,
- sales of automotive products, spare parts, and carwash services,
- sales promotion services, and other services,
- catering facility rentals.

Energy and solutions consist of:

- electricity and natural gas sales and trading,
- sales of energy solutions,
- sales of heat systems,
- natural gas distribution,
- mobility and
- production of renewable electricity.

Other consist of:

- mining services,
- maintenance services,
- vacation rental lease.

The data for the comparative period are also adjusted to the new method of segment reporting.

## The Group's operating segments in the period 1 January–30 September 2021:

(in EUR)	Fuels and fuel products	Merchandise and services	Energy and solutions	Other	Total	Statement of profit or loss
Sales revenue	1,588,811,015	373,260,447	1,469,845,100	5,642,324	3,437,558,886	
Revenue from subsidiaries	(303,640,586)	(676,380)	(56,824,749)	(2,425,846)	(363,567,561)	
Sales revenue	1,285,170,429	372,584,067	1,413,020,351	3,216,478	3,073,991,325	3,073,991,325
Cost of goods sold	(1,058,285,848)	(284,940,860)	(1,319,963,664)	(109,340)	(2,663,299,712)	(2,663,299,712)
Adjusted gross profit	226,884,581	87,643,207	93,056,687	3,107,138	410,691,613	410,691,613
Operating profit or loss	69,012,867	32,154,021	18,087,904	523,964	119,778,756	119,778,756
Depreciation of property, plant and equipment, depreciation of right-of-use assets, depreciation of investment property and amortisation of intangible assets	(30,767,656)	(7,758,104)	(17,069,449)	(338,659)	(55,933,868)	(55,933,868)
EBITDA	99,780,524	39,912,125	35,157,352	862,623	175,712,624	175,712,624

## The Group's operating segments in the period 1 January–30 September 2022:

(in EUR)	Fuels and fuel products	Merchandise and services	Energy and solutions	Other	Total	Statement of profit or loss
Sales revenue	4,257,205,522	385,933,637	3,757,954,088	9,191,960	8,410,285,207	
Revenue from subsidiaries	(1,155,677,717)	(259,904)	(234,670,542)	(3,665,530)	(1,394,273,693)	
Sales revenue	3,101,527,805	385,673,733	3,523,283,546	5,526,430	7,016,011,514	7,016,011,514
Cost of goods sold	(2,933,545,415)	(277,960,912)	(3,399,209,864)	(6,462)	(6,610,722,653)	(6,610,722,653)
Adjusted gross profit	167,982,390	107,712,821	124,073,682	5,519,968	405,288,861	405,288,861
Operating profit or loss	(64,891,429)	44,740,230	47,145,059	3,247,475	30,241,335	30,241,335
Depreciation of property, plant and equipment, depreciation of right-of-use assets, depreciation of investment property and amortisation of intangible assets	(40,213,936)	(6,458,210)	(20,724,754)	(672,194)	(68,069,094)	(68,069,094)
EBITDA	(24,677,490)	51,198,439	67,869,812	3,919,668	98,310,429	98,310,429

## Additional information about geographic areas where the Group operates:

(in EUR)	Sales revenue		Total assets		Net investments	
	1-9 2022	1-9 2021	30 September 2022	31 December 2021	1-9 2022	1-9 2021
Slovenia	3,003,912,207	1,496,595,012	1,686,875,947	1,385,093,355	26,321,451	29,092,543
Croatia	1,212,659,120	635,242,644	752,123,431	708,835,851	3,359,248	3,986,714
Austria	328,244,841	107,890,232	27,201,090	2,521,013	-	-
Bosnia and Herzegovina	262,203,545	100,038,177	101,834,445	84,410,027	3,776,324	142,307
Serbia	185,230,286	71,569,647	109,889,725	97,542,278	2,576,887	4,045,393
Montenegro	66,851,297	30,348,340	39,981,168	34,663,240	215,311	164,250
Macedonia	5,212,826	6,031,566	229,653	737,181	-	-
Romania	4,814,265	24,701,328	521,497	474,400	-	-
Other countries	1,946,883,127	601,574,379	1,934,490	1,920,285	7,710	-
	<b>7,016,011,514</b>	<b>3,073,991,325</b>	<b>2,720,591,446</b>	<b>2,316,197,630</b>	<b>36,256,931</b>	<b>37,431,207</b>

Jointly controlled entities  
Associates  
Unallocated assets  
**Total assets**

1,002,382	704,501
55,067,490	55,169,626
7,020,394	11,379,674
<b>2,783,681,712</b>	<b>2,383,451,431</b>



## 25. Notes to individual items in the financial statements

### 25.1 Sales revenue

(in EUR)	The Petrol Group		Petrol d.d.	
	1-9 2022	1-9 2021	1-9 2022	1-9 2021
EU market sales revenue	3,071,414,707	1,258,498,174	2,271,644,557	660,018,197
Domestic sales revenue	3,003,912,207	1,496,595,012	2,658,059,609	1,371,516,437
Non-EU market sales revenue	940,684,600	318,898,139	490,919,005	125,312,106
<b>Total revenue</b>	<b>7,016,011,514</b>	<b>3,073,991,325</b>	<b>5,420,623,171</b>	<b>2,156,846,740</b>

(in EUR)	The Petrol Group		Petrol d.d.	
	1-9 2022	1-9 2021	1-9 2022	1-9 2021
Fuels and fuel products	3,101,527,805	1,285,170,429	2,762,527,067	1,105,908,564
Merchandise and services	385,673,733	372,584,067	269,414,698	308,590,912
Energy and solutions	3,523,283,546	1,413,020,351	2,383,532,424	738,357,420
Other	5,526,430	3,216,478	5,148,982	3,989,844
<b>Total revenue</b>	<b>7,016,011,514</b>	<b>3,073,991,325</b>	<b>5,420,623,171</b>	<b>2,156,846,740</b>

### 25.2 Costs of material

(in EUR)	The Petrol Group		Petrol d.d.	
	1-9 2022	1-9 2021	1-9 2022	1-9 2021
Costs of energy	20,931,842	14,808,956	16,474,574	12,661,843
Costs of consumables	5,731,315	4,618,313	3,599,661	3,477,633
Write-off of small tools	77,716	90,270	18,711	44,986
Other costs of materials	718,384	500,262	314,288	239,237
<b>Total costs of materials</b>	<b>27,459,257</b>	<b>20,017,801</b>	<b>20,407,234</b>	<b>16,423,699</b>

### 25.3 Costs of services

(in EUR)	The Petrol Group		Petrol d.d.	
	1-9 2022	1-9 2021	1-9 2022	1-9 2021
Costs of transport services	32,034,995	22,069,418	24,208,558	18,086,099
Costs of service station managers	24,082,025	22,721,728	24,082,025	22,721,728
Costs of fixed-asset maintenance services	21,202,371	17,262,917	14,923,338	13,572,857
Costs of payment transactions and bank services	13,418,546	9,361,342	7,664,815	5,962,665
Costs of professional services	8,494,509	6,811,780	6,480,258	5,269,285
Lease payments	7,780,621	6,322,204	7,023,354	5,043,539
Costs of fairs, advertising and entertainment	5,321,860	4,847,878	3,297,614	2,932,389
Costs of insurance premiums	4,726,221	3,167,861	2,797,269	1,857,056
Outsourcing costs	3,331,494	2,717,323	3,097,797	2,521,691
Costs of fire protection and physical and technical security	1,765,318	1,736,817	1,142,024	1,441,148
Costs of environmental protection services	1,517,935	1,424,908	990,219	956,575
Property management	1,286,634	835,259	924,357	684,209
Reimbursement of work-related costs to employees	984,266	585,997	593,173	318,609
Membership fees	937,028	487,470	189,972	158,843
Other costs of services	3,663,898	2,568,848	2,006,912	1,611,482
<b>Total costs of services</b>	<b>130,547,721</b>	<b>102,921,750</b>	<b>99,421,685</b>	<b>83,138,175</b>

### Lease expenses

(in EUR)	The Petrol Group		Petrol d.d.	
	1-9 2022	1-9 2021	1-9 2022	1-9 2021
Depreciation of right-of-use assets	13,256,856	7,603,605	2,819,119	2,987,192
Finance expenses	3,411,587	1,427,284	951,508	982,619
Lease expenses	7,780,621	6,322,204	7,023,354	5,043,539
<b>Total recognised costs/expenses</b>	<b>24,449,064</b>	<b>15,353,093</b>	<b>10,793,981</b>	<b>9,013,350</b>

## 25.4 Labour costs

(in EUR)	The Petrol Group		Petrol d.d.	
	1-9 2022	1-9 2021	1-9 2022	1-9 2021
Salaries	74,576,857	61,375,110	45,933,109	44,337,676
Costs of other social insurance	6,913,801	5,335,266	3,363,521	3,090,141
Costs of pension insurance	5,161,444	5,375,033	4,221,386	4,303,760
Transport allowance	3,128,796	2,373,274	1,517,306	1,430,254
Meal allowance	2,903,602	2,471,941	1,966,520	1,992,297
Annual leave allowance	2,890,988	2,188,245	2,449,287	1,729,810
Supplementary pension insurance	1,381,856	1,235,783	1,283,338	1,139,082
Other allowances and reimbursements	4,329,205	2,741,036	2,059,908	1,384,488
<b>Total labour costs</b>	<b>101,286,549</b>	<b>83,095,688</b>	<b>62,794,375</b>	<b>59,407,508</b>

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

In line with the measures taken by countries to contain the coronavirus (COVID-19) epidemic in the first nine months, the Group made use of measures relating to the unconditional reimbursement of labour costs of EUR 28,428 (1-9 2021: EUR 585,455) recording their effects as a decrease in labour costs.

In line with the measures taken by the state to contain the coronavirus (COVID-19) epidemic in the first nine months, the Company made use of measures relating to the unconditional reimbursement of labour costs of EUR 28,428 (1-9 2021: EUR 357,311) recording it as a decrease in labour costs.

