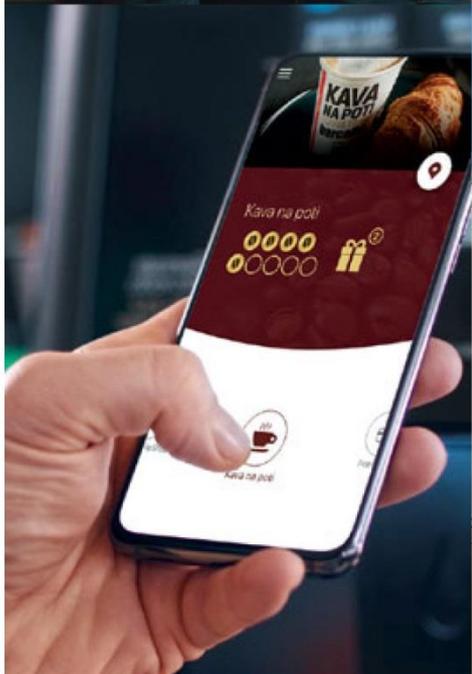


Report on the operations

of the Petrol Group and Petrol d.d., Ljubljana

in the first six months
of 2023



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 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 six months of 2023 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 six months of 2023 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 six months of 2023 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 Smolič
Member of the Management Board



Zoran Gračner
Member of the Management Board and
Worker Director

Ljubljana, 17 August 2023

2. Introductory notes

The report on the operations of the Petrol Group and Petrol, d.d., Ljubljana, Dunajska 50, in the first six months of 2023 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 have been prepared based on the unaudited consolidated financial statements of the Petrol Group and the unaudited financial statements of Petrol d.d., Ljubljana, for the first six months of 2023, in compliance with the Companies Act and IAS 34 – Interim Financial Reporting.

Subsidiaries are included in the consolidated financial statements, which have been 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 six months of 2023 has been published on the website of Petrol d.d., Ljubljana, (www.petrol.eu, 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 six months of 2023 at its meeting held on 24 August 2023.

Profile of the parent company, Petrol d.d., Ljubljana, as at 30 June 2023

Company name	Petrol, slovenska energetska družba, d.d., Ljubljana
Abbreviated company name	Petrol d.d., Ljubljana
Registered office	Dunajska cesta 50, 1000 Ljubljana
Telephone	(01) 47 14 234
Website	http://www.petrol.si, http://www.petrol.eu
Activity code	47,301
Company registration number	5025796000
Tax number	SI 80267432
Share capital	EUR 52.24 million
Number of shares	41,726,020
President of the Management Board	Nada Drobne Popović
Members of the Management Board	Matija Bitenc, Jože Smolič, Jože Bajuk, Zoran Gračner (worker director)
President of the Supervisory Board	Janez Žlak

3. Business highlights of the Petrol Group

The Petrol Group	Unit	1-6 2023	1-6 2022	Index 2023/2022
Sales revenue	EUR million	3.434,5	4.154,7	83
Adjusted gross profit ^{1, 6}	EUR million	264,7	245,4	108
Adjusted gross profit + Net Derivative Financial Instruments + Claim against Borzen ¹	EUR million	344,0	229,1	150
Operating profit	EUR million	72,4	-3,2	-
Net profit	EUR million	52,8	-1,3	-
Equity ⁴	EUR million	841,4	860,2	98
Total assets ⁴	EUR million	2.580,6	2.740,6	94
EBITDA ^{1, 2}	EUR million	116,3	48,6	239
EBITDA / Adjusted gross profit ¹	%	44,0	19,8	222
EBITDA / (Adjusted gross profit + Net Derivative Financial Instruments + Claim against Borzen) ¹	%	33,8	21,2	160
Operating costs / Adjusted gross profit ¹	%	103,9	96,1	108
Operating costs / (Adjusted gross profit + Net Derivative Financial Instruments + Claim against Borzen) ¹	%	80,0	102,9	78
Net debt/Equity ^{1, 4}		0,6	0,6	100
Net debt/EBITDA ^{1, 4}		2,0	5,4	37
Added value per employee ¹	EUR thousand	34,3	20,5	167
Earnings per share attributable to owners of the controlling company ⁵	EUR	1,3	-0,1	-
Net investments ¹	EUR million	36,2	23,2	156
Volume of fuels and petroleum products sold	thousand tons	1.858,6	1.883,6	99
Volume of natural gas sold	TWh	8,2	10,1	81
Volume of electricity sold	TWh	5,1	5,8	87
Revenue from the sales of merchandise and services	EUR million	262,6	237,8	110

¹ Alternative performance measure (APM) as defined in chapter Alternative Performance Measures.

² EBITDA = Operating profit + Net Allowances for operating receivables + Depreciation and amortisation charge.

³ EBITDA calculated at annual level.

⁴ Data for 2022 as at 31 December.

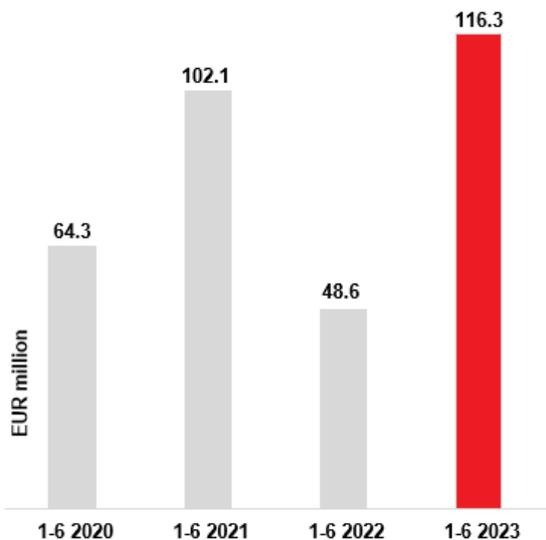
⁵ 1-6 2022 - recalculated by taking into account the share split.

⁶ Compensation claims issued to Borzen for the adjusted gross profit shortfall due to EE and NG price regulation are recorded under other revenue.

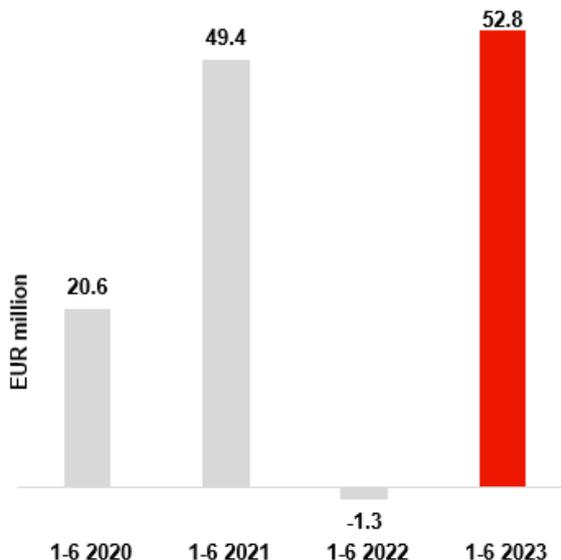
The Petrol Group	Unit	30 June 2023	31 December 2022	Index 2023/2022
Number of employees		5,954	6,224	96
Number of service stations		594	594	100
Number of e-charging points operated by the Petrol Group		434	417	104
Number of electricity customers	thousand	224.8	225.7	100
Number of natural gas customers (data for Geoplina d.o.o., Ljubljana are not included)	thousand	60.6	60.4	100



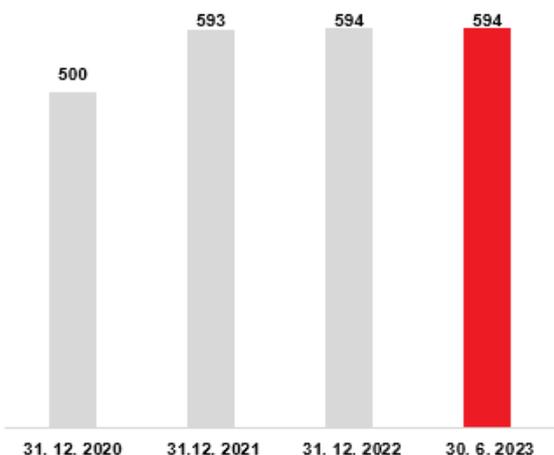
EBITDA



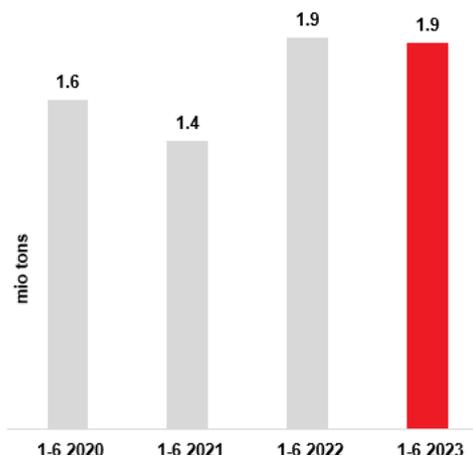
Net profit or loss



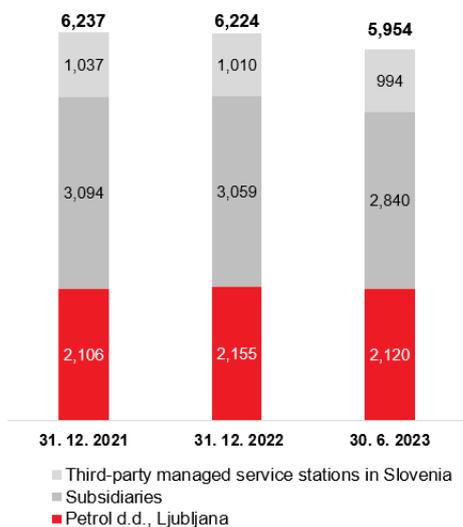
The number of service stations



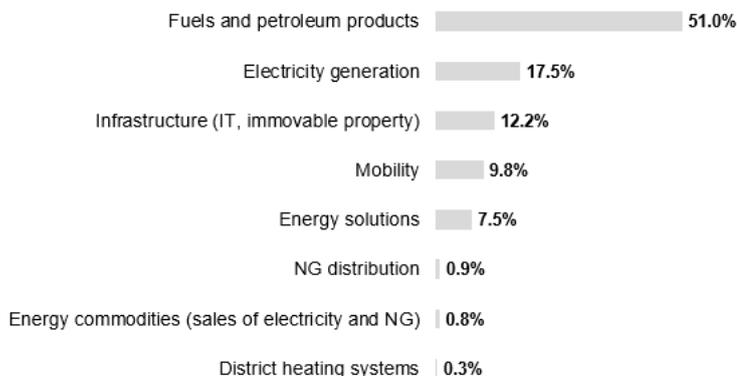
Volumes of fuels and petroleum products sold



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 put 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 the 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 employees, 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

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

One of the most turbulent in the recent period, the year 2022 ended with energy prices dropping to the levels from the period before the start of the Ukrainian war. Economic growth in the euro area slowed considerably in the second half of the year, but less than forecast by international institutions. Problems in supply chains have been gradually easing, energy prices have dropped thanks to more secure supply, and confidence indicators have been improving. In their most recent forecasts, international institutions expect gradual economic improvement in Slovenia's trading partners. Given the more stable situation on the energy market, economic growth is expected to increase, and inflationary pressures to decrease, in 2023. External demand and supply chain disruptions are expected to improve gradually. However, considerable uncertainty regarding the continuation of the war in Ukraine is still present and may have a significant effect on the realisation of economic forecasts, the availability of energy commodities, and their prices.

The economic outlook for Slovenia has improved, especially because of the continued domestic consumption and record-high employment, but we are still faced with high inflation.

The high prices of energy commodities and the rising inflation at the start of 2022 prompted governments to regulate fuel prices in the markets where we operate. This was followed by the regulation of natural gas and electricity prices and later also district heating prices, all of which has had an effect on the operations of the Petrol Group.