## 25.5 Depreciation and amortisation

(in EUR)	The Petrol Group		Petrol d.d.	
	1-9 2022	1-9 2021	1-9 2022	1-9 2021
Depreciation of property, plant and equipment	43,480,178	38,316,049	23,547,540	24,238,989
Depreciation of right-of-use assets	13,256,856	7,603,605	2,819,119	2,987,192
Amortisation of intangible assets	10,563,998	9,433,779	7,416,574	7,196,607
Depreciation of investment property	768,062	580,435	508,083	565,632
<b>Total depreciation and amortisation</b>	<b>68,069,094</b>	<b>55,933,868</b>	<b>34,291,316</b>	<b>34,988,420</b>

## 25.6 Other costs

(in EUR)	The Petrol Group		Petrol d.d.	
	1-9 2022	1-9 2021	1-9 2022	1-9 2021
Environmental charges and charges unrelated to operations	5,515,700	5,151,673	2,568,850	3,403,766
Sponsorships and donations	1,746,625	1,344,559	1,310,153	1,193,886
Disposals/impairment of assets	296,774	10,693,689	168,995	1,935,162
Other costs	15,622,785	8,739,793	11,283,834	7,840,793
<b>Total other costs</b>	<b>23,181,884</b>	<b>25,929,714</b>	<b>15,331,832</b>	<b>14,373,607</b>

## 25.7 Other revenue

(in EUR)	The Petrol Group		Petrol d.d.	
	1-9 2022	1-9 2021	1-9 2022	1-9 2021
Gain on derivatives	372,715,754	128,668,227	375,313,646	121,651,496
Gain on disposal of fixed assets	2,282,358	523,938	744,563	394,593
Compensation received from insurance companies	200,595	145,401	16,097	93,702
Compensation, lawsuits, contractual penalties received	143,371	518,545	38,293	447,875
Other income	4,124,953	3,368,125	2,489,827	2,464,114
<b>Total other income</b>	<b>379,467,031</b>	<b>133,224,236</b>	<b>378,602,426</b>	<b>125,051,780</b>

## 25.8 Other expenses

(in EUR)	The Petrol Group		Petrol d.d.	
	1-9 2022	1-9 2021	1-9 2022	1-9 2021
Loss on derivatives	403,683,766	135,849,319	398,313,843	135,647,281
Other expenses	286,286	388,953	24,117	9,246
<b>Total other expenses</b>	<b>403,970,052</b>	<b>136,238,272</b>	<b>398,337,960</b>	<b>135,656,527</b>

## 25.9 Other financial income and expenses

(in EUR)	The Petrol Group		Petrol d.d.	
	1-9 2022	1-9 2021	1-9 2022	1-9 2021
Foreign exchange differences	50,300,436	10,221,261	44,985,061	8,162,021
Gain on derivatives	21,785,124	3,698,000	21,785,124	3,698,000
Interest income	4,033,457	2,257,624	4,246,072	2,122,470
Loss allowances for rec. reversed and bad debt recovered	275,771	267,826	263,390	251,560
Other finance income	3,325,608	406,013	3,212,441	40,493
<b>Total other finance income</b>	<b>79,720,396</b>	<b>16,850,724</b>	<b>74,492,088</b>	<b>14,274,544</b>
Foreign exchange differences	(64,100,440)	(14,488,425)	(58,744,569)	(11,463,125)
Interest expense	(10,754,978)	(5,824,553)	(8,521,132)	(6,232,633)
Allowance for operating receivables	(5,193,047)	(3,867,845)	(2,646,567)	(1,710,739)
Loss on derivatives	(1,295,803)	(1,469,425)	(1,295,803)	(1,469,425)
Impairment of investments and of goodwill	-	(878,805)	-	(944,000)
Other finance expenses	(1,198,995)	(453,494)	(1,127,478)	(423,650)
<b>Total other finance expenses</b>	<b>(82,543,263)</b>	<b>(26,982,547)</b>	<b>(72,335,549)</b>	<b>(22,243,572)</b>
<b>Net finance expense</b>	<b>(2,822,867)</b>	<b>(10,131,823)</b>	<b>2,156,539</b>	<b>(7,969,028)</b>

## 25.10 Earnings per share

	The Petrol Group		Petrol d.d.	
	1-9 2022	1-9 2021	1-9 2022	1-9 2021
Net profit attributable to owners of the controlling company (in EUR)	19,379,784	86,840,661	(9,531,329)	44,727,510
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 year	30,723	30,723	24,703	24,703
Number of own shares at the end of the year	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
<b>Basic and diluted earnings per share attributable to owners of the controlling company (EUR/share)</b>	<b>9.43</b>	<b>42.25</b>	<b>(4.62)</b>	<b>21.70</b>

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 Group/Company. The Group and the Company have no potential dilutive ordinary shares, so the basic and diluted earnings per share are identical.

## 25.11 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 costs	Total
<b>Cost</b>						
<b>As at 1 January 2021</b>	<b>44,755,993</b>	<b>122,117,146</b>	<b>105,895,156</b>	<b>7,005,570</b>	<b>364,959</b>	<b>280,138,824</b>
New acquisitions as a result of control obtained	-	1,594,719	-	97,923	18,950	1,711,592
New acquisitions	60,778	57,096	-	3,257,686	494,162	3,869,722
Disposals/Impairments	(145,905)	-	(874,936)	(47,110)	-	(1,067,951)
Transfers between asset categories	-	-	-	58,170	-	58,170
Transfer from ongoing investments	5,990,883	1,153,258	-	(7,144,141)	-	-
Foreign exchange differences	47,689	67,792	111,867	749	-	228,097
<b>As at 30 September 2021</b>	<b>50,709,438</b>	<b>124,990,011</b>	<b>105,132,087</b>	<b>3,228,847</b>	<b>878,071</b>	<b>284,938,454</b>
<b>Accumulated amortisation</b>						
<b>As at 1 January 2021</b>	<b>(26,023,005)</b>	<b>(59,455,652)</b>	<b>(13,536)</b>	-	-	<b>(85,492,193)</b>
New acquisitions as a result of control obtained	-	(1,246,868)	-	-	-	(1,246,868)
Amortisation	(5,391,440)	(4,042,339)	-	-	-	(9,433,779)
Disposals/Impairments	91,412	-	-	-	-	91,412
Foreign exchange differences	(19,130)	(28,207)	(4,070)	-	-	(51,407)
<b>As at 30 September 2021</b>	<b>(31,342,163)</b>	<b>(64,773,066)</b>	<b>(17,606)</b>	-	-	<b>(96,132,835)</b>
<b>Net carrying amount as at 1 January 2021</b>	<b>18,732,988</b>	<b>62,661,494</b>	<b>105,881,620</b>	<b>7,005,570</b>	<b>364,959</b>	<b>194,646,631</b>
<b>Net carrying amount as at 30 September 2021</b>	<b>19,367,275</b>	<b>60,216,945</b>	<b>105,114,481</b>	<b>3,228,847</b>	<b>878,071</b>	<b>188,805,619</b>

(in EUR)	Material and other rights	Right to use concession infrastructure	Goodwill	Ongoing investments	Long-term deferred costs	Total
<b>Cost</b>						
<b>As at 1 January 2022</b>	<b>60,786,152</b>	<b>135,753,954</b>	<b>253,652,998</b>	<b>4,485,643</b>	<b>291,102</b>	<b>454,969,849</b>
New acquisitions	531,678	20,246	-	5,045,772	156,169	5,753,865
Disposals/Impairments	(174,996)	(5,156)	(19,303)	(3,115)	(11,219)	(213,789)
Transfers between asset categories	(43,434)	551,705	-	(999,790)	-	(491,519)
Transfer from ongoing investments	2,066,315	1,583,329	-	(3,649,644)	-	-
Foreign exchange differences	(9,508)	(20,872)	(155,971)	2,572	-	(183,779)
<b>As at 30 September 2022</b>	<b>63,156,207</b>	<b>137,883,206</b>	<b>253,477,724</b>	<b>4,881,438</b>	<b>436,052</b>	<b>459,834,627</b>
<b>Accumulated amortisation</b>						
<b>As at 1 January 2022</b>	<b>(36,992,140)</b>	<b>(72,628,511)</b>	<b>(19,303)</b>	-	-	<b>(109,639,954)</b>
Amortisation	(6,145,298)	(4,418,700)	-	-	-	(10,563,998)
Disposals/Impairments	81,585	5,156	19,303	-	-	106,044
Transfers between asset categories	15,561	(352,482)	-	-	-	(336,921)
Foreign exchange differences	4,302	11,416	-	-	-	15,718
<b>As at 30 September 2022</b>	<b>(43,035,990)</b>	<b>(77,383,121)</b>	-	-	-	<b>(120,419,111)</b>
<b>Net carrying amount as at 1 January 2022</b>	<b>23,794,012</b>	<b>63,125,443</b>	<b>253,633,695</b>	<b>4,485,643</b>	<b>291,102</b>	<b>345,329,895</b>
<b>Net carrying amount as at 30 September 2022</b>	<b>20,120,217</b>	<b>60,500,085</b>	<b>253,477,724</b>	<b>4,881,438</b>	<b>436,052</b>	<b>339,415,516</b>

### Intangible assets of Petrol d.d., Ljubljana

(in EUR)	Material and other rights	Right to use concession infrastructure	Goodwill	Ongoing investments	Long-term deferred costs	Total
<b>Cost</b>						
<b>As at 1 January 2021</b>	<b>34,908,199</b>	<b>111,460,435</b>	<b>85,266,022</b>	<b>6,198,845</b>	<b>163,809</b>	<b>237,997,310</b>
New acquisitions	-	1,444	-	2,404,462	239,013	2,644,919
Disposals/Impairments	(145,905)	-	-	(47,110)	-	(193,015)
Transfer from ongoing investments	5,943,032	305,526	-	(6,248,558)	-	-
<b>As at 30 September 2021</b>	<b>40,705,326</b>	<b>111,767,405</b>	<b>85,266,022</b>	<b>2,307,640</b>	<b>402,822</b>	<b>240,449,215</b>
<b>Accumulated amortisation</b>						
<b>As at 1 January 2021</b>	<b>(21,844,444)</b>	<b>(54,619,069)</b>	-	-	-	<b>(76,463,513)</b>
Amortisation	(4,050,935)	(3,145,672)	-	-	-	(7,196,607)
Disposals/Impairments	61,240	-	-	-	-	61,240
<b>As at 30 September 2021</b>	<b>(25,834,139)</b>	<b>(57,764,740)</b>	-	-	-	<b>(83,598,880)</b>
<b>Net carrying amount as at 1 January 2021</b>	<b>13,063,755</b>	<b>56,841,366</b>	<b>85,266,022</b>	<b>6,198,845</b>	<b>163,809</b>	<b>161,533,797</b>
<b>Net carrying amount as at 30 September 2021</b>	<b>14,871,187</b>	<b>54,002,665</b>	<b>85,266,022</b>	<b>2,307,640</b>	<b>402,822</b>	<b>156,850,336</b>

(in EUR)	Material and other rights	Right to use concession infrastructure	Goodwill	Ongoing investments	Long-term deferred costs	Total
<b>Cost</b>						
<b>As at 1 January 2022</b>	<b>41,934,032</b>	<b>112,044,827</b>	<b>85,266,022</b>	<b>1,879,712</b>	<b>276,793</b>	<b>241,401,386</b>
New acquisitions	-	1,406	-	3,472,270	156,169	3,629,845
Disposals	(124,537)	-	-	(2,400)	(11,219)	(138,156)
Transfer between asset categories	(12,656)	551,705	-	-	-	539,049
Transfer from ongoing investments	2,048,229	511,278	-	(2,559,507)	-	-
<b>As at 30 September 2022</b>	<b>43,845,068</b>	<b>113,109,216</b>	<b>85,266,022</b>	<b>2,790,075</b>	<b>421,743</b>	<b>245,432,124</b>
<b>Accumulated amortisation</b>						
<b>As at 1 January 2022</b>	<b>(27,058,108)</b>	<b>(58,818,460)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(85,876,568)</b>
Amortisation	(4,269,165)	(3,147,409)	-	-	-	(7,416,574)
Disposals	31,125	-	-	-	-	31,125
Transfer between asset categories	8,670	(352,482)	-	-	-	(343,812)
<b>As at 30 September 2022</b>	<b>(31,287,478)</b>	<b>(62,318,351)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(93,605,829)</b>
<b>Net carrying amount as at 1 January 2022</b>	<b>14,875,924</b>	<b>53,226,367</b>	<b>85,266,022</b>	<b>1,879,712</b>	<b>276,793</b>	<b>155,524,818</b>
<b>Net carrying amount as at 30 September 2022</b>	<b>12,557,590</b>	<b>50,790,865</b>	<b>85,266,022</b>	<b>2,790,075</b>	<b>421,743</b>	<b>151,826,295</b>

## 25.12 Right to use of leased assets

### Right to use of leased assets of the Petrol Group

(in EUR)	Right to use land	Right to use buildings	Right to use equipment	Total
<b>Cost</b>				
<b>As at 1 January 2021</b>	<b>43,684,979</b>	<b>31,791,552</b>	<b>5,965,717</b>	<b>81,442,248</b>
New acquisitions as a result of control obtained	-	76,277	120,037	196,314
New acquisitions	69,556	3,867,797	90,382	4,027,735
Disposals	(4,187,009)	(7,529,908)	(279,682)	(11,996,599)
Foreign exchange differences	54,897	108,748	1,165	164,810
<b>As at 30 September 2021</b>	<b>39,622,423</b>	<b>28,314,466</b>	<b>5,897,619</b>	<b>73,834,508</b>
<b>Accumulated depreciation</b>				
<b>As at 1 January 2021</b>	<b>(6,197,450)</b>	<b>(9,367,210)</b>	<b>(3,475,982)</b>	<b>(19,040,642)</b>
New acquisitions as a result of control obtained	-	(39,323)	(37,623)	(76,946)
Depreciation	(2,260,844)	(4,295,830)	(1,046,931)	(7,603,605)
Disposals	2,013,166	6,967,045	251,249	9,231,460
Foreign exchange differences	(6,091)	(25,183)	(828)	(32,102)
<b>As at 30 September 2021</b>	<b>(6,451,219)</b>	<b>(6,760,501)</b>	<b>(4,310,115)</b>	<b>(17,521,835)</b>
<b>Net carrying amount as at 1 January 2021</b>	<b>37,487,529</b>	<b>22,424,342</b>	<b>2,489,735</b>	<b>62,401,606</b>
<b>Net carrying amount as at 30 September 2021</b>	<b>33,171,204</b>	<b>21,553,965</b>	<b>1,587,504</b>	<b>56,312,673</b>
<b>(in EUR)</b>				
<b>Cost</b>				
<b>As at 1 January 2022</b>	<b>67,588,414</b>	<b>68,591,211</b>	<b>6,766,803</b>	<b>142,946,428</b>
New acquisitions	12,790,876	65,689,633	254,265	78,734,774
Disposals	(12,224,426)	(55,203,379)	(214,133)	(67,641,938)
Foreign exchange differences	(32,913)	(47,834)	(943)	(81,690)
<b>As at 30 September 2022</b>	<b>68,121,951</b>	<b>79,029,631</b>	<b>6,805,992</b>	<b>153,957,574</b>
<b>Accumulated depreciation</b>				
<b>As at 1 January 2022</b>	<b>(14,413,611)</b>	<b>(21,033,533)</b>	<b>(4,877,772)</b>	<b>(40,324,916)</b>
Depreciation	(3,931,750)	(8,565,705)	(759,401)	(13,256,856)
Disposals	3,520,103	7,243,822	158,356	10,922,281
Foreign exchange differences	8,256	16,433	260	24,949
<b>As at 30 September 2022</b>	<b>(14,817,002)</b>	<b>(22,338,983)</b>	<b>(5,478,557)</b>	<b>(42,634,542)</b>
<b>Net carrying amount as at 1 January 2022</b>	<b>53,174,803</b>	<b>47,557,678</b>	<b>1,889,031</b>	<b>102,621,512</b>
<b>Net carrying amount as at 30 September 2022</b>	<b>53,304,949</b>	<b>56,690,648</b>	<b>1,327,435</b>	<b>111,323,032</b>

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

(in EUR)	Right to use land	Right to use buildings	Right to use equipment	Total
<b>Cost</b>				
As at 1 January 2021	32,218,878	930,231	5,338,513	38,487,622
New acquisitions	-	1,218,914	53,531	1,272,445
Disposals/Impairments	-	-	(45,167)	(45,167)
As at 30 September 2021	32,218,878	2,149,145	5,346,876	39,714,900
<b>Accumulated depreciation</b>				
As at 1 January 2021	(4,287,714)	(428,912)	(3,054,348)	(7,770,974)
Depreciation	(1,589,109)	(420,862)	(977,222)	(2,987,192)
Disposals/Impairments	-	-	45,167	45,167
As at 30 September 2021	(5,876,823)	(849,774)	(3,986,403)	(10,712,999)
<b>Net carrying amount as at 1 January 2021</b>	27,931,164	501,319	2,284,165	30,716,648
<b>Net carrying amount as at 30 September 2021</b>	26,342,055	1,299,371	1,360,473	29,001,900

(in EUR)	Right to use land	Right to use buildings	Right to use equipment	Total
<b>Cost</b>				
As at 1 January 2022	32,218,878	1,878,132	5,397,463	39,494,473
New acquisitions	1,207,487	1,008,263	1,108,447	3,324,197
Disposals	-	(91,031)	(141,097)	(232,128)
As at 30 September 2022	33,426,365	2,795,364	6,364,813	42,586,542
<b>Accumulated depreciation</b>				
As at 1 January 2022	(6,409,800)	(966,818)	(4,243,032)	(11,619,650)
Depreciation	(1,686,865)	(443,461)	(688,793)	(2,819,119)
Disposals	-	91,031	114,183	205,214
As at 30 September 2022	(8,096,665)	(1,319,248)	(4,817,642)	(14,233,555)
<b>Net carrying amount as at 1 January 2022</b>	25,809,078	911,314	1,154,431	27,874,823
<b>Net carrying amount as at 30 September 2022</b>	25,329,700	1,476,116	1,547,171	28,352,987

## 25.13 Property, plant and equipment

### Property, plant and equipment of the Petrol Group

(in EUR)	Land	Buildings	Machinery	Equipment	Ongoing investments	Total
<b>Cost</b>						
As at 1 January 2021	218,294,380	746,545,163	4,955,314	347,831,422	51,259,979	1,368,886,258
New acquisitions as a result of control obtained	273,673	5,515,126	6,947,560	1,400	1,314,173	14,051,932
New acquisitions	-	91,119	3,967	3,776,588	24,077,001	27,948,675
Disposals/Impairments	(1,720,204)	(2,911,651)	(553)	(4,506,236)	(273,286)	(9,411,930)
Transfer between asset categories	-	307,567	(306,624)	(943)	(60,520)	(60,520)
Transfer from ongoing investments	1,324,989	9,573,327	393,810	11,890,394	(23,182,520)	-
Transfer from investment property	-	490,562	-	-	-	490,562
Foreign exchange differences	420,584	834,920	2,426	510,625	195,754	1,964,309
As at 30 September 2021	218,593,422	760,446,133	11,995,900	359,503,250	53,330,581	1,403,869,286
<b>Accumulated depreciation</b>						
As at 1 January 2021	-	(448,659,582)	(2,403,660)	(207,615,395)	-	(658,678,637)
New acquisitions as a result of control obtained	-	(1,897,350)	(4,413,176)	-	-	(6,310,526)
Depreciation	-	(18,834,222)	(576,477)	(18,905,350)	-	(38,316,049)
Disposals/Impairments	-	1,555,868	553	2,686,622	-	4,243,043
Transfer between asset categories	-	1,984	(2,408)	424	-	-
Transfer from investment property	-	(281,466)	-	-	-	(281,466)
Foreign exchange differences	-	(432,404)	(2,354)	(328,237)	-	(762,995)
As at 30 September 2021	-	(468,547,172)	(7,397,522)	(224,161,936)	-	(700,106,630)
<b>Net carrying amount as at 1 January 2021</b>	218,294,380	297,885,581	2,551,654	140,216,027	51,259,979	710,207,621
<b>Net carrying amount as at 30 September 2021</b>	218,593,422	291,898,961	4,598,378	135,341,314	53,330,581	703,762,656