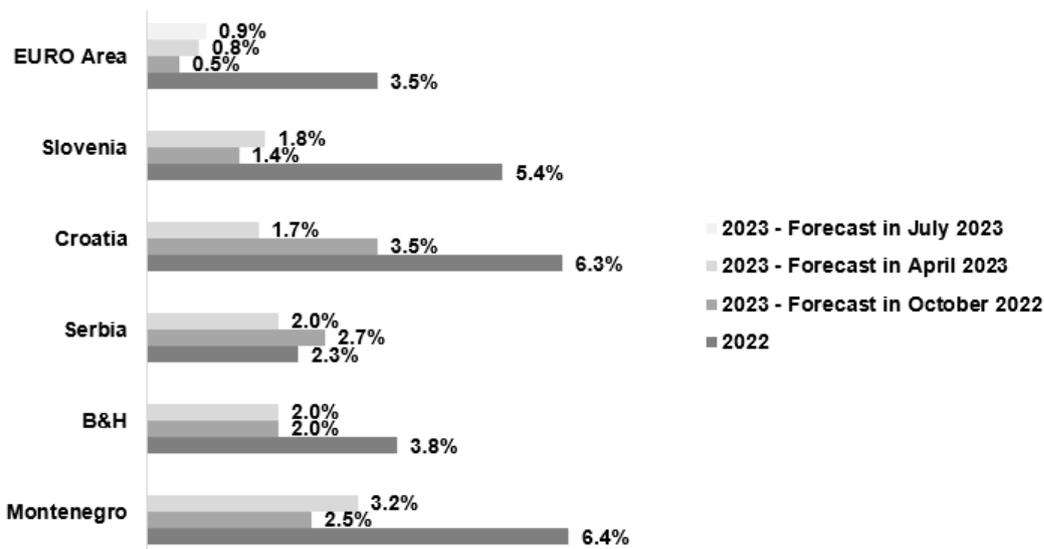
In its projections published in the World Economic Outlook at the beginning of October 2022, the International Monetary Fund forecast a 1.7 percent GDP growth for Slovenia in 2023, but the lowered it to 1.6 percent in April 2023. For Croatia, the Petrol's Group's second largest market, it forecast a 2.7 percent GDP growth in October 2022 and reduced it to 1.7 percent in April 2023. In its Spring Forecast of Economic Trends, the IMAD forecast a 1.8 percent growth for Slovenia in 2023.

In March 2023, the International Monetary Fund forecast a 6.4 percent inflation for Slovenia in 2023 (5.1 percent in October 2022) and 7.4 percent for Croatia (5.5 percent in October 2022).

In its Spring Forecast 2023, IMAD predicted a 7.1 percent inflation rate for Slovenia in 2023 (year-average, or 5.1 percent in December 2023 compared to December 2022), while in its Autumn Forecast 2022 it forecast a 6.0 percent inflation rate for 2023 (year-average or 3.9 percent in December 2023 compared to December 2022).



GDP change in %



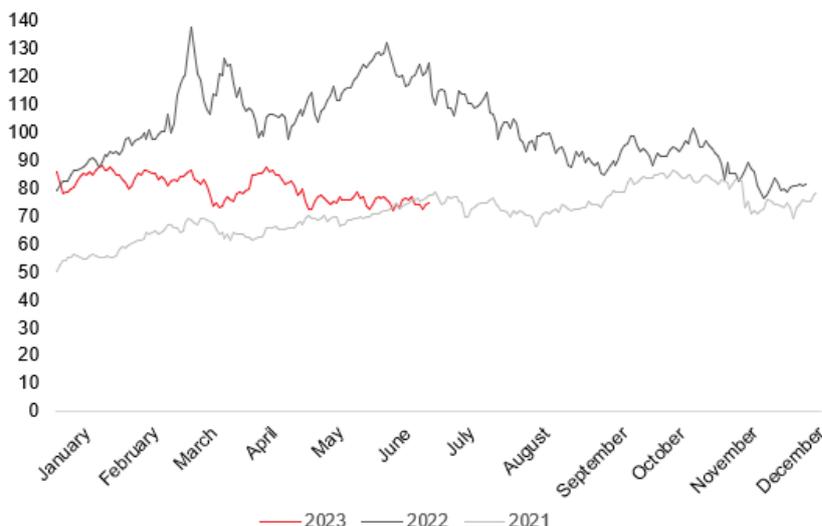
Source: International Monetary Fund, IMAD

When preparing measures and putting them into practice, the Petrol Group complies fully, in all of its markets, with instructions issued by authorities. We abide by all decrees determining the prices of petroleum products and other energy commodities on all markets where we operate.

Oil and petroleum product price movements

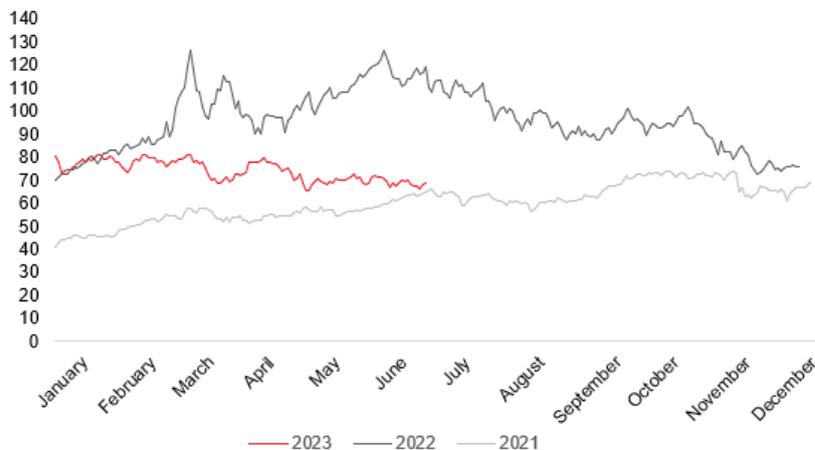
The price of Brent Dated North Sea crude oil has stood between USD 71.8 and 88.2 per barrel since the beginning of 2023. In the first half of 2023, the average price was USD 80.0 per barrel, a decrease of 26 percent compared to the same period last year when the war broke out in Ukraine.

Changes in Brent Dated oil price in the first six months of 2023 and in 2022 and 2021 in USD/barrel



Source: Petrol, 2023

Changes in Brent Dated oil price in the first six months of 2023 and in 2022 and 2021 in EUR/barrel



Source: Petrol, 2023

In the first six months of 2023, the price of diesel stood between USD 644.8 and 1,022.0 per metric unit. The average price in the first six months of 2023 was USD 790.3 per metric unit, a decrease of 26 percent compared to the same period last year when it stood at USD 1066.6 per metric unit.

In the first six months of 2023, the price of petrol stood between USD 751.8 and 949.8 per metric unit. The average price of petrol in the first six months of 2023 was USD 847.3 per metric unit, a decrease of 22 percent compared to the same period last year when it stood at USD 1088.0 per metric unit.

The price of petrol was slightly gaining, and the price of diesel losing on value in the first six months of 2023. After more than six months, the price of petrol again surpassed the price of diesel at the start of February. As at 30 June 2023, the price of petrol stood at USD 843.0 per metric unit and the price of diesel at USD 723.5 per metric unit, meaning that one metric unit of petrol was USD 119.5 more expensive than one metric unit of diesel. The difference peaked at USD 150.5 per metric unit on 11 April 2023.

Future crude oil price trends will be affected mostly by the war in Ukraine, OPEC's oil output agreements, and the effect of the global economic situation (potential start of recession) on oil demand.

Regulation of petroleum product prices

Slovenia

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.

The prices of petrol NMB-95 and diesel have been regulated since 15 March 2022, with the exception of a brief period between 1 and 10 May. The retail price limitation was in force until

20 June, after which a Decree was adopted on 21 June and determined the maximum margins for sellers; this Decree is still in force.

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 sellers' margin to EUR 0.0591 per litre for diesel and for NMB-95 to 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. The Decree excludes the bio-component fee (renewable energy sources in transport) from the model price calculation formula, even though it still needs to be added to fossil fuels pursuant to the last effective Decree on renewable energy sources in transport.

According to the new Decree adopted by the Government of the Republic of Slovenia on 2 December 2022, the bio-component fee for NMB-95 and diesel is also included in the calculation of the maximum retail prices. The accounting period from 21 November 2022 to 2 December 2022 was taken into account for the first calculation of an average 14-day selling price of the current period, net of duties.

On 19 June 2023, the Government of the Republic of Slovenia adopted a new Decree on setting prices for certain petroleum products, pursuant to which margins for diesel have stayed limited at EUR 0.0983 per litre and for NMB-95 at EUR 0.0994 per litre. The regulation excludes prices of motor fuels at motorway and expressway service stations and premium fuels NMB-100 and iQ diesel. The Decree entered into force on 21 June 2023 for a period of one year.

Croatia

In Croatia, prices have been regulated since 7 February 2022. During the first month, the maximum retail prices were determined, and these were lower than the purchase price of the regulated fuels. Since 7 March, the maximum margins have been determined; these enable covering the purchase price, but not also all costs. The maximum retail prices were also determined in the period from 21 June to 18 July and from 18 to 24 October 2022. Since 12 September 2022, the prices of LPG – the propane-butane mixture for large tanks and cylinders – have also been regulated.

On 2 January 2023, the Government of the Republic of Croatia adopted the Decree on setting maximum retail prices, determining the maximum margins for petrol (eurosUPER 95) at EUR 0.0995 per litre, eurodiesel at EUR 0.0995 per litre, blue diesel at EUR 0.0531 per litre, propane-butane blend for large gas storage tanks at EUR 0.3716 per kg and LPG cylinders (7.5 kg or more) at EUR 0.8229 per kg. The Decree was in force from 3 January 2023. Croatia extended the validity of the Decree every two weeks, but it did not limit the validity date of the Decree as of 7 February 2023.

On 5 June 2023, the Government of the Republic of Croatia adopted the Decree on setting maximum retail prices and determined the maximum margins; it increased the maximum margin for petrol (eurosUPER 95) from EUR 0.0995 per litre to EUR 0.1245 per litre, eurodiesel from EUR 0.0995 per litre to EUR 0.1245 per litre, and blue diesel from EUR 0.0531 per litre

to EUR 0.0781 per litre. The maximum margin for the propane-butane blend for large gas storage tanks has stayed at EUR 0.3716 per kg and for LPG cylinders (7.5 kg or more) at EUR 0.8229 per kg. The Decree has been in force from 6 June 2023 with bi-weekly validity extensions.

Serbia

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.

The Government of the Republic of Serbia adopted the Regulation on the price capping of petroleum products on 24 February 2023, setting the maximum retail price, including VAT, for eurodiesel and unleaded petrol NMB-95. The price is set in the amount of the average wholesale price of petroleum products in Serbia, increased by RSD 13 per litre (EUR 0.11 per litre). The Decree was in effect until 31 March 2023 after which its validity was extended by 31 July 2023.

Bosnia and Herzegovina

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 that, the retail prices of petroleum products were market-determined.

Montenegro

In Montenegro, the prices of petroleum products are set in accordance with the Regulation on the Method of Setting Maximum Retail Prices, which has been in force since March 2021. The prices change fortnightly, subject to changes on the oil market (Platts European Marketscan) and the rounding of the euro and the US dollar exchange rate. Prior to this, the prices of petroleum products were set pursuant to the Regulation, which was in force since 1 January 2011.