(in EUR)	Land	Buildings	Machinery	Equipment	Ongoing investments	Total
<b>Cost</b>						
<b>As at 1 January 2022</b>	<b>247,096,244</b>	<b>866,962,764</b>	<b>13,216,106</b>	<b>388,021,185</b>	<b>60,437,164</b>	<b>1,575,733,463</b>
New acquisitions	-	48,127	34,760	4,502,135	30,787,878	35,372,900
Disposals/Impairments	(399,332)	(1,178,351)	(48,356)	(4,411,837)	(34,401)	(6,072,277)
Transfer between asset categories	106,699	332,653	(2,136,442)	820,562	191,412	(685,116)
Transfer from ongoing investments	746,662	12,588,686	165,743	38,630,066	(52,131,157)	-
Transfer to investment property	-	-	-	-	(18,470)	(18,470)
Foreign exchange differences	(70,353)	(157,842)	(2,000)	(61,847)	(47,302)	(339,344)
<b>As at 30 September 2022</b>	<b>247,479,920</b>	<b>878,596,037</b>	<b>11,229,811</b>	<b>427,500,264</b>	<b>39,185,124</b>	<b>1,603,991,156</b>
<b>Accumulated depreciation</b>						
<b>As at 1 January 2022</b>	-	(548,773,598)	(8,931,936)	(250,323,218)	-	(808,028,752)
Depreciation	-	(21,004,958)	(289,881)	(22,185,339)	-	(43,480,178)
Disposals/Impairments	-	961,606	38,742	2,570,115	-	3,570,463
Transfer between asset categories	-	268,743	1,229,892	190,055	-	1,688,690
Foreign exchange differences	-	104,017	1,723	62,412	-	168,152
<b>As at 30 September 2022</b>	-	(568,444,190)	(7,951,460)	(269,685,975)	-	(846,081,625)
<b>Net carrying amount as at 1 January 2022</b>	<b>247,096,244</b>	<b>318,189,166</b>	<b>4,284,170</b>	<b>137,697,967</b>	<b>60,437,164</b>	<b>767,704,711</b>
<b>Net carrying amount as at 30 September 2022</b>	<b>247,479,920</b>	<b>310,151,847</b>	<b>3,278,351</b>	<b>157,814,289</b>	<b>39,185,124</b>	<b>757,909,531</b>

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

(in EUR)	Land	Buildings	Equipment	Ongoing investments	Total
<b>Cost</b>					
<b>As at 1 January 2021</b>	<b>102,847,584</b>	<b>567,311,922</b>	<b>265,240,639</b>	<b>17,229,342</b>	<b>952,629,487</b>
New acquisitions	-	-	-	11,330,434	11,330,434
Disposals/Impairments	(472,104)	(2,268,393)	(2,902,131)	(317,279)	(5,959,907)
Transfers between asset categories	-	943	(943)	-	-
Transfer from ongoing investments	1,324,989	8,512,570	8,326,015	(18,163,574)	-
Transfer to investment property	-	-	-	(2,350)	(2,350)
<b>As at 30 September 2021</b>	<b>103,700,469</b>	<b>573,557,042</b>	<b>270,663,580</b>	<b>10,076,573</b>	<b>957,997,664</b>
<b>Accumulated depreciation</b>					
<b>As at 1 January 2021</b>	-	(400,599,347)	(172,605,036)	-	(573,204,383)
Depreciation	-	(11,924,335)	(12,314,654)	-	(24,238,989)
Disposals/Impairments	-	1,474,032	2,331,993	-	3,806,025
Transfers between asset categories	-	(424)	424	-	-
<b>As at 30 September 2021</b>	-	(411,050,074)	(182,587,273)	-	(593,637,347)
<b>Net carrying amount as at 1 January 2021</b>	<b>102,847,584</b>	<b>166,712,575</b>	<b>92,635,603</b>	<b>17,229,342</b>	<b>379,425,104</b>
<b>Net carrying amount as at 30 September 2021</b>	<b>103,700,469</b>	<b>162,506,968</b>	<b>88,076,307</b>	<b>10,076,573</b>	<b>364,360,317</b>

(in EUR)	Land	Buildings	Equipment	Ongoing investments	Total
<b>Cost</b>					
<b>As at 1 January 2022</b>	<b>102,794,116</b>	<b>577,375,427</b>	<b>266,626,550</b>	<b>14,315,883</b>	<b>961,111,976</b>
New acquisitions	-	-	-	19,181,494	19,181,494
Disposals/Impairments	(382,615)	(1,163,851)	(1,534,621)	(34,401)	(3,115,488)
Transfers between asset categories	193,874	(130,291)	(131,328)	-	(67,745)
Transfer from ongoing investments	126	2,687,442	5,140,946	(7,828,514)	-
Transfer to investment property	-	-	-	(18,470)	(18,470)
<b>As at 30 September 2022</b>	<b>102,605,501</b>	<b>578,768,727</b>	<b>270,101,547</b>	<b>25,615,992</b>	<b>977,091,767</b>
<b>Accumulated depreciation</b>					
<b>As at 1 January 2022</b>	-	(415,142,838)	(179,706,981)	-	(594,849,819)
Depreciation	-	(11,613,190)	(11,934,350)	-	(23,547,540)
Disposals/Impairments	-	983,434	1,415,169	-	2,398,603
Transfers between asset categories	-	(140,921)	188,564	-	47,643
<b>As at 30 September 2022</b>	-	(425,913,515)	(190,037,598)	-	(615,951,113)
<b>Net carrying amount as at 1 January 2022</b>	<b>102,794,116</b>	<b>162,232,589</b>	<b>86,919,569</b>	<b>14,315,883</b>	<b>366,262,157</b>
<b>Net carrying amount as at 30 September 2022</b>	<b>102,605,501</b>	<b>152,855,212</b>	<b>80,063,949</b>	<b>25,615,992</b>	<b>361,140,654</b>



## 25.14 Investment in subsidiaries

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

(in EUR)	Petrol d.d. 2022	2021
<b>As at 1 January</b>	<b>553,970,331</b>	<b>351,013,627</b>
New acquisitions	62,600	22,450,000
Impairment	-	(943,000)
Disposals	-	(1,000)
<b>As at 30 September</b>	<b>554,032,932</b>	<b>372,519,627</b>

## 25.15 Investments in jointly controlled entities

(in EUR)	The Petrol Group 2022	2021	Petrol d.d. 2022	2021
<b>As at 1 January</b>	<b>704,501</b>	<b>562,016</b>	<b>210,000</b>	<b>233,000</b>
Attributed profit/loss	390,091	159,471	-	-
Dividends received	(115,217)	(135,495)	-	-
New acquisitions	23,000	-	23,000	-
Disposals	-	(22,060)	-	(23,000)
Foreign exchange differences	7	-	-	-
<b>As at 30 September</b>	<b>1,002,382</b>	<b>563,934</b>	<b>233,000</b>	<b>210,000</b>

## 25.16 Investments in associates

(in EUR)	The Petrol Group 2022	2021	Petrol d.d. 2022	2021
<b>As at 1 January</b>	<b>55,169,626</b>	<b>55,953,391</b>	<b>26,610,477</b>	<b>29,185,477</b>
Attributed profit/loss	762,125	702,787	-	-
Dividends received	(864,261)	(1,403,355)	-	-
New acquisitions	-	483,993	-	-
Decrease	-	(2,558,145)	-	(2,575,000)
<b>As at 30 September</b>	<b>55,067,490</b>	<b>53,178,673</b>	<b>26,610,477</b>	<b>26,610,477</b>

## 25.17 Non-current financial assets at fair value through other comprehensive income

(in EUR)	The Petrol Group 2022	2021	Petrol d.d. 2022	2021
<b>As at 1 January</b>	<b>4,133,044</b>	<b>4,528,987</b>	<b>2,117,914</b>	<b>2,117,914</b>
Disposals	(16,240)	-	-	-
Impairment	-	(61,866)	-	-
<b>As at 30 September</b>	<b>4,116,804</b>	<b>4,467,121</b>	<b>2,117,914</b>	<b>2,117,914</b>

## 25.18 Inventories

(in EUR)	The Petrol Group 30 September 2022	31 December 2021	Petrol d.d. 30 September 2022	31 December 2021
Spare parts and materials	3,468,826	9,990,768	2,774,278	2,393,989
Merchandise:	265,753,890	168,200,520	126,067,029	94,179,250
- fuel	212,157,347	109,844,027	85,865,818	64,589,822
- other petroleum products	139,840	98,160	121,243	95,334
- other merchandise	53,456,703	58,258,333	40,079,968	29,494,094
<b>Total inventories</b>	<b>269,222,716</b>	<b>178,191,288</b>	<b>128,841,307</b>	<b>96,573,239</b>

## 25.19 Current financial receivables

(in EUR)	The Petrol Group		Petrol d.d.	
	30 September 2022	31 December 2021	30 September 2022	31 December 2021
Loans granted	4,126,008	19,371,415	43,155,763	16,427,850
Adjustment to the value of loans granted	(3,498,638)	(3,751,210)	(1,035,380)	(1,285,380)
Time deposits with banks (3 months to 1 year)	15,718	517,546	-	-
Interest receivables	464,979	293,088	2,127,387	5,424,514
Allowance for interest receivables	(261,988)	(262,147)	(88,395)	(4,385,935)
<b>Total current financial receivables</b>	<b>846,079</b>	<b>16,168,692</b>	<b>44,159,375</b>	<b>16,181,049</b>

## 25.20 Current operating receivables

(in EUR)	The Petrol Group		Petrol d.d.	
	30 September 2022	31 December 2021	30 September 2022	31 December 2021
Trade receivables	889,559,186	692,538,011	580,023,317	409,335,386
Allowance for trade receivables	(58,054,540)	(57,553,745)	(30,169,867)	(31,098,414)
Operating receivables from state and other institutions	19,668,838	5,450,026	1,564	244,934
Operating interest receivables	1,337,539	1,364,467	2,180,429	2,335,796
Allowance for interest receivables	(1,164,446)	(1,192,941)	(792,238)	(943,204)
Receivables from insurance companies (loss events)	92,335	67,157	71,881	45,955
Other operating receivables	22,784,817	10,997,013	15,193,026	6,734,226
Allowance for other receivables	(1,854,420)	(1,326,808)	(1,191,232)	(824,788)
<b>Total current operating receivables</b>	<b>872,369,309</b>	<b>650,343,180</b>	<b>565,316,880</b>	<b>385,829,891</b>

## 25.21 Financial assets at fair value through profit or loss

(in EUR)	The Petrol Group		Petrol d.d.	
	30 September 2022	31 December 2021	30 September 2022	31 December 2021
Assets arising from commodity swaps	65,579,091	34,337,157	65,445,996	34,231,810
Assets arising from forward contracts	4,349,151	-	4,349,151	-
Assets arising from interest rate swaps	-	329,734	-	329,734
<b>Total financial assets at fair value through profit or loss</b>	<b>69,928,242</b>	<b>34,666,891</b>	<b>69,795,147</b>	<b>34,561,544</b>

## 25.22 Current financial assets at fair value through other comprehensive income

(in EUR)	The Petrol Group		Petrol d.d.	
	30 September 2022	31 December 2021	30 September 2022	31 December 2021
Assets arising from interest rate swaps	33,239,406	1,420,486	29,161,605	1,078,208
Assets arising from commodity swaps	7,926,586	22,238	7,926,586	22,238
Bonds	334,077	334,077	-	-
<b>Current balance of financial assets at fair value through other comprehensive income</b>	<b>41,500,069</b>	<b>1,776,801</b>	<b>37,088,191</b>	<b>1,100,446</b>

## 25.23 Prepayments and other assets

(in EUR)	The Petrol Group		Petrol d.d.	
	30 September 2022	31 December 2021	30 September 2022	31 December 2021
Prepayments and collaterals	69,288,196	61,569,731	21,707,432	34,494,898
Prepaid licences, subscriptions, specialised literature, etc.	4,665,517	3,573,415	4,051,722	2,841,366
Prepaid insurance premiums	664,670	1,332,648	304,919	971,052
Other deferred costs	20,754,875	19,242,965	11,939,332	12,421,468
<b>Total prepayments and other assets</b>	<b>95,373,258</b>	<b>85,718,759</b>	<b>38,003,405</b>	<b>50,728,784</b>

## 25.24 Financial liabilities

(in EUR)	The Petrol Group		Petrol d.d.	
	30 September 2022	31 December 2021	30 September 2022	31 December 2021
<b>Current financial liabilities</b>				
Bank loans	126,891,760	61,575,727	97,730,407	61,575,727
Liabilities arising from commodity swaps	6,226,588	116,341	6,226,588	116,341
Bonds issued	137,046	246,928	137,046	246,928
Liabilities to banks arising from interest rate swaps	-	2,503,965	-	2,503,965
Liabilities to banks arising from forward contracts	-	287,484	-	287,484
Other loans and financial liabilities	1,695,039	1,228,002	217,609,921	207,755,317
	<b>134,950,433</b>	<b>65,958,447</b>	<b>321,703,962</b>	<b>272,485,762</b>
<b>Non-current financial liabilities</b>				
Bank loans	371,843,932	389,623,422	321,944,220	339,746,359
Bonds issued	43,815,032	43,809,402	43,815,032	43,809,402
Loans obtained from other companies	379,603	380,171	21,000,000	21,000,000
	<b>416,038,567</b>	<b>433,812,995</b>	<b>386,759,252</b>	<b>404,555,761</b>
<b>Total financial liabilities</b>	<b>550,989,000</b>	<b>499,771,442</b>	<b>708,463,214</b>	<b>677,041,523</b>

## 25.25 Lease liabilities

(in EUR)	The Petrol Group		Petrol d.d.	
	30 September 2022	31 December 2021	30 September 2022	31 December 2021
Non-current lease liabilities	99,265,473	92,991,633	27,326,126	26,735,533
Current lease liabilities	15,890,537	13,768,130	2,884,438	2,717,596
<b>Total lease liabilities</b>	<b>115,156,010</b>	<b>106,759,763</b>	<b>30,210,564</b>	<b>29,453,129</b>

## 25.26 Current operating liabilities

(in EUR)	The Petrol Group		Petrol d.d.	
	30 September 2022	31 December 2021	30 September 2022	31 December 2021
Trade liabilities	747,233,824	549,530,229	562,939,817	349,637,848
Excise duty liabilities	100,968,575	61,892,936	78,878,472	44,570,278
Value added tax liabilities	94,347,430	44,535,860	39,413,636	22,003,518
Liabilities to employees	11,964,844	9,130,848	5,419,055	5,709,649
Import duty liabilities	6,353,724	596,054	-	-
Liabilities arising from interests acquired	5,947,693	6,597,693	5,450,000	6,100,000
Liabilities for environmental charges and contributions	4,280,634	8,503,921	3,904,378	8,476,548
Other liabilities to the state and other state institutions	3,749,865	3,758,297	1,194,678	1,181,150
Social security contribution liabilities	2,159,349	1,742,750	782,992	815,529
Liabilities associated with the allocation of profit or loss	770,038	775,812	770,038	775,812
Other liabilities	1,165,030	3,392,213	1,182,906	3,237,600
<b>Total current operating and other liabilities</b>	<b>978,941,006</b>	<b>690,456,613</b>	<b>699,935,972</b>	<b>442,507,932</b>

## 25.27 Contract liabilities

(in EUR)	The Petrol Group		Petrol d.d.	
	30 September 2022	31 December 2021	30 September 2022	31 December 2021
Short-term prepayments and collaterals given	53,608,076	12,053,171	49,167,403	5,973,801
Deferred revenue from rebates and discounts granted	2,383,974	164,018	1,849,483	-
Deferred prepaid card revenue	2,113,558	2,611,155	1,370,751	1,932,037
<b>Total contract liabilities</b>	<b>58,105,608</b>	<b>14,828,344</b>	<b>52,387,637</b>	<b>7,905,838</b>

## 25.28 Other liabilities

(in EUR)	The Petrol Group		Petrol d.d.	
	30 September 2022	31 December 2021	30 September 2022	31 December 2021
Accrued annual leave expenses	3,732,647	3,229,710	1,755,565	1,755,565
Accrued expenses for tanker demurrage	1,164,434	502,794	1,164,434	502,794
Accrued motorway site lease payments	248,103	592,868	248,103	592,868
Accrued concession fee costs	134,000	433,122	130,188	316,567
Other accrued costs	55,133,046	50,674,221	45,061,502	44,592,856
Other deferred revenue	1,739,707	3,185,584	1,574,528	3,093,276
<b>Total other liabilities</b>	<b>62,151,937</b>	<b>58,618,299</b>	<b>49,934,320</b>	<b>50,853,926</b>

## 26. 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 Covid-19 pandemic on the Petrol Group's operations and risk management is reported also in Chapter *Business performance analysis*.

### Credit risk

In the first nine months of the year 2022 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 pursuing active collection of receivables.

Maximum exposure to credit risk represents the carrying amount of financial assets which was the following as at 30 September 2022:

(in EUR)	The Petrol Group		Petrol d.d.	
	30 September 2022	31 December 2021	30 September 2022	31 December 2021
Financial assets at fair value through other comprehensive income	45,616,873	5,909,845	39,206,105	3,218,360
Non-current financial receivables	1,930,490	991,831	79,996,324	83,299,185
Non-current operating receivables	7,282,712	8,228,771	7,264,417	8,219,107
Contract assets	42,987,669	3,338,893	51,109,334	7,604,649
Current financial receivables	846,079	16,168,692	44,159,375	16,181,049
Current operating receivables (excluding rec. from the state)	852,700,471	644,893,154	565,315,316	385,584,957
Financial assets at fair value through profit or loss	69,928,242	34,666,891	69,795,147	34,561,544
Cash and cash equivalents	71,962,650	100,226,890	18,937,871	57,567,397
<b>Total assets</b>	<b>1,093,255,186</b>	<b>814,424,967</b>	<b>875,783,889</b>	<b>596,236,248</b>

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	Including 30 to 60 days overdue	Including 60 to 90 days overdue	More than 90 days overdue	
Trade receivables	572,251,531	51,421,340	7,287,064	1,296,628	2,727,703	634,984,266
Interest receivables	72,904	16,001	12,008	18,108	52,505	171,526
Other receivables (excluding receivables from the state)	9,234,027	371,413	-	-	131,922	9,737,362
<b>Total as at 31 December 2021</b>	<b>581,558,462</b>	<b>51,808,754</b>	<b>7,299,072</b>	<b>1,314,736</b>	<b>2,912,130</b>	<b>644,893,154</b>
(in EUR)	Breakdown by maturity					Total
	Not yet due	Up to 30 days overdue	Including 30 to 60 days overdue	Including 60 to 90 days overdue	More than 90 days overdue	
Trade receivables	759,767,294	54,857,533	8,908,399	2,522,244	5,449,176	831,504,646
Interest receivables	69,104	10,747	13,657	4,928	74,657	173,093
Other receivables (excluding receivables from the state)	20,362,433	537,824	4,193	4,684	113,598	21,022,732
<b>Total as at 30 September 2022</b>	<b>780,198,831</b>	<b>55,406,104</b>	<b>8,926,249</b>	<b>2,531,856</b>	<b>5,637,431</b>	<b>852,700,471</b>

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

(in EUR)	Breakdown by maturity					Total
	Not yet due	Up to 30 days overdue	Including 30 to 60 days overdue	Including 60 to 90 days overdue	More than 90 days overdue	
Trade receivables	342,546,756	20,534,767	3,623,504	814,462	10,717,483	378,236,972
Interest receivables	-	-	-	-	1,392,592	1,392,592
Other receivables (excluding receivables from the state)	5,818,887	136,506	-	-	-	5,955,393
<b>Total as at 31 December 2021</b>	<b>348,365,643</b>	<b>20,671,273</b>	<b>3,623,504</b>	<b>814,462</b>	<b>12,110,075</b>	<b>385,584,957</b>
(in EUR)	Breakdown by maturity					Total
	Not yet due	Up to 30 days overdue	Including 30 to 60 days overdue	Including 60 to 90 days overdue	More than 90 days overdue	
Trade receivables	494,024,286	35,608,103	3,495,176	4,832,931	11,892,954	549,853,450
Interest receivables	-	-	-	-	1,388,191	1,388,191
Other receivables (excluding receivables from the state)	14,073,675	-	-	-	-	14,073,675
<b>Total as at 30 September 2022</b>	<b>508,097,961</b>	<b>35,608,103</b>	<b>3,495,176</b>	<b>4,832,931</b>	<b>13,281,145</b>	<b>565,315,316</b>

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

(in days)	The Petrol Group		Petrol d.d.	
	1-9 2022	1-12 2021	1-9 2022	1-12 2021
<b>Days sales outstanding</b>				
Contract days	18	36	14	31
Overdue receivables in days	2	4	2	3
<b>Total days sales outstanding</b>	<b>20</b>	<b>40</b>	<b>16</b>	<b>34</b>

## Liquidity risk

The current global economic events and activity in wider social environment of the EU and globally are strongly influenced by the Ukraine war, the situation on the energy markets (high prices and uncertain supply of fuels and energy commodities) and different national approaches to regulate the fuel prices to lower the impact of energy crisis for the population and companies and inflation as well. Therefore, the Petrol Group continues with intensive activities and pays extra attention and caution to manage liquidity risk.