Price movements of other energy commodities

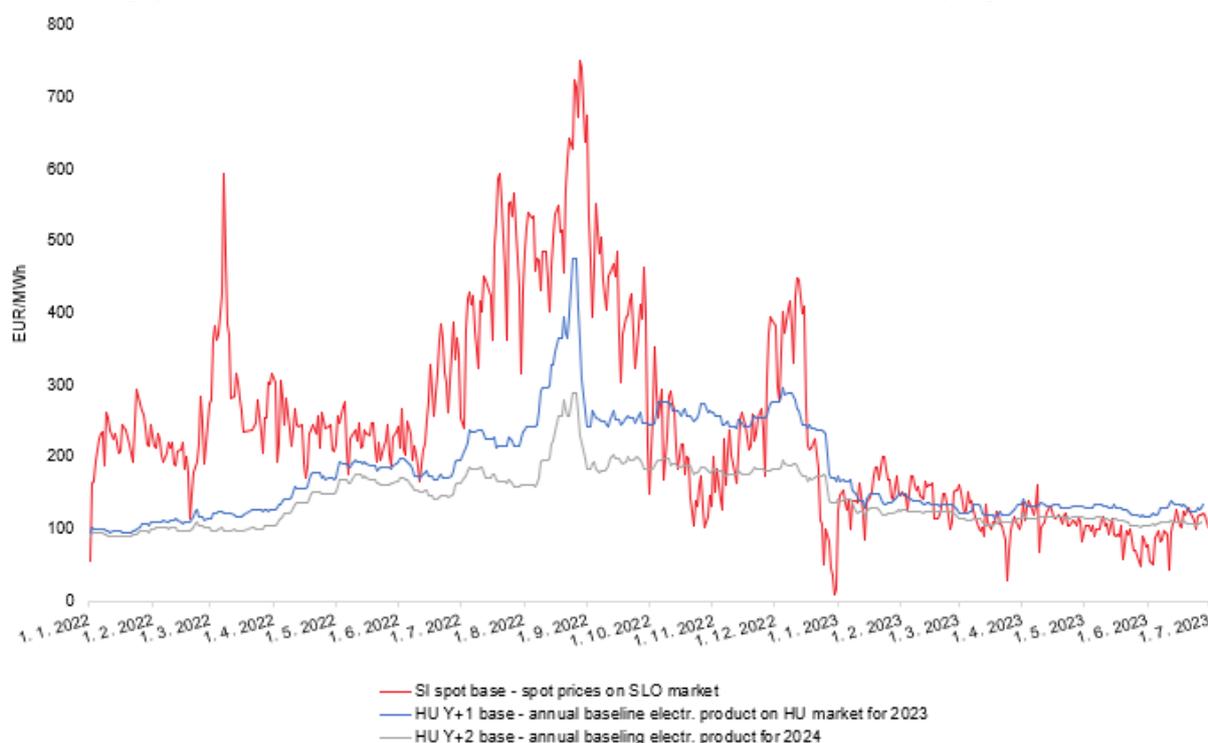
In the first six months of 2023, the prices of electricity and natural gas, marked by significant daily volatility, were mostly in the bearish trend. The energy commodity prices dropped largely as a result of the political agreement of EU Member States about the measures to tackle the energy crisis, oversupply of liquefied natural gas in the first half of the year and the mild winter with above-average temperatures which reduced consumption of both energy commodities and at the same time enabled that European natural gas storage capacities stayed above-averagely full.

According to the last available data of Gas Infrastructure Europe, the European gas storage sites were estimated to be filled to 79 percent of capacity in June 2023, which is a notable increase compared to the 60 percent recorded a year ago. The high levels of gas reserves continue to prevent the rise of energy prices as Europe is well on its way to achieving its goal of gas storage facilities being 90 percent full by 1 November 2023.

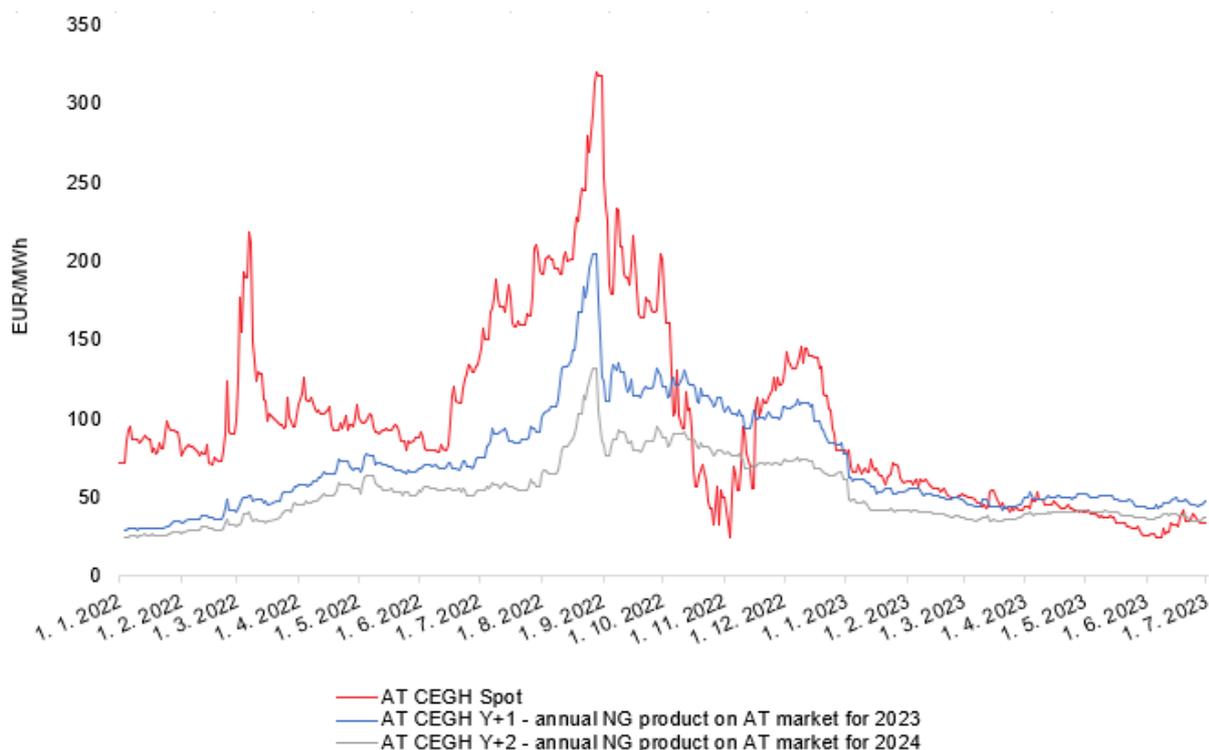
Electricity futures prices closely follow the bearish trend on the gas, coal and carbon market. The volatility and a potential turn of the trend could be influenced by the high temperatures and a dry summer period, which could lower the navigability of rivers in Europe where the coal needed for electricity generation and the water needed for the cooling system in French power plants, are transported.

According to the latest data released by Eurostat in June, the entire euro area economy is in a technical recession as a result of GDP contraction in the euro area due to the high inflation which has reduced consumption. If FED and ECB continue increasing key interest rates, a potentially longer recession could affect the market of raw materials more profoundly and lower the energy prices as a result of lower demand.

Electricity price trends in 2022, in the first six months of 2023, and projections



Natural gas price trends in 2022, in the first six months of 2023, and projections



Regulation of the prices of other energy commodities

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.

At the beginning of September 2022, the Government adopted the Act Amending the Gas Supply Act. With the amendments, it *inter alia* supplemented the definition of household gas customers to prevent abuse and ensure that all households have the right to a basic gas supply. The Act also guarantees basic and alternative gas supply to all protected customers who are (would be) suddenly left without a supplier or the offer of a new supplier. The Act also

broadened the definition of protected customers to include primary schools, kindergartens and health centres. The suppliers of substitute natural gas are designated by the Energy Agency on the basis of the Act.

In September 2022, the Act on Measures for the Management of Crisis Conditions in the Field of Energy Supply was adopted. This has set the basis for the identification of temporary management measures in times of increased energy supply risk, as well as measures to ensure the security of the energy supply and to reduce import dependency and the pressure on energy prices due to the volatility of energy markets.

On 27 October 2022, an amendment to the Decree on setting gas prices from the system was adopted - the maximum retail price also applies to household customers of district heating, and the Decree also redefines the maximum retail price of gas for kindergartens, primary schools and health centres, as well as for the substitute and basic supply of natural gas for protected customers. The Decree is in effect from 1 November 2022 to 31 August 2023.

In December 2022, the Government also set a maximum retail price for natural gas from the system for certain public entities, such as public bodies, public economic institutions, public agencies, public funds and municipalities. The Decree on setting gas prices from the system sets the maximum permitted retail price of natural gas from the gas system of the transmission and distribution network for certain legal entities under public law, for providers of publicly valid education and training programmes, and for providers of social care services, social welfare programmes and family support programmes. The gas price is capped at EUR 0.095 per kWh for the period from 1 January 2023 to 31 December 2023.

On 13 January 2023, the Government of the Republic of Slovenia adopted the Decree on determining compensation for natural gas suppliers. For supplies regulated by the decrees, suppliers are entitled to a monthly compensation for the difference between the average monthly purchase cost and the regulated retail price, taking into account the supplier's cost of EUR 5 per MWh.

On 13 January 2023, the Government of the Republic of Slovenia adopted the Decree on the determination of electricity prices. For supplies regulated by the decrees, suppliers are entitled to a monthly compensation for the difference between the average monthly purchase cost and the regulated retail price, taking into account the supplier's cost of EUR 10 per MWh.

On 24 January 2023, the Government of the Republic of Slovenia adopted the Decree on setting district heating price, determining the maximum tariff item for the variable part of the price of heat at EUR 98.70 per MWh for households which accept heat from the distribution system where the distributor carries out the public service, namely via the individual or common offtake point. The distributors whose pricelists for January 2023 include the tariff item for the variable part of the heat price that is below the indicated amount cannot increase such price. The Decree applies to the heat supplied in the period from 1 January 2023 to 30 April 2023.

In Slovenia, the Decree amending the Decree on setting gas prices from the system was adopted on 27 January 2023 and entered into effect on 28 January 2023. It sets the maximum permitted retail price of natural gas needed for the production of heat for basic social services, kindergartens, primary schools and health centres at EUR 0.079 per kWh and applies to natural gas supplied in the period from 1 January 2023 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 public institutions from 1 October 2022 to 31 March 2023. On 14 September, it adopted Regulation amending the abovementioned Regulation, determining special measures for trading in natural gas. On 19 September 2022, the Croatian government adopted a decision 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.

The Croatian Energy Regulatory Agency (HERA) adopted a new methodology in April 2023 to regulate the retail prices of natural gas in Croatia and introduce a 15-day reference period for determining the selling prices of gas instead of the previous 11-month period. The change has a retroactive effect on the contractual relationships between the Petrol Group companies and our customers because the changed methodology does not take into account the actual value of the price of purchased gas which has a negative effect on the Petrol Group's operations.

Effect of changes in the USD/EUR exchange rate

The USD/EUR exchange rate ranged between 1.05 and 1.11 in the first six months of 2023. The average exchange rate of the US dollar according to the exchange rate of the European Central Bank stood at USD 1.08 per euro in the period concerned (in 2022, the average exchange rate was USD 1.05 per euro).

5.2. The Petrol Group's business performance

The Petrol Group's business results are reported in the context of the following product groups:

- **Fuels and petroleum 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 heating systems, natural gas distribution, mobility and renewable electricity generation.
- **Other**: mining services, maintenance services, vacation rentals.

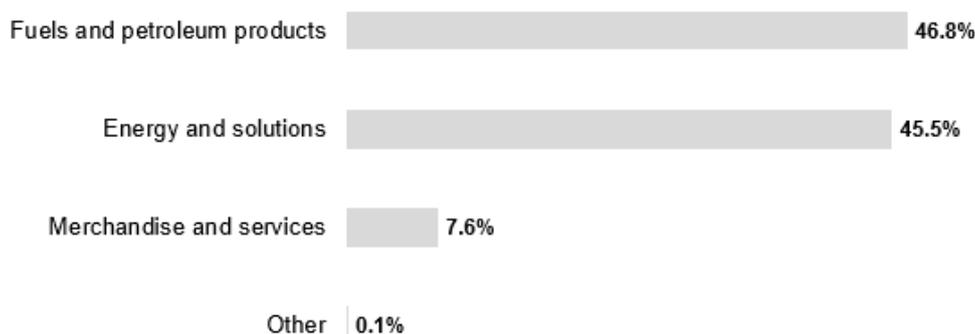
The Petrol Group adopted a new organization of the Company and the Petrol Group in June 2021, effective from the start of 2022. The reorganization has enabled more efficient processes, unification and optimisation of support functions, customer centricity and a uniform market approach in subsidiaries. In line with this, the Petrol Group has verified the system for the allocation of business function costs to the main product groups. To ensure data

comparability in the relevant time period, we prepared the same cost allocation for the comparable reporting period.

Sales revenue

In the first six months of 2023, the Petrol Group generated EUR 3.4 billion in sales revenue, down by 17 percent year on year, primarily as a result of lower prices of energy commodities compared to the same period last year and a lower volume of electricity and natural gas trading.

The Petrol Group's sales revenue by product group in the first six months of 2023



The Petrol Group sold 1,858.6 thousand tons of fuels and petroleum products in the first six months of 2023, a year-on-year decrease of 1 percent. On 15 March 2022, the Government of the Republic of Slovenia regulated the prices of certain petroleum products to levels below those in the neighbouring countries for most of the period until 20 June 2022, except for a brief period between 1 and 10 May 2022; this is why sales in the comparable period of last year at service stations exceeded this year's sales. Moreover, buyers stocked up on fuel at the start of 2022 because of the uncertainty on the oil market, whereas there have been no such fluctuations this year. We have recorded lower sales in Croatia, especially in the wholesale market.