Despite difficult conditions, our key goal remains that the Group/Company can successfully manage liquidity risks according to Standard & Poor's guidelines.

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 currently an extremely important tool,
- unified approach to banks in local and foreign financial markets,
- 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.

Despite Ukraine war effects, situation on the energy markets and effects of different national approaches on fuel and energy regulations on domestic market and southeast European markets, where the Group is present, which represent additional uncertainties in the Group's operations, we optimized cash flow planning and mastered all challenges in a timely manner and ensured the Group's optimal and strong liquidity. In order to endorse a stable liquidity position of the Group, in the third quarter we started the activities of obtaining additional credit lines, with which we further strengthen the solid and stable liquidity position of the Group. A strong liquidity position also enables us to settle all obligations on the due date.

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.

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 2021 by maturity:

(in EUR)	Carrying amount of liabilities	Contractual cash flows				
		Liability	0 to 6 months	6 to 12 months	1 to 5 years	More than 5 years
Non-current financial liabilities	433,812,995	449,991,568	-	-	193,267,964	256,723,604
Non-current lease liabilities	92,991,633	102,794,713	-	-	50,827,716	51,966,997
Non-current operating liabilities (excluding other liabilities)	5,024,000	5,024,000	-	-	5,024,000	-
Current financial liabilities	65,958,447	71,080,903	51,230,909	19,849,994	-	-
Current lease liabilities	13,768,130	19,086,349	9,565,561	9,520,788	-	-
Liabilities arising from commodity forward contracts*	-	694,778,063	362,868,525	280,035,717	51,873,821	-
Current operating liabilities (excluding liabilities to the state, employees and arising from advance payments)	560,295,947	560,295,947	554,989,616	5,306,331	-	-
<b>As at 31 December 2021</b>	<b>1,171,851,152</b>	<b>1,903,051,543</b>	<b>978,654,611</b>	<b>314,712,830</b>	<b>300,993,501</b>	<b>308,690,601</b>

The Group's liabilities as at 30 September 2022 by maturity:

(in EUR)	Carrying amount of liabilities	Contractual cash flows				
		Liability	0 to 6 months	6 to 12 months	1 to 5 years	More than 5 years
Non-current financial liabilities	416,038,567	423,082,015	-	-	333,082,015	90,000,000
Non-current lease liabilities	99,265,473	113,031,538	-	-	58,320,421	54,711,117
Non-current operating liabilities (excluding other liabilities)	5,024,000	5,024,000	-	-	5,024,000	-
Current financial liabilities	134,950,433	138,524,807	98,200,045	40,324,762	-	-
Current lease liabilities	15,890,537	18,224,338	9,488,979	8,735,359	-	-
Liabilities arising from commodity forward contracts*	-	1,310,791,977	592,458,419	372,221,077	346,112,481	-
Current operating liabilities (excluding liabilities to the state, employees and arising from advance payments)	755,116,585	755,116,585	754,679,695	436,890	-	-
<b>As at 30 September 2022</b>	<b>1,426,285,595</b>	<b>2,763,795,260</b>	<b>1,454,827,138</b>	<b>421,718,088</b>	<b>742,538,917</b>	<b>144,711,117</b>

## The Company's liabilities as at 31 December 2021 by maturity:

(in EUR)	Carrying amount of liabilities	Contractual cash flows				
		Liability	0 to 6 months	6 to 12 months	1 to 5 years	More than 5 years
Non-current financial liabilities	404,555,761	419,129,334	-	-	141,756,803	277,372,531
Non-current lease liabilities	26,735,533	36,574,884	-	-	12,633,019	23,941,865
Non-current operating liabilities (excluding other liabilities)	5,024,000	5,024,000	-	-	5,024,000	-
Current financial liabilities	272,485,762	279,304,500	106,105,302	173,199,198	-	-
Current lease liabilities	2,717,596	3,901,293	2,111,294	1,789,999	-	-
Liabilities arising from commodity forward contracts*	-	692,870,222	360,984,978	280,011,423	51,873,821	-
Current operating liabilities (excluding liabilities to the state, employees and arising from advance payments)	359,751,260	359,751,260	354,459,153	5,292,107	-	-
Contingent liabilities for guarantees issued**	-	317,210,161	317,210,161	-	-	-
<b>As at 31 December 2021</b>	<b>1,071,269,912</b>	<b>2,113,765,654</b>	<b>1,140,870,888</b>	<b>460,292,727</b>	<b>211,287,643</b>	<b>301,314,396</b>

## The Company's liabilities as at 30 September 2022 by maturity:

(in EUR)	Carrying amount of liabilities	Contractual cash flows				
		Liability	0 to 6 months	6 to 12 months	1 to 5 years	More than 5 years
Non-current financial liabilities	386,759,252	392,432,075	-	-	302,432,075	90,000,000
Non-current lease liabilities	27,326,126	36,660,190	-	-	13,901,986	22,758,204
Non-current operating liabilities (excluding other liabilities)	5,024,000	5,024,000	-	-	5,024,000	-
Current financial liabilities	321,703,962	324,562,016	292,288,118	32,273,898	-	-
Current lease liabilities	2,884,438	4,070,747	2,067,441	2,003,306	-	-
Liabilities arising from commodity forward contracts*	-	1,307,755,162	591,567,588	370,793,238	345,394,336	-
Current operating liabilities (excluding liabilities to the state, employees and arising from advance payments)	570,342,761	570,342,761	570,193,285	149,476	-	-
Contingent liabilities for guarantees issued**	-	363,468,329	363,468,329	-	-	-
<b>As at 30 September 2022</b>	<b>1,314,040,539</b>	<b>3,004,315,280</b>	<b>1,819,584,761</b>	<b>405,219,918</b>	<b>666,752,397</b>	<b>112,758,204</b>

\*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.

The Group hedges against the exposure to changes in the EUR/USD exchange rate by fixing the exchange rate in order to secure the margin. The hedging instruments used in this case are forward contracts entered into with banks.

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 2022, the Group/Company was also exposed to certain other currencies (RON) and used forward contracts entered into with banks as a hedging instrument.

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.

An unfavourable change in any currency pair by 10 percent would decrease net profit by a maximum of EUR 3,249,362, with the EUR/BAM currency pair being treated as fixed.

### **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. 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 derivatives. Partners in this area include global financial institutions and banks or suppliers of goods. The Group/Company considers the counterparty default risk as minimal.

In the first nine months of 2022, there were also changes or restrictions regarding pricing of oil derivatives on the markets of Slovenia, Croatia and Serbia, both in retail and wholesale, accepted by individual governments of the countries where the Petrol Group operates, which additionally affected operations. Details of regulations by country are described in the Business environment chapter.

As part of the volumetric and price risk management, adjustments to retail and wholesale plans were regularly made and appropriate financial hedging transactions were concluded. Changes of the Decrees did not affect the price and volumetric risk management system itself, but it did affect the sale of petroleum products. The government (Slovenia) is expected to settle the loss incurred during the relevant period affected by the Decree which limited the selling prices of petroleum products.

Electricity operations expose the Group to price and volumetric risks. In the period from the beginning of 2022 to 26 August 2022, the price of electricity based on the Hungarian power futures in 2023 increased. On 26 August 2022, the maximum price was reached at EUR 1,007 per MWh. From 26 August 2022 to 30 September 2022, prices gradually decreased. On 30 September 2022, the price was 497 EUR/MWh, which means that it has increased by 291 percent since the beginning of the year, when the price was EUR 127 per MWh. The main reason for the high growth of electricity prices is a steep growth of natural gas prices as result of the closure of nuclear power plants in Germany and the war in Ukraine. Such high rise in energy prices leads to substantially higher price risks, which the Group manages with an assortment of limit systems defined depending on the business partner, value at risk, and volumetric exposure, and with appropriate processes in place to monitor and control these risks. The Group also regularly monitors the adequacy of the limit systems used and updates them when necessary.

### **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 2022, the Group/Company continued to monitor exposure to changes in net interest expense in the case of interest rate changes.

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

- partly through ongoing operations, the Group's/Company's interest rate on overdue 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 9 April 2021, 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 2022 the Petrol Group continued to pursue its strategic orientation in the area of indebtedness and kept the net debt to equity ratio at acceptable levels, which provide the Group with a stable position for future operations.