In the first six months of 2023, we generated a revenue of EUR 262.6 million from the sales of merchandise and services, a year-on-year increase of 10 percent. Revenue increased in the segment of food and tobacco product sales in Slovenia and SEE markets. A minor drop was only recorded in revenue from carwashes.

In the first six months of 2023, we sold 8.2 TWh of natural gas, 5.1 TWh of electricity, and 80.6 thousand MWh of heat.

Adjusted gross profit

In the period concerned, adjusted gross profit stood at EUR 264.7 million, a year-on-year increase of 8 percent. This year, business conditions are quite different than in the same period last year.

The prices of petrol and diesel have been regulated throughout the entire period this year. Slovenia has determined the maximum margin that can be charged at non-motorway points of

sale. In Croatia, the maximum margin is limited at all points of sale, including on motorways; premium fuels are excluded from regulation.

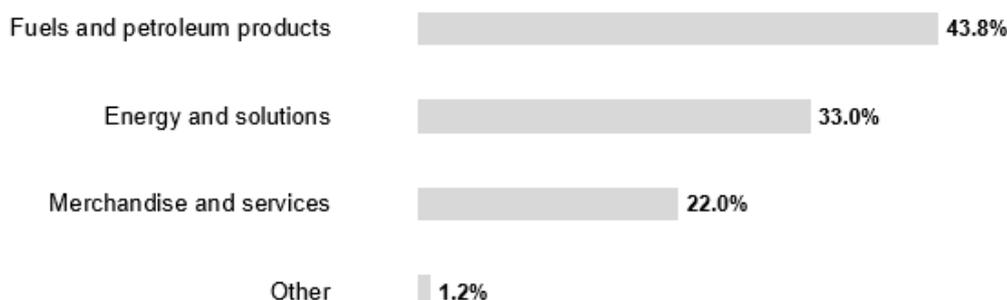
In the same period last year, prices in Slovenia were market-determined until 14 March 2022, and in the period from 15 March to 20 June 2022 (with the exception of a brief period between 1 and 10 May 2022) the maximum retail price was determined for all locations. Throughout most of the period, the retail price was capped and was even lower than the cost of fuel. From 21 June 2022, a Decree was in force which excluded the prices of motor fuels at motorway and expressway service stations and premium fuels and ended the limitation of the maximum prices but limited the sellers' margin.

In Croatia, prices were liberalised until 6 February 2022. The maximum retail price was determined between 7 February and 6 March 2022, and on 7 March 2022, a Decree was adopted and since then the maximum margins have been determined. On 7 June 2022, the Government of the Republic of Croatia decreased the regulated oil sellers' margins. By amending the Decree of 20 June 2022, it separated regulation based on sales at motorway locations and other locations – it determined the maximum retail prices for fuels that are not sold at motorways, while for fuels sold at motorway locations, it determined the margin.

In Slovenia, the prices of electricity and natural gas were market-determined in the first six months of 2022, whereas they were regulated in the period from January to June 2023. In January 2023, the Slovenian government adopted a Decree determining compensation to electricity and natural gas suppliers for the difference between the average monthly cost and regulated retail price. Accordingly, revenue from claims against Borzen for such compensation is recorded under other revenue.

In accordance with standards, gains and losses on derivatives which are used to balance volumetric and price risks when selling energy commodities are recorded under other revenue or expenses in accordance with standards, and not under adjusted gross profit.

The structure of the Petrol Group's adjusted gross profit, increased by the net gains on derivatives and the amount of claims for compensation to Borzen, in the first six months of 2023 by product groups



Operating costs

In the first six months of 2023, operating costs stood at EUR 275.1 million, a year-on-year increase of EUR 39.2 million or 17 percent, mostly on account of higher prices of energy commodities than in the same period last year and higher labour cost.

The share of operating costs in adjusted gross profit stood at 103.9 percent in the period concerned compared to 96.1 percent in the same period last year. The reason for the high value of this indicator is that gains and losses on derivatives which we use to balance volumetric and price risks when selling energy commodities are recorded under other revenue and expenses in accordance with standards, and not under adjusted gross profit. Claims to Borzen are also recorded under other revenue. The share of costs in the gross profit, increased by the claim to Borzen and the net gain on derivatives stood at 80.0 percent in the period concerned and 102.9 percent in the same period last year. The high value of the indicator in 2022 was a result of the strict regulation of some petroleum products in the time when the selling price was determined below the purchase price for a substantial part of the period.

Operating costs

The Petrol Group (in EUR)	1-6 2023	1-6 2022	Index 2023/2022
Cost of materials	35,585,152	19,236,296	185
Cost of services	90,111,566	85,114,627	106
Labour costs	78,455,250	66,102,420	119
Depreciation and amortisation	47,218,252	45,314,646	104
Other costs	23,732,353	20,118,623	118
- of which net allowances for operating receivables	-3,257,201	6,458,850	-
Operating costs	275,102,573	235,886,612	117

Costs of materials stood at EUR 35.6 million in the first six months of 2023, a year-on-year increase of 85 percent, especially because of the higher costs of energy. A part of the costs is covered with revenue.

Costs of services stood at EUR 90.1 million, a year-on-year increase of 6 percent. The cost of service station operators increased the most compared to the same period last year, by 17 percent, especially on account of the increase in wages for the employees with the lowest wages and balancing payments to the minimum wage – our points of sale at service stations are still understaffed. The higher costs of subcontractors are connected with the higher sales of energy solutions. The costs of maintenance increased by 6 percent. We focused greatly on ensuring an optimal service station model already last year which was reflected in lower costs of transportation services on the Croatian market; transportation tariffs increased in Slovenia. Costs of advertising and entertainment fell by 20 percent. Under costs of payment transactions and banking services, costs of payment card fees and payment transactions are lower.

Labour costs, which stood at EUR 78.5 million, increased by 19 percent year-on-year. In Slovenia and Croatia, the costs increased primarily because of salary changes (increase of wages for the employees with the lowest wages, balancing payments to the minimum wage, bonus for work during a less favourable working time – our service stations are still understaffed) and employee remuneration based on good business results.

Amortisation and depreciation charge, which stood at EUR 47.2 million in the first six months of 2023, increased by EUR 1.9 million or 4 percent year-on-year.

Other costs stood at EUR 23.7 million, which is EUR 3.6 million or 18 percent more than in the same period of 2022. Net operating receivable allowances decreased and accrued costs increased year-on-year.

Various activities are in place to manage costs. We have reinforced the team which prepares analyses and suggestions for improvements referring to business optimisation and the functioning and use of technological equipment at service stations. Furthermore, we have optimised the opening hours of service stations. We monitor costs regularly and take appropriate measures in case of deviations.

Gain on derivatives amounted to EUR 119.3 million, a year-on-year decrease of EUR 77.3 million. Loss on derivatives stood at EUR 89.9 million, a year-on-year decrease of EUR 122.9 million. The Petrol Group is exposed to price and volumetric risks arising from operations with energy commodities (petroleum products, natural gas, electricity, LPG). The Petrol Group 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 hedging 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 Petrol Group hedges energy commodity prices primarily by using derivatives. 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. In electricity trading, the Petrol Group also concludes derivative financial instruments with financial institutions where the counterparty default risk is minimal, whereby it also considers the adopted market value limits. The value of financial transactions changes annually based on market price trends and needs for our portfolio hedging.

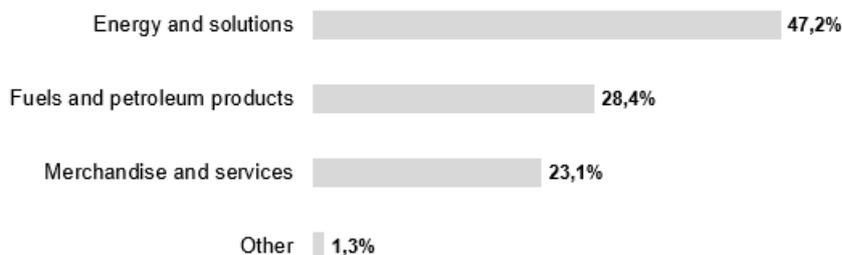
Other revenue amounted to EUR 54.5 million and was by EUR 50.7 million higher compared to the same period last year. EUR 50.0 million of other revenue is revenue related to the claim against Borzen for the compensation due to the regulated electricity and natural gas prices, in line with the Decree adopted at the start of this year.

Other expenses stood at EUR 1.0 million.

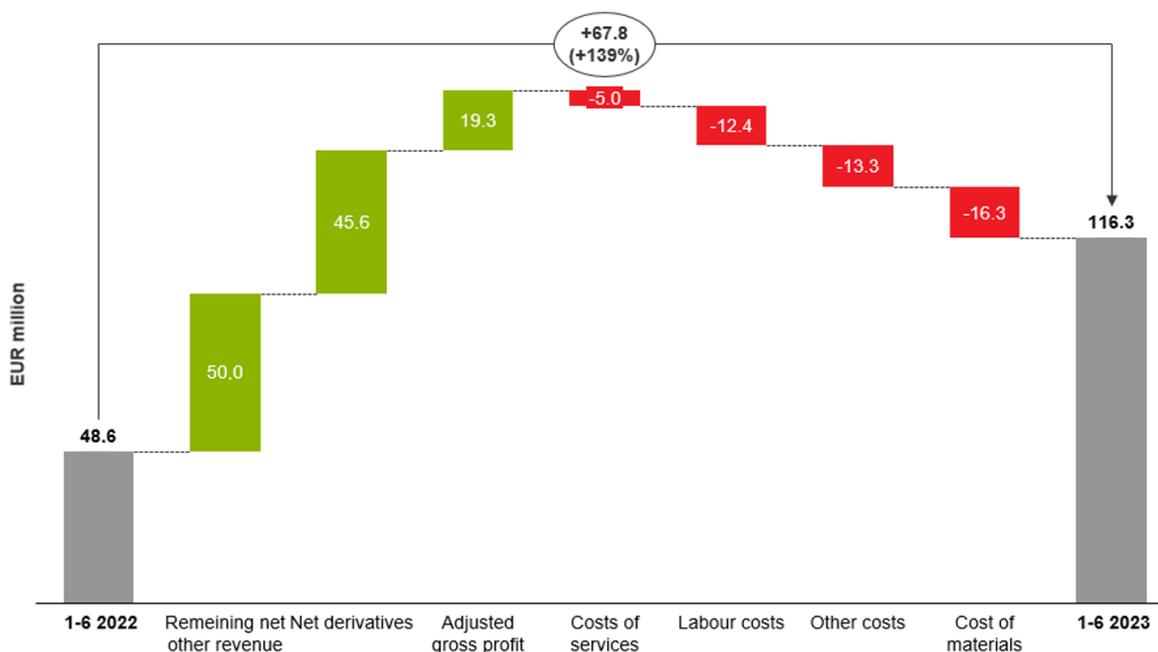
EBITDA

In the first six months of 2023, EBITDA stood at EUR 116.3 million, a year-on-year increase of EUR 67.8 million. The highest growth of EBITDA compared to the same period last year was recorded in the segment of fuel and petroleum product sales because the situation on the market has stabilised and the capped fuel margins provide us with stable operations. We also achieved good results in the field of the energy transition, especially in sales of energy solutions, heating system products and renewable electricity generation. The result was not as good in natural gas trading and sales, mostly as a result of price regulation in Croatia.

The Petrol Group’s EBITDA by product group in the first six months of 2023



EBITDA in the first six months of 2023 compared to the same period of 2022



Operating profit in the first six months of 2023 stood at EUR 72.4 million, a year-on-year increase of EUR 75.6 million.

Share of profit from equity accounted investees stood at EUR 0.8 million, a year-on-year increase of 4 percent.

Net finance expenses of the Petrol Group stood at EUR 6.8 million in the first six months of 2023, a year-on-year increase of EUR 8.1 million. Net foreign exchange losses were EUR 3.5 million and net interest expenses EUR 0.4 million lower year-on-year. Net gains on derivatives were EUR 8.8 million lower in the period concerned compared to the same period of 2022.

Pre-tax operating profit amounted to EUR 66.4 million in the first six months of 2023, while in the same period of last year, a loss was generated in the amount of EUR 1.1 million.

Net profit for the first six months of 2023 amounted to EUR 52.8 million; in the same period last year, a loss was generated in the amount of EUR 1.3 million.

Total assets of the Petrol Group stood at EUR 2.6 billion as at 30 June 2023, down by 6 percent compared to the end of 2022. Non-current assets totalled EUR 1.3 billion, the same as at the end of 2022, and current assets stood at EUR 1.2 billion, down by 12 percent compared to the end of 2022. Compared to the end of 2022, current operating receivables decreased by EUR 140.3 million.

Equity of the Petrol Group amounted to EUR 841.4 million as at 30 June 2023, down by 2 percent compared to the end of 2022.

Net debt stood at EUR 502.6 million, down by EUR 13.3 million compared to the end of 2022.

As at the last day of the period concerned, that is, 30 June 2023, the Petrol Group's **working capital** stood at EUR 17.6 million, down by EUR 0.5 million compared to the end of 2022. Trade receivables, inventories and operating payables decreased, and assets based on customer contracts increased compared to the end of 2022.

The Management Board of Petrol d.d., Ljubljana submitted proposals for amicable settlement of dispute to the State Attorney's Offices of the Republic of Slovenia and the Republic of Croatia in order to receive compensation for the damage resulting from the regulated prices of motor fuels in 2022, in Slovenia in the amount of EUR 106.9 million and in Croatia in the amount of EUR 55.9 million. Both State Attorney's Offices rejected our proposals.

A legal action for damages of EUR 106.9 million resulting from the capped motor fuel prices in 2022 was brought against the Republic of Slovenia on 16 May 2023. The Republic of Slovenia rejected cooperation in mediation, meaning that the court proceedings will continue before the Ljubljana District Court.

Given the decision of the Croatian Constitutional Court in the case in which small fuel distributors sought review of constitutionality and lawfulness of regulations where the Constitutional Court decided that regulation was in line with the legal regulations, we are currently preparing a new compensation claim for damage resulting from the capped petroleum product prices in Croatia; the claim will be submitted to the State Attorney's Office in Zagreb.

On 16 May 2023, Geoplin d.o.o. Ljubljana initiated an arbitration against Gazprom Export LLC on the grounds of a breach of the natural gas supply agreement. Due to a corporate guarantee being enforced by Gazprom Export LLC, Petrol d.d., Ljubljana joined Geoplin d.o.o. Ljubljana in initiating the proceeding. Pursuant to the decision made by the court of arbitration, the two arbitration proceedings must be conducted separately, hence the Geoplin d.o.o. Ljubljana proceeding against Gazprom Export LLC, will continue within the initiated proceeding and Petrol d.d., Ljubljana will enter the arbitration subsequently.

6. Operations by product groups

Below is a detailed presentation of the Petrol Group's operations in the first six months of 2023 broken down by **product groups**:

6.1 Fuels and petroleum products

In the first six months of 2023, the Petrol Group generated EUR 1,605.7 million in revenue with the fuels and petroleum products group.

In the first six months of 2023, the Petrol Group sold 1,858.6 thousand tons of fuels and petroleum products, down by 1 percent compared to the same period last year.

On the **Slovenian market**, we sold 736.0 thousand tons of fuels and petroleum products in the first six months of 2023, a year-on-year decrease of 13 percent. Retail sales of fuels fell the most because of the last year's record-high sales achieved in the time of the regulated fuel prices which were lower than in most of the neighbouring countries. Compared to the same period last year, we recorded lower sales of heating oil because at the start of last year, buyers were stocking up due to the uncertainty surrounding the supply of petroleum products. Due to the high average temperatures, demand for heating oil as a heating energy commodity was lower than last year.

On **SEE markets**, we sold 628.1 thousand tons of fuels and petroleum products in the first six months of 2023, a year-on-year decrease of 7 percent. The same as in Slovenia, buyers in the markets of SE Europe were stocking up at the beginning of last year due to uncertainty on the market. Additionally, the drop in sales was also a result of the reduced industrial production. In the first six months of 2023, six of our service stations were temporarily closed in Croatia because of renovation works.

On **EU markets**, we sold 494.5 thousand tons of fuels and petroleum products in the first six months of 2023, a year-on-year increase of 37 percent.

In the structure of fuel and petroleum product sales, the share of sales to EU markets increased and the share of sales in Slovenia and to SEE markets decreased in the first six months of 2023 compared to the same period last year (1-6 2023: Slovenia 40 percent, SEE markets 34 percent, and EU markets 27 percent; 1-6 2022: Slovenia 45 percent, SEE markets 36 percent, and EU markets 19 percent).

Of 1,858.6 thousand tons of fuels and petroleum products, 45 percent was sold in retail and 55 in wholesale.

At the end of June 2023, 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, and 15 in Montenegro.

At the end of June 2023, the Petrol Group operated 5 concessions for liquefied petroleum gas supply in Slovenia. In addition, Petrol d.o.o. has two agreements concluded for liquefied petroleum gas supply in Šibenik and Rijeka. We also supply liquefied petroleum gas to our customers via gas holders and at service stations (autogas).

6.2 Merchandise and services

In the first six months of 2023, the Petrol Group generated EUR 262.6 million in revenue from the sales of merchandise and services.

On the **Slovenian market**, we generated EUR 188.3 million in revenue from the sales of merchandise and services in the first six months of 2023, up by 13 percent compared to the same period last year.

On **SEE markets**, we generated EUR 74.3 million in revenue from the sales of merchandise and services in the first six months of 2023, a year-on-year increase of 5 percent.

Revenue was increased in the segment of food and tobacco product sales in both Slovenia and SEE markets. A minor drop was recorded in revenue from carwashes.

Significant activities in sales of fuels and petroleum products and merchandise and services

We are consolidating the sales network position by tailoring the business models operated by third parties (bars and restaurants), providing digital solutions (digitisation of forms and upgrade of the SmartSpotter Team tool to track processes) and empowering employees to provide customised services to clients. In Croatia, we have continued the process integration of Crodux's points of sale into Petrol's network. We are focused on finding new technological and digital solutions to optimise business and administrative processes, as well as on standardising and unifying reporting processes and systems in all markets and monitoring the operational efficiency.

We provide various educational contents to improve the key competences of all employees so that they are able to offer customised services to customers (education and training for internal coaches, upgrade of process development for point-of-sale managers, auditing protocols for the implementation of work processes at points of sale, point-of-sale tidiness, monitoring the CEX indicator). We are preparing a new educational concept for employees in the sales network.

We also monitor the quality of sales process implementation via outsourcers, that is, mystery shoppers. Customer satisfaction is measured with the Transactional Net Promoter Score survey in which customers provide their feedback regarding their satisfaction with point-of-sale services. We are currently introducing the tNPS survey in Croatia. A big emphasis is put on maintaining cleanliness and tidiness of service stations.

Through monitoring costs by segments and making suggestions for improvement of both operational optimisation and the use of technological equipment, we provide for the cost optimisation of operations. We focus greatly on finding solutions for energy savings and are implementing the operating cost monitoring model and protocol in all markets.

In the field of B2B, we place great emphasis on fostering good business relationships and working successfully with our customers, which has been particularly important in the time of the regulated retail prices and margins of fuels. We attract new customers and offer new products to those who are already with us. We provide appropriate financial insurance. We

have appointed key account managers who provide a comprehensive range of our products for all major clients.

We consider cooperation based on understanding, flexibility and helpfulness as a fundamental principle. We are becoming a connecting link in the wider ecosystem of sales segments and industry. With a comprehensive range of energy sources and solutions, we offer support to existing and new customers in the transition from traditional energy sources (fossil fuels) to cleaner, environmentally friendlier and healthier renewable energy sources. We design a personalised range for existing and new customers according to their needs. We actively use and upgrade the Salesforce tool which provides us an insight into information.

In the first six months of 2023, we were successful in the following major public tenders:

- Community Health Centre Velenje for motor fuel supply,
- Slovenian Railways for electricity supply,
- SŽ-Infrastruktura for electricity supply,
- ZZZS (HIIS) for electricity and natural gas supply,
- Elektro Maribor for fuel supply.

6.3 Energy and solutions

In the first six months of 2023, the Petrol Group generated EUR 1,562.2 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),
- Heating systems,
- Natural gas distribution,
- Energy commodities (electricity sales and trading, natural gas sales and trading),
- Mobility, and
- Electricity generation.

6.3.1 Energy solutions

In the segment of energy solutions, we generated revenue of EUR 24.3 million in the first six months of 2023.

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 ensuring savings.

The EOL Ig project (6 buildings) was completed in the first six months of 2023. The EUO Ruše project (3 buildings) is currently underway and is expected to be completed in July 2023. We have continued managing and optimising all buildings in the context of the signed concession agreements.

Efficient public lighting

We are replacing old energy-wasting lights with modern LED luminaires, which direct light only 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, three projects were started in Croatia in the field of energy efficient public lighting under the PPA model: Molve, Trogir and Jastrebarsko. We provided services of general economic interest on all projects in the field of public lighting on all markets where we are present. We regularly fulfil our contractual obligations in the existing projects, 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 largest project of operational optimisation and ensuring drinking water savings in Croatia (ordered by Vodovod Slavonski Brod and Hrvatske vode). Due to the problems in ensuring assets on the side of investors, the project is implemented at a smaller scale, but still in line with the tender documentation and client's requirements. After the successfully completed upgrade of the AQUIS software for efficient water distribution management within measuring areas of the water system managed by JP VOKA Snaga Ljubljana, the activities have continued in the selected metering areas. An analysis of the operating conditions of the two previously separate parts of the central water supply system was made with the purpose to prevent potential risks in drinking water supply in case of emergency, that is, water plant failure.

At the start of June, we successfully presented the product Water Systems in Serbia. We responded to the invitation of the Union of Engineers and Technicians of Serbia by presenting our good practices and projects in Slovenia. After a successfully organised international Professional meeting "Water Systems" in March, we prepared an idea solution for the digitalisation of services in the SORIKO water system management (in the area of Sodražica-Ribnica-Kočevje) with the company Hydrovod Kočevje.

Optimisation of district heating systems

District heating is a key factor of the green transition which is a long-term process and includes a comprehensive transformation of the society with the goal to achieve climate neutrality. The key strategic document at EU level is the Green Deal which aims at climate neutrality for the EU by 2050 and at cutting CO₂ emissions by 55 percent by 2030 compared to 1990.

Heat generation is one of the largest energy consumers and a field where energy efficiency is one of the goals. The main guidelines for the development of smart district heating systems are to reduce energy consumption, ensure cost-efficiency, and take measures to increase renewable energy sources through the simultaneous digitisation of the system. Through forecasting and mathematical modelling, we can determine the needs of district heating systems, providing a comprehensive and intuitive overview of the situation at all points in the network and the impact of system changes on the primary energy source. Through digitalisation, we ensure that heat losses are reduced and system operating costs minimised, while maximising efficiency and supporting decarbonisation and ensuring grid optimisation.

In the period concerned, 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.

The monitoring of the Koper, Maribor, Železniki, Trbovlje, and Velenje systems continued. The agreement with EVN Wärme, Austrian company for heat generation and distribution, was renewed for 2023. For Domplan, we are implementing the heating substation upgrade and the SCADA¹ system migration, which is also implemented in the existing heating substations. Seven heating plants of JKP Beogradske elektrane are being monitored and optimised. We expect a new public tender from JKP Beogradske elektrane in the third quarter of 2023.

In addition to those already mentioned, the following activities were implemented in the first six months of 2023: a professional workshop was held on the business premises of Petrol d.o.o. Beograd for directors and managers from seven Serbian district heating plants; at Komunalno podjetje Velenje, we presented the annual report on the technological optimisation of the district heating system in the Šalek Valley for the season 2022/2023, which shows potential savings in the amount of EUR 290,000 in the case of managing the entire district heating system based on the anticipated temperature optimisation results. In the first six months of 2023, activities continued in all district heating plants in accordance with the existing contracts.

Wastewater treatment

Ensuring safe and reliable water supply is one of the key challenges of the 21st 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.