## Carrying amount and fair value of financial instruments

(in EUR)	The Petrol Group			
	30 September 2022 Carrying amount	Fair value	31 December 2021 Carrying amount	Fair value
<b>Non-derivative financial assets at fair value</b>				
Financial assets at fair value through other comprehensive income	45,616,873	45,616,873	5,909,845	5,909,845
<b>Non-derivative financial assets at amortised cost</b>				
Fin. receivables (excluding derivative financial instruments)	2,776,569	2,776,569	17,160,523	17,160,523
Operating receivables (excluding receivables from the state)	859,983,183	859,983,183	653,121,925	653,121,925
Contract assets	42,987,669	42,987,669	3,338,893	3,338,893
Cash and cash equivalents	71,962,650	71,962,650	100,226,890	100,226,890
<b>Total non-derivative financial assets</b>	<b>1,023,326,944</b>	<b>1,023,326,944</b>	<b>779,758,076</b>	<b>779,758,076</b>
<b>Non-derivative financial liabilities at amortised cost</b>				
Bank loans and other financial liabilities (excluding derivative fin.instr.)	(544,762,412)	(544,762,412)	(496,863,652)	(496,863,652)
Lease liabilities	(115,156,010)	(115,156,010)	(106,759,763)	(106,759,763)
Operating liabilities (excluding other non-current liabilities and current liabilities to the state, employees and arising from advance payments)	(760,140,585)	(760,140,585)	(565,319,947)	(565,319,947)
<b>Total non-derivative financial liabilities</b>	<b>(1,420,059,007)</b>	<b>(1,420,059,007)</b>	<b>(1,168,943,362)</b>	<b>(1,168,943,362)</b>
<b>Derivative financial instruments at fair value</b>				
Derivative financial instruments (assets)	69,928,242	69,928,242	34,666,891	34,666,891
Derivative financial instruments (liabilities)	(6,226,588)	(6,226,588)	(2,907,790)	(2,907,790)
<b>Total derivative financial instruments</b>	<b>63,701,654</b>	<b>63,701,654</b>	<b>31,759,101</b>	<b>31,759,101</b>

(in EUR)	Petrol d.d.			
	30 September 2022		31 December 2021	
	Carrying amount	Fair value	Carrying amount	Fair value
<b>Non-derivative financial assets at fair value</b>				
Financial assets at fair value through other comprehensive income	39,206,105	39,206,105	3,218,360	3,218,360
<b>Non-derivative financial assets at amortised cost</b>				
Fin. receivables (excluding derivative financial instruments)	124,155,699	124,155,699	99,480,234	99,480,234
Operating receivables (excluding receivables from the state)	572,579,733	572,579,733	393,804,064	393,804,064
Contract assets	51,109,334	51,109,334	7,604,649	7,604,649
Cash and cash equivalents	18,937,871	18,937,871	57,567,397	57,567,397
<b>Total non-derivative financial assets</b>	<b>805,988,742</b>	<b>805,988,742</b>	<b>561,674,704</b>	<b>561,674,704</b>
<b>Non-derivative financial liabilities at amortised cost</b>				
Bank loans and other financial liabilities (excluding derivative fin.instr.)	(702,236,626)	(702,236,626)	(674,133,733)	(674,133,733)
Lease liabilities	(30,210,564)	(30,210,564)	(29,453,129)	(29,453,129)
Operating liabilities (excluding other non-current liabilities and current liabilities to the state, employees and arising from advance payments)	(575,366,761)	(575,366,761)	(364,775,260)	(364,775,260)
<b>Total non-derivative financial liabilities</b>	<b>(1,307,813,951)</b>	<b>(1,307,813,951)</b>	<b>(1,068,362,122)</b>	<b>(1,068,362,122)</b>
<b>Derivative financial instruments at fair value</b>				
Derivative financial instruments (assets)	69,795,147	69,795,147	34,561,544	34,561,544
Derivative financial instruments (liabilities)	(6,226,588)	(6,226,588)	(2,907,790)	(2,907,790)
<b>Total derivative financial instruments</b>	<b>63,568,559</b>	<b>63,568,559</b>	<b>31,653,754</b>	<b>31,653,754</b>

Presentation of financial assets and liabilities disclosed at fair value according to the fair value hierarchy

## The Petrol Group

### Fair value of assets

(in EUR)	30 September 2022				31 December 2021			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss	69,928,242	-	-	69,928,242	34,666,891	-	-	34,666,891
Financial assets at fair value through other comprehensive income	41,165,992	-	4,450,881	45,616,873	1,442,724	-	4,467,121	5,909,845
<b>Total assets at fair value</b>	<b>111,094,234</b>	<b>-</b>	<b>4,450,881</b>	<b>115,545,115</b>	<b>36,109,615</b>	<b>-</b>	<b>4,467,121</b>	<b>40,576,736</b>
Non-current financial receivables	-	-	1,930,490	1,930,490	-	-	991,831	991,831
Current financial receivables	-	-	846,079	846,079	-	-	16,168,692	16,168,692
Non-current operating receivables	-	-	7,282,712	7,282,712	-	-	8,228,771	8,228,771
Current operating receivables (excluding rec. from the state)	-	-	852,700,471	852,700,471	-	-	644,893,154	644,893,154
Contract assets	-	-	42,987,669	42,987,669	-	-	3,338,893	3,338,893
Cash and cash equivalents	-	-	71,962,650	71,962,650	-	-	100,226,890	100,226,890
<b>Total assets with fair value disclosure</b>	<b>-</b>	<b>-</b>	<b>977,710,071</b>	<b>977,710,071</b>	<b>-</b>	<b>-</b>	<b>773,848,231</b>	<b>773,848,231</b>
<b>Total assets</b>	<b>111,094,234</b>	<b>-</b>	<b>982,160,952</b>	<b>1,093,255,186</b>	<b>36,109,615</b>	<b>-</b>	<b>778,315,352</b>	<b>814,424,967</b>

### Fair value of liabilities

(in EUR)	30 September 2022				31 December 2021			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial liabilities at fair value through profit or loss	(6,226,588)	-	-	(6,226,588)	(2,907,790)	-	-	(2,907,790)
<b>Total liabilities at fair value</b>	<b>(6,226,588)</b>	<b>-</b>	<b>-</b>	<b>(6,226,588)</b>	<b>(2,907,790)</b>	<b>-</b>	<b>-</b>	<b>(2,907,790)</b>
Non-current financial liabilities	-	-	(416,038,567)	(416,038,567)	-	-	(433,812,995)	(433,812,995)
Non-current lease liabilities	-	-	(99,265,473)	(99,265,473)	-	-	(92,991,633)	(92,991,633)
Current financial liabilities (excluding liabilities at fair value)	-	-	(128,723,845)	(128,723,845)	-	-	(63,050,657)	(63,050,657)
Current lease liabilities	-	-	(15,890,537)	(15,890,537)	-	-	(13,768,130)	(13,768,130)
Non-current operating liabilities (excluding other liabilities)	-	-	(5,024,000)	(5,024,000)	-	-	(5,024,000)	(5,024,000)
Current operating liabilities (excluding liabilities to the state, employees and arising from advance payments)	-	-	(755,116,585)	(755,116,585)	-	-	(560,295,947)	(560,295,947)
<b>Total liabilities with fair value disclosure</b>	<b>-</b>	<b>-</b>	<b>(1,420,059,007)</b>	<b>(1,420,059,007)</b>	<b>-</b>	<b>-</b>	<b>(1,168,943,362)</b>	<b>(1,168,943,362)</b>
<b>Total liabilities</b>	<b>(6,226,588)</b>	<b>-</b>	<b>(1,420,059,007)</b>	<b>(1,426,285,595)</b>	<b>(2,907,790)</b>	<b>-</b>	<b>(1,168,943,362)</b>	<b>(1,171,851,152)</b>

## Petrol d.d., Ljubljana

### Fair value of assets

(in EUR)	30 September 2022				31 December 2021			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss	69,795,147	-	-	69,795,147	34,561,544	-	-	34,561,544
Financial assets at fair value through other comprehensive income	37,088,191	-	2,117,914	39,206,105	1,100,446	-	2,117,914	3,218,360
<b>Total assets at fair value</b>	<b>106,883,338</b>	<b>-</b>	<b>2,117,914</b>	<b>109,001,252</b>	<b>35,661,990</b>	<b>-</b>	<b>2,117,914</b>	<b>37,779,904</b>
Non-current financial receivables	-	-	79,996,324	79,996,324	-	-	83,299,185	83,299,185
Current financial receivables	-	-	44,159,375	44,159,375	-	-	16,181,049	16,181,049
Non-current operating receivables	-	-	7,264,417	7,264,417	-	-	8,219,107	8,219,107
Current operating receivables (excluding rec. from the state)	-	-	565,315,316	565,315,316	-	-	385,584,957	385,584,957
Contract assets	-	-	51,109,334	51,109,334	-	-	7,604,649	7,604,649
Cash and cash equivalents	-	-	18,937,871	18,937,871	-	-	57,567,397	57,567,397
<b>Total assets with fair value disclosure</b>	<b>-</b>	<b>-</b>	<b>766,782,637</b>	<b>766,782,637</b>	<b>-</b>	<b>-</b>	<b>558,456,344</b>	<b>558,456,344</b>
<b>Total assets</b>	<b>106,883,338</b>	<b>-</b>	<b>768,900,551</b>	<b>875,783,889</b>	<b>35,661,990</b>	<b>-</b>	<b>560,574,258</b>	<b>596,236,248</b>

### Fair value of liabilities

(in EUR)	30 September 2022				31 December 2021			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial liabilities at fair value through profit or loss	(6,226,588)	-	-	(6,226,588)	(2,907,790)	-	-	(2,907,790)
<b>Total liabilities at fair value</b>	<b>(6,226,588)</b>	<b>-</b>	<b>-</b>	<b>(6,226,588)</b>	<b>(2,907,790)</b>	<b>-</b>	<b>-</b>	<b>(2,907,790)</b>
Non-current financial liabilities	-	-	(386,759,252)	(386,759,252)	-	-	(404,555,761)	(404,555,761)
Non-current lease liabilities	-	-	(27,326,126)	(27,326,126)	-	-	(26,735,533)	(26,735,533)
Current financial liabilities (excluding liabilities at fair value)	-	-	(315,477,374)	(315,477,374)	-	-	(269,577,972)	(269,577,972)
Current lease liabilities	-	-	(2,884,438)	(2,884,438)	-	-	(2,717,596)	(2,717,596)
Non-current operating liabilities (excluding other liabilities)	-	-	(5,024,000)	(5,024,000)	-	-	(5,024,000)	(5,024,000)
Current operating liabilities (excluding liabilities to the state, employees and arising from advance payments)	-	-	(570,342,761)	(570,342,761)	-	-	(359,751,260)	(359,751,260)
<b>Total liabilities with fair value disclosure</b>	<b>-</b>	<b>-</b>	<b>(1,307,813,951)</b>	<b>(1,307,813,951)</b>	<b>-</b>	<b>-</b>	<b>(1,068,362,122)</b>	<b>(1,068,362,122)</b>
<b>Total liabilities</b>	<b>(6,226,588)</b>	<b>-</b>	<b>(1,307,813,951)</b>	<b>(1,314,040,539)</b>	<b>(2,907,790)</b>	<b>-</b>	<b>(1,068,362,122)</b>	<b>(1,071,269,912)</b>