¹ SCADA – Supervisory Control And Data Acquisition

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 are underway; the phase is expected to be completed in 2024. We successfully fulfilled all obligatory services of general economic interest for wastewater treatment on all projects. We actively cooperate in the preparation of new projects in the industry and after-sales services for the existing clients. At the start of the year, we successfully launched the operation of 400 PE small municipal purification plants at motorway points of sale Povir. Activities were started to connect a boiler room and launch a sludge drier which is anticipated for the autumn of 2023.

As a wastewater treatment operator, we also cooperate in the installation and rehabilitation of small purification plants at Petrol's points of sale in Slovenia and Croatia in the context of Crodux point of sale renovation.

Industrial solutions

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 customers in the relevant fields.

In the first half of the year, we focused primarily on solving the issue of the high input electricity prices and consequently the high prices of compressed air.

6.3.2 Heating systems

We generated sales revenue of EUR 26.9 million in the first six months of 2023 in the segment of heating systems.

District heating supply consists of heating 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, since the system itself provides supply advantages such as a higher energy efficiency, environmental protection, straightforward operation and maintenance, reliability, comfort, and convenience, lower cost of investment, and lower costs of operation and maintenance.

Heat distributors must ensure that at least 50 percent of heat is produced from renewables (biomass, geothermal energy...) or at least 75 percent from high-efficiency co-generation of heat and power or 50 percent as a combination of heat from the two abovementioned sources.

At the end of June 2023, we operated **29 district heating systems** in Slovenia, of which 16 are concessions, and concession agreements are signed for their operation with municipalities. Ten district heating systems are proprietary and three are market distribution systems.

Large-scale reconstruction has continued at the Hrastnik Heat Plant in 2023, involving the replacement of natural gas cogeneration and two natural gas boilers with the total power of 7 MW and the 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 six months of 2023, the Petrol Group sold 80.6 thousand MWh of heat, which is less than in the same period last year, as a result of higher temperatures compared to the same period last year and cost-saving measures taken by customers in the light of the high prices of heat and natural gas.

6.3.3 Natural gas distribution

In the first six months of 2023, the Petrol Group generated sales revenue of EUR 9.9 million in the segment of gas distribution.

At the end of June 2023, the Petrol Group operated **31 concessions** for natural gas supply 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.

Activities in all markets have been, and in the coming months will be, focused primarily on completing minor infrastructural facilities and maintenance, which will enable maximum cost optimisation. Due to the high costs of energy and consequently lower purchasing power, the natural gas consumption decreased and customers transferred to less costly energy commodities, which is why we are faced with disconnections by minor customers.

In the first six months of 2023, the Petrol Group distributed 700.1 thousand MWh of natural gas, a year-on-year decrease of 7 percent. Distribution was lower due to the exacerbated situation in the energy sector and the higher average temperatures compared to the same period last year. Moreover, distribution was also lower in Slovenia because of the measure taken by the Government of the Republic of Slovenia regarding the reimbursement of a part of the RES contributions to end users in case of permanently reduced use of gas in the previous winter period by at least 15 percent compared to their average use in the same period of the last five years.

6.3.4 Energy commodities

In the first six months of 2023, the Petrol Group generated sales revenue of EUR 1,488.7 million from electricity and natural gas trading.

Natural gas sales and trading

At the end of June 2023, the Petrol Group had 61 thousand natural gas customers (excluding the customers of the Geoplin Group). In the first six months of 2023, 6.0 TWh of natural gas was sold to end customers, down by 3 percent year on year. The volumes sold in trading in the first six months of 2023 stood at 2.2 TWh.

The volume of sales increased because of supply to new end customers who were forced to find new natural gas suppliers since their previous suppliers E.ON Ljubljana d.o.o., Domplan d.d. Kranj, Komunalno podjetje Vrhnika, d.o.o., Komunalno podjetje Velenje, d.o.o. and Energetika Celje, d.o.o. stopped supplying gas. In the first six months of 2023, the volume of natural gas sales to the current customers decreased compared to the same period of 2022.

The reduced supply of natural gas was a result of the call and adoption of EU regulation on a voluntary reduction of natural gas demand between 1 October 2022 and 31 March 2023 by at least 15 percent compared to the Member States' average consumption in the past five years; member states can freely decide which measures to take to meet the reductions. The Slovenian government implemented these guidelines by adopting the Act on Measures for Management of Crisis Conditions in the Field of Energy Supply, by way of which it ensured reimbursement of a part of the RES contributions to end customers in case of permanently reduced gas consumption. The high prices of natural gas also contributed to a reduced supply – customers were more focused on generating savings; some customers who had an option to transfer to an alternative energy commodity started using heating oil and liquefied petroleum gas.

The security of natural gas supply was stable due to the mild winter and storage facilities in the EU were still around 80 percent full even at the end of the winter of 2022/2023. In the period concerned, the majority of EU member states still had the early warning level in place in line with the acts regulating extraordinary situation in natural gas supply.

As a result of the regulated retail price of natural gas for basic supply customers, the suppliers of natural gas are entitled to a compensation for the damage in the amount equalling the difference between the maximum market price of energy and the lower regulated retail price.

Electricity sales and trading

The Petrol Group is actively present on regional electricity markets. The year 2023 started much calmer compared to the end of 2022 when consumers were forced to conclude contracts at high prices of energy commodities on the markets. The mild winter and a steep drop in electricity consumption by the economy resulted in a drop in electricity prices, which was certainly welcome for the exhausted economy. Due to the regulated electricity prices which includes practically all segments of customers, the number of households and businesses that changed suppliers dropped, while large business customers are still looking for the most cost-effective supplier in the current market situation. In the second quarter of 2023, the situation on electricity markets was favourable which was shown in the settled prices of energy on wholesale markets. As a result of the effect of the regulated electricity price on operations, electricity suppliers are entitled to a compensation for the difference between the higher market price of energy and the lower regulated retail price. We are expanding sales of electricity to end customers (businesses and households) to SE Europe where we are especially actively widening our portfolio in Croatia in the field of electricity supply to businesses. At the end of June 2023, the Petrol Group had 225 thousand electricity customers.

In the first six months of 2023, sales to end customers stood at 1.6 TWh, a year-on-year decrease of 9 percent. In the first six months of 2023, the volumes sold in trading stood at 3.5 TWh.

6.3.5 Mobility

The Petrol Group generated EUR 2.5 million in sales revenue from sales of mobility services and products.

Charging infrastructure

The development of charging infrastructure relies on key partnerships with the largest energy companies, municipalities, and transport businesses in Central and South-Eastern Europe in the framework of three projects co-financed by the European Commission.

Eastern Europe in the framework of three projects co-financed by the European Commission. In the first quarter of 2023 we completed the final report for the **NEXT-E** project and submitted it to the European Commission; we expect to receive the outcome in the third quarter of 2023.

In the context of the **URBAN-E** project, we organised an on-line event in January where we presented the project results achieved in cooperation with key stakeholders in the field of urban e-mobility, namely representatives of the European Commission's Directorate-General for Mobility & Transport, European Climate, Infrastructure and Environment Executive Agency (**CINEA**), Eurocities, Ministries of Infrastructure of Slovenia and Slovakia, project partners, energy companies, and EV-charging service providers. We started preparations for the implementation of the last project revision for 2022. In June, Petrol's largest charging park opened at the location of the main railway station in Ljubljana. The new charging park is the first partner location of Petrol and Slovenian Railways under the URBAN-E project; it offers two fast 50 kW chargers to EV users and five slow chargers (22 kW). It will enable simultaneous charging for 14 vehicles. The charging park is also ready for further expansion with additional 6 slow chargers and additional 12 charging or parking places. This will enable travellers to reach the railway station with their electric vehicles, park there and travel by train in Slovenia and abroad.



Petrol's largest EV-charging park in Ljubljana by the central Ljubljana railway station set up under the URBAN-E project

Source: Petrol archive

In the first six months of 2023, we deployed the last 21 chargers from the URBAN-E project in Zagreb (of this 19 slow and 2 fast) at 11 locations.

Through the **MULTI-E project**, we will further expand our market presence with new types of charging stations in Slovenia and Croatia and enter the market of northern Italy, if the opportunity arises. In the first six months of 2023, we commissioned 2 AC chargers and 2 ultra-

fast chargers and completed electrical and building works at four other locations. Furthermore, we signed contracts for the acquisition of two locations to set up EV-chargers.

The common denominator of all three projects that combine and influence both segments of mobility is the implementation of global guidelines for the transition to alternative fuels, decarbonisation and transport innovation. To this end, we are setting up a charging infrastructure network for alternative energy sources, primarily for electric vehicles, and developing smart mobility services.

In addition to our own investments, we expanded the charging infrastructure by selling charging stations to private and business users in both Slovenia and Croatia. On the business side, we continue to deliver successful sales projects. At the end of February, we set up and commissioned an ultra-fast charger for buses at Marprom. We were also successful in the public tender issued by the Faculty of Computer and Information Science where we will deliver and install 4 slow chargers and prepare everything necessary for the installation of additional 12 chargers in 2023.



Ultra-fast e-bus charging station in the City of Maribor

Source: Petrol

The recognisability of Petrol's network of charging stations at foreign charging service providers has been increasing. Through cooperation and connections via an international platform, it has increased to 42 partnerships with charging service providers.

At the end of June 2023, the Petrol Group operated 434 EV chargers.

Mobility services

In the area of **mobility services**, we develop services related to new concepts and forms of mobility. We offer **fleet management** services and provide mobility through vehicle leasing and rental on the market. In addition, we aim to be a partner to companies and municipalities in the green transition and in achieving their sustainability goals through fleet electrification.

Companies that are committed to operating more sustainably or optimising their business efficiency are increasingly turning to alternative forms of mobility, such as giving up their own vehicles and resorting to experts to help them manage their own fleets. We offer integrated mobility solutions in fleet management, long-term corporate leasing, short-term vehicle rental,

door-to-door services and fleet analysis and optimisation. Services are also complemented by charging stations and charging solutions.

In the field of long-term leasing, we entered into partnership with Dars d.d., with which we already actively cooperate in the field of vehicle provision. We also continue the vehicle as a service project through which we enable fleet electrification for municipalities and companies. We started offering long-term leasing of used vehicles from our own rent-a-car fleet which allows clients to have immediate access to vehicles – this is our competitive advantage in the times of low availability of vehicles. In the segment of seasonal short-term rentals, our results are on a par with those from last year. A major expansion to international markets via brokers is an important step forward. In the domestic market, we focus more on B2B clients with whom we enter into long-term partnerships. At the beginning of the year, we implemented a pilot car sharing project using Petrol's fleet at the Stegne location in Ljubljana based on which we want to establish the advantages and options of implementing such system in vehicle fleets.

We were successful in the tender issued by the Ministry of Defence of the Republic of Slovenia for the provision of short-term vehicle rentals. We have continued expanding cooperation with Palfinger; the first long-term leasing electric vehicles were released. The process of opening a company in Croatia (Atet Mobility Zagreb) has been activated in order to expand operations to the Croatian market.

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

In the first six months of 2023, the Petrol Group generated sales revenue of EUR 10.0 million from electricity generation.

Renewable electricity generation is without a doubt one of the key fields of sustainable development in global terms and **an important pillar of the Petrol Group's development** into a modern energy group. The events and turmoil in the energy markets in 2022 are an important indicator of the importance of having own, long-term energy generation sources.

The Petrol Group currently manages two **wind power plants** in Croatia (Glunča and Ljubač), which generated 68.1 thousand MWh of electricity in the first six months of 2023. We are also in the final stage of developing the third with power plant (Dazlina).

In Slovenia, we currently operate 30 **small solar power plants**. In Bosnia and Herzegovina and Serbia, we operate six **small hydropower plants** which had a total output of nearly 10.5 thousand MWh in the first six months of 2023.

The project to build one of the largest **solar power plants** in the region, in the context of three locations surrounding our Ljubač wind park (Suknovci, Vrbnik and Pliskovo) with a total capacity of 22 MW, is in the final phase of ensuring power plant connections to the grid and commissioning.

As part of the Petrol Green project, the installation of solar power plants is underway at 46 locations in the context of the project's first phase. The second and third phases on a total of 41 locations are in the contract signing process with contractors. Activities to obtain documentation and the necessary permits for the next project phase which covers around 60 locations run in parallel.

At the Petrol Group, we are planning and developing new renewable energy projects in the field of utilising renewable energy sources in Slovenia and the wider region at an accelerated pace.

In the first six months of 2023, the Petrol Group generated 93.4 thousand MWh of electricity, a year-on-year increase of 1 percent.

7. Major corporate projects

'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.

A range of workshops is underway to coordinate business process lists and confirm blueprints. We are starting Phase 1 of application development for the solution of cylinder tracing and LPG supply.

Renewable electricity generation

Suknovci, Vrbnik, Pliskovo: The construction project of one of the largest solar power plants in the region, involving three locations which surround our Ljubač wind park, is in the final implementation phase. The total installed capacity of the power plants is 22 MW. The power plants will start operating once the connections for SPP connection into the grid, testing and commissioning, are implemented.

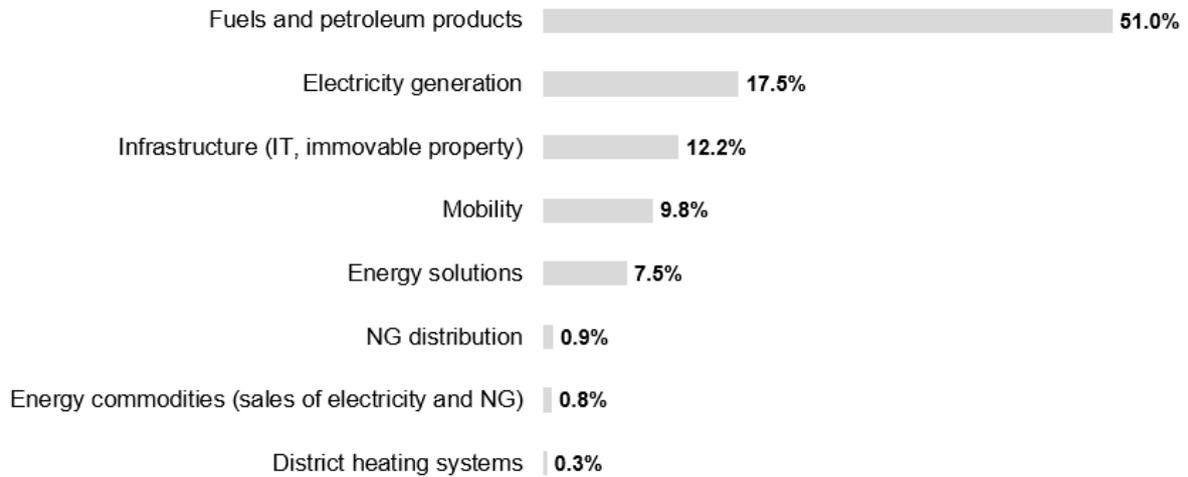
Dazlina wind power plant: The development of the Dazlina wind power plant project (31.5 MW) has continued. The project is in the designing phase for obtaining the location permit. The technical part of the procurement procedure for the selection of the wind aggregate provider and the technical due diligence of producers and wind aggregates is underway.

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. The installation of solar power plants is underway in the context of project Phase 1 at 46 locations (a total of 2.4 MW). Phases 2 and 3 of solar power plant installation at a total of 41 locations are in the implementation phase confirmation process (a total of 2.1 MW). At the same time, activities to obtain the necessary permits for the project's next phase and expansion to Croatia are underway.

8. Investments

In the first six months of 2023, we earmarked EUR 36.2 million net for investments in property, plant and equipment, intangible assets and long-term investments, of which 51.0 percent for sales of fuels and petroleum products, 17.5 percent for renewable electricity generation, 12.2 percent for infrastructure (IT, immovable property), 9.8 percent for mobility, 7.5 percent for energy solutions, 0.9 percent for natural gas distribution, 0.8 percent for energy commodities, and 0.3 percent for heating systems. In the first six months of 2023, 36.8 percent of investments were earmarked for the energy transition.

Breakdown of the Petrol Group’s investments in the first six months of 2023



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 line with its 2021–2025 strategy, the Petrol Group tailors its business objectives according to its risk management policies and risk appetite.

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

In the first six months of 2023, the upward price trend of all energy commodities continued. We monitored closely the Russo-Ukrainian situation which had an effect on the prices and, consequently, the operations of the Petrol Group. Furthermore, the first six months of 2023 were still marked by changes or limitation of prices of various energy commodities adopted by governments of the countries where the Petrol Group operates, which further affected the Petrol Group's 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.

Based on the last risk assessment, the most relevant and probable financial risks are the credit risk, the price and volumetric risks, and the 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 brought uncertainty and challenges in petroleum product supply. Despite the intensified situation, the uninterrupted supply of petroleum products was ensured; nevertheless, there is still great volatility on the market, especially because the supply on the market was greater than demand in the first six months of 2023, also as a result of consumption falling behind EU expectations. For 2023, we ensured enough commodities in line with the established sanctions at the annual level already prior to the established sanctions.

Electricity operations expose the Petrol Group to price and volumetric risks. In the period from 1 January to 30 June 2023, the prices of electricity, based on the Hungarian power futures in 2024, were more stable than in 2022. In the period concerned, the average day price of electricity was EUR 162.59 per MWh, down by 49% compared to the average day price (for year ahead) in the same period of 2022. Nevertheless, the average price in 2023 is by 72% higher than the average in the period of 2021 when it stood at EUR 94.45 EUR per MWh. The main reason for the high electricity prices in the first half of 2023 is the surge in prices of natural gas (LPG instead of Russian gas as a result of the war in Ukraine), the high prices of emissions allowances and closures of the last three nuclear power plants in Germany (April 2023). High prices of electricity elevate price risks, which the Group manages with a range of cap 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 Petrol Group also regularly monitors the adequacy of the cap 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

Credit risk was assessed as the most important risk among all financial risks in 2021, also as a result of the pandemic. 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. In the first half of 2023, we upgraded our internal model to assess the creditworthiness of clients which has further improved our resilience to the expected exacerbation of the situation. Moreover, we are upgrading our procedures for approving the amount of exposure (limits) to individual buyers and try to maintain the range of first-class credit insurance instruments as a requirement to approve sales (receivables insurance with credit insurance companies, bank guarantees, 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 collection process.

In the past, the pandemic caused an economic downturn which faced companies with liquidity shocks, and these increased the credit risk among our customers. In the recent period, the intensified situation and related higher credit risk represent primarily high prices of energy commodities and higher interest rates applicable to borrowings taken by companies. At the Petrol Group, we continued to pay close attention to the increased risk indicators in the first six months of 2023 and held intensive communication with our buyers. 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 specifically to partners in the electricity and natural gas sales segment where the Hungarian power futures price for 2024 (on the European Energy Exchange EEX²) was by 30 percent lower as at 30 June 2023 compared to the futures price as at 30 December 2022, yet still high. As at 30 June 2023, the gas futures price at CEGH³ for 2024 was also lower compared to the futures price as at 30 December 2022, by 30 percent. In order to limit credit and price risks, a policy for electricity and natural gas sales was adopted at the end of 2022; it determined a more 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) was adopted.

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. 77 percent of receivables from legal entities are secured, with credit

² EEX – European Energy Exchange

³ CEGH – Central European Gas Hub

insurance and offsetting against trade liabilities being most widely used insurance instruments, together accounting for 92 percent.

In the area of credit risk management, we closely follow all the procedures of credit insurance companies. The Petrol Group has secured 82 percent of all receivables, which individually exceed a nominal value of EUR 100,000. We monitor customer payments on a daily basis and, where appropriate, adopt measures to reduce credit risk. Despite the negative impact on the economy, payment discipline has not significantly deteriorated so far.

Liquidity risk

The Petrol Group's stability is affirmed by the long-term BBB- rating, which was reaffirmed by S&P Global Ratings in December 2022. 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 Global Ratings methodology. On 20 July 2022, S&P Global Ratings announced on Bloomberg website that it 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. Despite the stringent business conditions, S&P Global Ratings reaffirmed Petrol d.d., Ljubljana's long-term rating of BBB- and short-term rating of A-3 with a stable outlook in December 2022.

The Petrol Group's liquidity position has remained stable in the first six months of 2023, both at the level of the Group and individual subsidiaries. We have ensured liquidity of the Petrol Group through an appropriate structure and volume of long-term and short-term credit lines. By having obtained additional lines of credit in the second half of 2022, we have consolidated the Petrol Group's stable liquidity position, which ensures smooth operations and an appropriate liquidity structure of the Petrol Group under S&P Global Ratings criteria even if the economic situation deteriorates. Risks are managed with a dispersed portfolio of credit lines, regular reviews of the market situation on the financing market, appropriate processes of financial planning and prudent investment planning.

The current events in the business and broader social environment in the EU and globally are strongly affected by the war in Ukraine, the situation on the energy markets, the various national approaches to motor fuel and energy commodity price regulation aimed at mitigating the effect of the energy crisis on the population and companies, and the high inflation. To this end, the Petrol Group continues to work intensively, paying close attention 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.

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. 83 percent of the Group's non-current financial liabilities have a variable interest rate linked to EURIBOR.

In the first half of 2023, we faced significant changes of the EURIBOR interest rates compared to the relatively stable interest rates from 2022. These changes can be attributed to various macroeconomic factors, including changes of the central bank's policies, inflationary pressures, and the market dynamic. The average EURIBOR value in the first six months of 2023 was higher than the value at the end of 2022.

Given the increasing EURIBOR interest rates, consequences are constantly assessed, and market situation is carefully monitored. By implementing adequate risk mitigation strategies, we endeavour to ensure an efficient management of exposure to interest rates and stability, and to optimise returns for our stakeholders.

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.

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 six months of 2023⁴, prices of shares on the Ljubljana Stock Exchange mostly increased compared to the end of 2022. 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 1,230.37 at the end of June 2023, up by 17.6 percent compared to the end of 2022 when it stood at 1,046.13. In the same period, the price of Petrol's share increased by 20.5 percent. In terms of the Petrol share trading volume on the Ljubljana Stock Exchange in the period between January and June 2023 (including batch trading), which stood at EUR 8.8 million the Petrol's share was ranked sixth among the shares traded on the Ljubljana Stock Exchange. In terms of market capitalisation, which stood at EUR 1.0 billion as at 30 June 2023, the Petrol's share was ranked third and accounted for 11.2 percent of the total Slovenian stock market capitalisation on the said date.

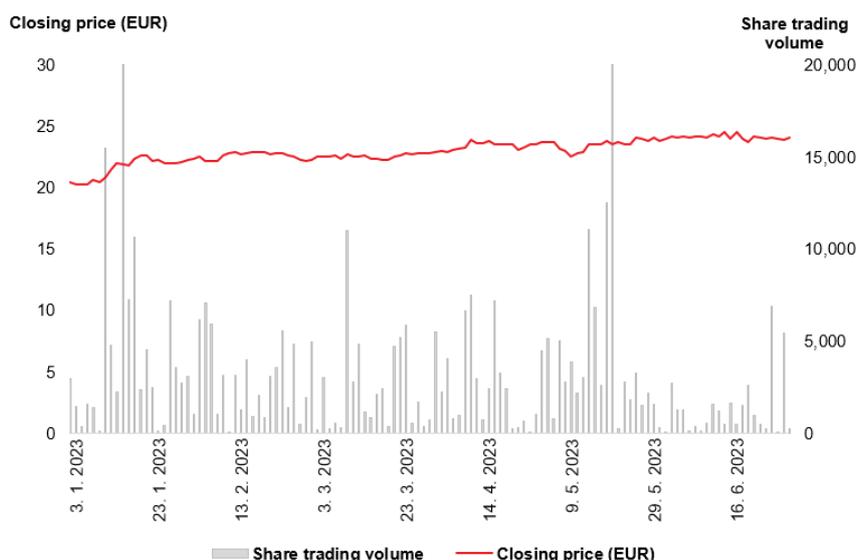
Base index changes for Petrol d.d., Ljubljana's closing share price against the SBITOP index in the first six months of 2023 compared to the end of 2022



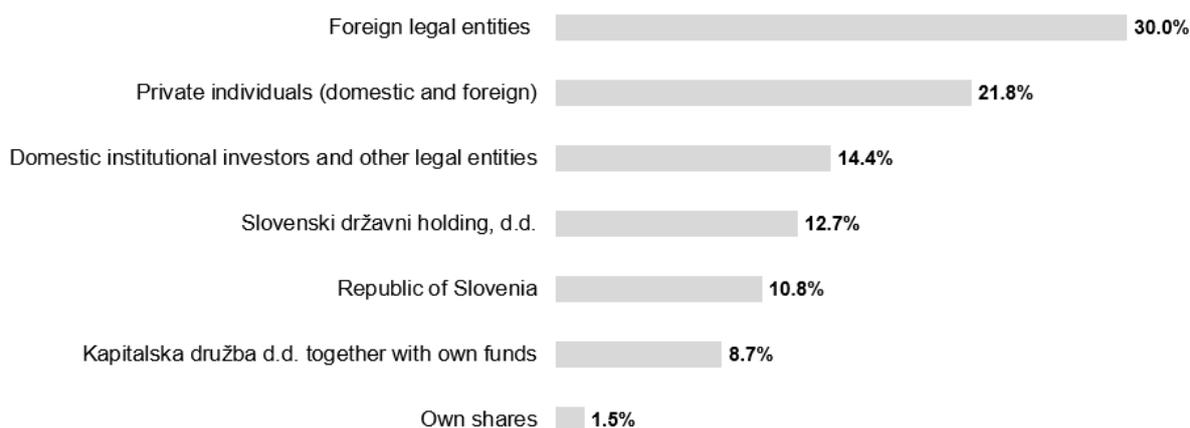
In the first six months of 2023, the closing Petrol share price ranged between EUR 20.3 and EUR 24.5 per share. The average price for the period stood at EUR 23.0; at the end of June 2023, it stood at EUR 24.1. The Petrol Group's earnings per share (EPS) of the majority shareholders stood at EUR 1.29, the Petrol Group's book value per share stood at EUR 20.17. As at 30 June 2023, Petrol d.d., Ljubljana had 21,249 shareholders. At the end of June 2023, 12,570,633 shares or 30.1 percent of all shares were held by foreign legal entities or natural persons. Compared to the end of 2022, the number of foreign shareholders decreased by 0.3 percentage points.