### Changes in Level 3 assets measured at fair value

(in EUR)	The Petrol Group		Petrol d.d.	
	2022	2021	2022	2021
<b>As at 1 January</b>	<b>4,467,121</b>	<b>4,528,987</b>	<b>2,117,914</b>	<b>2,117,914</b>
Disposals	(16,240)	-	-	-
Total profit or losses recognised in the statement of comprehensive income	-	(61,866)	-	-
<b>As at 30 September</b>	<b>4,450,881</b>	<b>4,467,120</b>	<b>2,117,914</b>	<b>2,117,914</b>

## 27. Related party transactions

(in EUR)	The Petrol Group		Petrol d.d.	
	1-9 2022	1-9 2021	1-9 2022	1-9 2021
<b>Sales revenue:</b>				
Subsidiaries	-	-	941,540,585	224,822,364
Jointly controlled entities	3,552,510	1,016,858	25,114	19,682
Associates	19,553	11,634	19,553	11,634
<b>Cost of goods sold:</b>				
Subsidiaries	-	-	97,368,513	38,806,077
Jointly controlled entities	96,888	98,199	-	-
<b>Costs of materials:</b>				
Subsidiaries	-	-	542,407	170,254
Jointly controlled entities	4,304	1,119	-	-
<b>Costs of services:</b>				
Subsidiaries	-	-	730,041	405,921
Jointly controlled entities	2,381	1,380	-	-
<b>Gain on derivatives:</b>				
Subsidiaries	-	-	4,687,243	-
<b>Loss on derivatives:</b>				
Subsidiaries	-	-	1,658,727	127,736
<b>Finance income from interests in Group companies:</b>				
Subsidiaries	-	-	299,422	1,110,165
Jointly controlled entities	390,091	159,471	115,217	135,495
Associates	762,125	702,787	814,437	1,328,236
<b>Finance income from interest:</b>				
Subsidiaries	-	-	936,152	475,996
Jointly controlled entities	1,261	317	1,261	317
<b>Other finance income:</b>				
Subsidiaries	-	-	112,804	49,836
Associates	516	547	516	547
<b>Finance expenses due to impairment of investments and goodwill:</b>				
Subsidiaries	-	878,805	-	944,000
<b>Finance expenses for interest:</b>				
Subsidiaries	-	-	1,718,362	1,514,757
Jointly controlled entities	260	260	260	260
<b>Other finance expenses:</b>				
Subsidiaries	-	-	-	10,702

(in EUR)	The Petrol Group		Petrol d.d.	
	30 September 2022	31 December 2021	30 September 2022	31 December 2021
<b>Investments in Group companies:</b>				
Subsidiaries	-	-	554,032,932	553,970,331
Jointly controlled entities	1,002,382	704,501	233,000	210,000
Associates	55,067,490	55,169,626	26,610,477	26,610,477
<b>Non-current financial receivables:</b>				
Subsidiaries	-	-	79,010,154	83,233,789
<b>Current operating receivables:</b>				
Subsidiaries	-	-	133,529,157	56,193,756
Jointly controlled entities	1,236,228	684,743	9,842	3,900
Associates	1,761	842	1,761	842
<b>Current financial receivables:</b>				
Subsidiaries	-	-	43,720,730	14,741,616
Jointly controlled entities	162,383	-	162,383	-
<b>Contract assets:</b>				
Subsidiaries	-	-	9,325,885	5,559,143
<b>Non-current financial liabilities:</b>				
Subsidiaries	-	-	21,000,000	21,000,000
<b>Current financial liabilities:</b>				
Subsidiaries	-	-	217,265,194	207,418,493
Jointly controlled entities	300,000	300,000	300,000	300,000
<b>Current operating liabilities:</b>				
Subsidiaries	-	-	3,867,731	17,420,542
Jointly controlled entities	223,688	-	223,327	-
<b>Contract liabilities</b>				
Subsidiaries	-	-	1,675	9,241
<b>Other liabilities</b>				
Subsidiaries	-	-	3,881,660	7,523,646

## 28. Contingent liabilities

### Contingent liabilities for guarantees issued

(in EUR)	Petrol d.d.		Petrol d.d.	
	30 September 2022	31 December 2021	30 September 2022	31 December 2021
Guarantee issued to:	Value of guarantee issued		Guarantee amount used	
Petrol d.o.o.	176,446,334	139,287,883	122,214,742	79,389,205
Vjetroelektrarna Ljubač d.o.o.	23,792,130	23,792,130	-	-
Geoplin d.o.o. Ljubljana	21,000,000	21,000,000	-	-
E 3, d.o.o.	15,000,000	15,000,000	3,812,407	4,781,973
Petrol LPG d.o.o.	4,700,000	-	-	-
Petrol BH Oil Company d.o.o. Sarajevo	4,466,135	4,466,135	243,673	67,104
Petrol d.o.o. Beograd	3,999,800	3,500,000	1,023	80,749
Petrol Trade Handelsgesellschaft m.b.H.	3,000,000	3,000,000	1,800,000	1,800,000
Petrol Crna Gora MNE d.o.o.	420,000	420,000	214,568	189,941
Aquasystems d.o.o.	373,318	373,318	373,318	373,318
<b>Total</b>	<b>253,197,717</b>	<b>210,839,466</b>	<b>128,659,731</b>	<b>86,682,290</b>
Bills of exchange issued as security	102,756,328	99,585,169	102,756,328	99,585,169
Other guarantees	7,514,284	6,785,526	7,514,284	6,785,526
<b>Total contingent liabilities for guarantees issued</b>	<b>363,468,329</b>	<b>317,210,161</b>	<b>238,930,343</b>	<b>193,052,985</b>

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 967,342 (31 December 2021: EUR 919,435). 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 433,772 as at 30 September 2022 (31 December 2021: EUR 493,383).

The total value of lawsuits against the Group as defendant and debtor totals EUR 2,027,722 (31 December 2021: EUR 1,465,113). 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 1,258,495 as at 30 September 2022 (31 December 2021: EUR 956,347).

## **29. Events after the reporting date**

Based on resolutions 6.1–6.5 adopted at the 34<sup>th</sup> General Meeting of Shareholders of Petrol d.d., Ljubljana, Petrol d.d., Ljubljana implemented a corporate action on 1 November 2022, splitting the PETG no-par value share. 1 PETG share was split into 20 PETG shares, meaning that the total number of PETG shares has increased to 41,726,020 from 2,086,301 and the share capital of EUR 52,240,977.04 has remained the same. Based on the new number of shares, the basic and diluted earnings per share of the Group belonging to the owners of the controlling company would stand at EUR 0.47 per share in the first nine months of 2022 (1-9 2021: EUR 2.11 per share).

The legal merger of Crodux derivati d.o.o. into Petrol d.o.o., Zagreb was entered into the Register of Companies in Croatia on 2 November 2022. On the date when the merger was entered into the Register of Companies, Crodux derivati d.o.o. was dissolved and its entire operations, including assets and liabilities, were transferred to Petrol d.o.o. Zagreb. On 6 October 2021, Petrol d.d., Ljubljana closed the acquisition of the 100 percent business share in Crodux derivati d.o.o. This was followed by the integration of Crodux derivati d.o.o. into the Petrol Group. The procedures and tasks related to the merger which, as the last step of the integration, was scheduled to be executed by the end of 2022 have been successfully completed two months prior to the scheduled deadline.

There were no other events after the reporting date that would significantly affect the financial statements for the first nine months of year 2022.



## Appendix 1: Organisational structure of the Petrol Group

The Petrol Group, 30 September 2022	Fuels and fuel products	Merchandise and services	Energy and solutions	Other
<b>The parent company</b>				
Petrol d.d., Ljubljana	•	•	•	•
<b>Subsidiaries</b>				
Petrol d.o.o. (100%)	•	•	•	•
Petrol javna rasvjeta d.o.o. (100%)			•	
Adria-Plin d.o.o. (75%)	•			
Crodux derivati dva d.o.o. (100%)	•	•		
Petrol BH Oil Company d.o.o. Sarajevo (100%)	•	•	•	
Petrol d.o.o. Beograd (100%)	•	•	•	
Petrol Lumennis PB JO d.o.o. Beograd (100%)			•	
Petrol Lumennis VS d.o.o. Beograd (100%)			•	
Petrol Lumennis ZA JO d.o.o. Beograd (100%)			•	
Petrol Lumennis ŠI JO d.o.o. Beograd (100%)			•	
Petrol KU 2021 d.o.o. Beograd (100%)			•	
Petrol Lumennis KI JO d.o.o. Beograd (100%)			•	
Petrol Crna Gora MNE d.o.o. (100%)	•	•		
Petrol Trade Handelsges.m.b.H. (100%)	•			
Beogas d.o.o. Beograd (100%)			•	
Petrol LPG d.o.o. Beograd (100%)	•			
Tigar Petrol d.o.o. Beograd (100%)	•			
Petrol LPG HIB d.o.o. (100%)	•			
Petrol Power d.o.o. Sarajevo (99.7518%)			•	
Petrol-Energetika DOOEL Skopje (100%)			•	
Petrol Bucharest ROM S.R.L. (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%)			•	
E 3, d.o.o. (100%)			•	
STH Energy d.o.o. Kraljevo (80%)			•	
Petrol - OTI - Terminal L.L.C. (100%)	•			
Geoplin d.o.o. Ljubljana (74.34%)			•	
Geocom d.o.o. (100%)			•	
Geoplin d.o.o., Zagreb (100%)			•	
Geoplin d.o.o. Beograd (100%)			•	
Zagorski metalac d.o.o. (25%)			•	
<b>Jointly controlled entities</b>				
Geoenergo d.o.o. (50%)			•	
Soenergetika d.o.o. (25%)			•	
Vjetroelektrana Dazlina d.o.o. (50%)			•	
<b>Associates</b>				
Plinhold d.o.o. (29.6985%)			•	
Aquasystems d.o.o. (26%)			•	
Knešča d.o.o. (47.27% of the company is owned by E 3, d.o.o.)			•	

As at 30 September 2022, the Petrol Group diagram does not include inactive companies.