⁴ Sources of data for chapter "Share and ownership structure": Ljubljana Stock Exchange website, Petrol share register, statements of the Petrol Group for January-June 2023.

Petrol share closing price and trading volume on LJSE in the first six months of 2023



Ownership structure of Petrol d.d., Ljubljana as at 30 June 2023



Changes in the ownership structure of Petrol d.d., Ljubljana (comparison between 30 June 2023 and 31 December 2022)

Petrol d.d., Ljubljana	30. June 2023		31 December 2022	
	No. of Shares	in %	No. of Shares	in %
Slovenski državni holding, d.d.	5,299,220	12.7%	5,299,220	12.7%
Republic of Slovenia	4,513,980	10.8%	4,513,980	10.8%
Kapitalska družba d.d. together with own funds	3,640,189	8.7%	3,642,789	8.7%
Domestic institutional investors and other legal entities	6,026,643	14.4%	5,906,011	14.2%
Foreign legal entities	12,528,048	30.0%	12,628,247	30.3%
Private individuals (domestic and foreign)	9,103,480	21.8%	9,121,313	21.9%
Own shares	614,460	1.5%	614,460	1.5%
Total	41,726,020	100.0%	41,726,020	100.0%

Ten largest shareholders of Petrol d.d., Ljubljana as at 30 June 2023

Shareholder	Address	Number of shares	Holding in %
1. CLEARSTREAM BANKING SA - FIDUCIARNI RAČU	42 Avenue J. F. Kennedy, L-1855, Luxemburg	6,455,759	15.47%
2. SDH, D.D.	Mala ulica 5, 1000 Ljubljana	5,299,220	12.70%
3. REPUBLIKA SLOVENIJA	Gregorčičeva ulica 20, 1000 Ljubljana	4,513,980	10.82%
4. KAPITALSKA DRUŽBA, D.D.	Dunajska cesta 119, 1000 Ljubljana	3,452,780	8.27%
5. OTP BANKA D.D. - CLIENT ACCOUNT - FIDUCI	Domovinskog rata 61, 21000 Split, Croatia	2,872,108	6.88%
6. ERSTE GROUP BANK AG - PBZ CROATIA OSIGUR	Am Belvedere 1100 Wien, Austria	1,707,944	4.09%
7. VIZIJA HOLDING, D.O.O.	Dunajska cesta 156, 1000 Ljubljana	1,582,480	3.79%
8. VIZIJA HOLDING ENA, D.O.O.	Dunajska cesta 156, 1000 Ljubljana	1,350,700	3.24%
9. PERSPEKTIVA FT D.O.O.	Dunajska cesta 156, 1000 Ljubljana	725,240	1.74%
10. PETROL D.D., LJUBLJANA	Dunajska cesta 50, 1000 Ljubljana	494,060	1.18%

Shares owned by members of the Supervisory and Management Board as at 30 June 2023

Name and Surname	Position	Shares owned	Equity share
Supervisory Board		1,760	0.0042%
External members		0	0.0000%
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	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%
Internal members		1,760	0.0042%
1. Marko Šavli	Member of the Supervisory Board	1,760	0.0042%
2. Alen Mihelčič	Member of the Supervisory Board	0	0.0000%
3. Robert Ravnikar	Member of the Supervisory Board	0	0.0000%
Management Board		80	0.0002%
1. Nada Drobne Popović	President of the Management Board	80	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 until 30 June 2023, the General Meeting of Petrol d.d., Ljubljana did not adopt any resolutions regarding the contingent increase in share capital.

Dividends

In accordance with the resolution passed at the 37th General Meeting of Shareholders held on 18 May 2023, Petrol d.d., Ljubljana, paid out a gross dividend of EUR 1.5 per share on 4 August 2023. In 2022, a gross dividend of EUR 30.00 per share was paid out for 2021 (EUR 1.5 gross per share, by taking into account the share split in the 1:20 ratio from 1 November 2022).

The Petrol (PETG) share split

On 1 November 2022, Petrol d.d., Ljubljana, executed the PETG share split in the 1:20 ratio (after the split, the number of PETG shares is 41,726,020) in accordance with the resolution adopted at the 34th 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. The share capital of Petrol d.d., Ljubljana, amounting to EUR 52,240,977.04 has stayed the same after the PETG share split.

Own shares

Petrol d.d., Ljubljana, did not repurchase its own shares in the period from January to June 2023. As at 30 June 2023, the number of own shares stood at 614,460, representing 1.5 percent of the share capital. This includes 494,060 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 June 2023 and was EUR 9.3 million lower than their market value on that date. The remaining 120,400 shares are considered as own shares which were held by the subsidiary Geoplin d.o.o. Ljubljana at the time it was consolidated into the Petrol Group.

Petrol d.d., Ljubljana's own shares, excluding Geoplin d.o.o. Ljubljana's shares, in total amounting to 722,840, or 36,142 prior to the split, 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 34th 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 entered into effect on 30 November 2022.

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 half of 2023, we held conference calls with investors and analysts. We participated in events organised by the Ljubljana Stock Exchange: "Slovenian Stock Companies Online" in March, "Trade on the Stock Exchange" in May, Slovenian and Croatian Investor Days – CEE Investment Opportunities" in June in Zagreb.

SUSTAINABLE DEVELOPMENT

11. Responsibility towards the natural environment

At Petrol, we carry out activities related to the sustainability strategy which is focused on the transition to a low-carbon company by taking account of circular economy in partnership with employees and the social environment.

The Petrol Group's climate policy is prepared and is currently in the phase of adoption; its purpose is to establish a framework for the preparation of the Petrol Group's strategy and business model, with commitment to the fight against climate change.

We prepared the Report on Sustainability Activities and Investments for Petrol d.d., Ljubljana, in 2022, pursuant to the Taxonomy Regulation. For 2022, in addition to eligibility, reporting also includes an assessment of the alignment of the activities with the EU taxonomy. In addition to Petrol d.d., Ljubljana, the analysis for 2022 includes direct subsidiaries in Slovenia and Croatia that are also included in the Petrol Group's consolidated financial statements and that also reported operating activity.

The procedure to obtain the ESG rating from S&P Global Ratings was completed with the implementation of the Profile meeting and the Preparedness meeting. 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.

Based on an in-depth analysis, S&P Global Ratings assigned Petrol d.d., Ljubljana an ESG Evaluation score of 56 with adequate preparedness in June 2023, which is above the global oil and gas sector average score of 54 (Source: Sustainable Finance Newsletter, August 2023).

In its report, S&P Global Ratings pointed out that Petrol d.d., Ljubljana's adequate preparedness reflects its agility in adapting and responding to a volatile business environment, also during the pandemic and the energy crisis. According to S&P Global Ratings, Petrol d.d., Ljubljana endeavours to build a more resilient business portfolio by offering clean energy and performing other activities focused on the energy transition.

We have set up project valuation based on ESG indicators for development project management in the Jira information tool and added a new ESG criterion for supplier compliance assessment.

We have started implementing the Me Too project to raise employee awareness about the sustainable footprint optimisation. Moreover, we have started raising awareness and informing employees about reducing the use of energy (via articles in the magazine Energy Among Us, e-newsletter Our Energy, lectures on the topic of efficient energy use at points of sale and in business buildings, and strategic workshops regarding our employees' carbon footprint reduction have been held and in regard of this, a survey "My Carbon Footprint" has been implemented.).

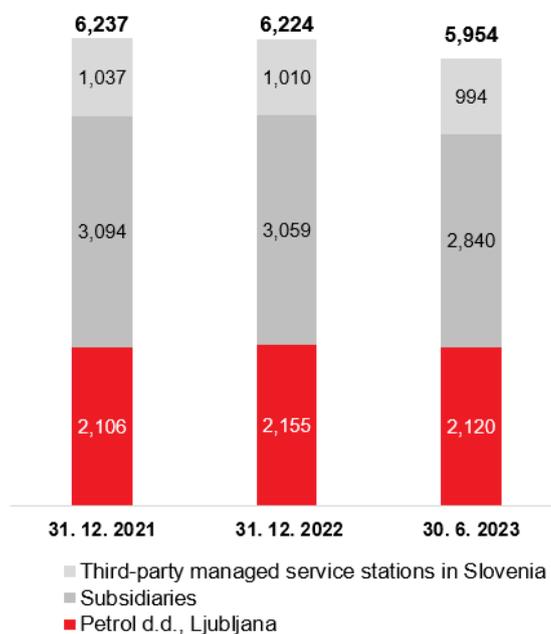
With the purpose of achieving sustainable operations and managing ESG risks, Petrol has continued to implement, in accordance with TCFD guidelines, the methodology and tool to estimate the effect of climate change risks and opportunities on the operations, strategy, and financial planning.

12. Employees

As at 30 June 2023, the Petrol Group had 5,954 employees, of which 45.3 percent worked for subsidiaries abroad. The number of employees at the Petrol Group, that is, the subsidiaries, Petrol d.d., Ljubljana, and third-party operated service stations decreased by 270 compared to the end of 2022. The major drop in the number of employees was recorded in subsidiaries abroad.

At the end of the second quarter of 2023, we introduced HR agency recruiting at Petrol d.o.o. in Croatia, which will increase the flexibility of the labour force due to the dynamic market situation and seasonal variation.

Changes in the number of employees of the Petrol Group and at third-party managed service stations in the period 2021–2023



Training

We provided **49,225** teaching hours of training until 30 June 2023. In the context of this, we recorded **12,056** attendances.

This year, we continued the Strategy in Action programme which we organise in cooperation with IEDC – Bled School of management. The programme ended in the second quarter of the year. Additional group and team activities were carried out. Moreover, 4 groups of managers completed year 1 of the Professional Development of Managers programme which is organised by Glotta Nova. We organised four kick-off strategic workshops – Petrol employees for a 40% lower carbon footprint – Me too! In cooperation with colleagues from the Development Need and Project Management segment, we organised trainings for project managers. In the context of the Open Space, we organised 26 different workshops and events. New employees received the e-courses Corporate Integrity and How We Communicate at

Petrol for completion. Our employees can also access the teaching platforms Udemy for Business and Mojeznanje.si.

In the field of Retail, we held an on-line in-house training Energy and Water Management at Points of Sale in the Period of High Energy Prices for all point-of-sale managers. We trained internal coaches for independent work and outsourced 6 training events for managers, Energy for Management – module 1, and started module 2 of the Energy for Management on the topic of Coaching meeting. In Retail, our in-house coaches held 48 trainings Energy for an Excellent Sales Procedure for our sellers at points of sale, and we continued the outsourced module 2 the Energy for Management on the topic of Coaching meeting for point-of-sale managers. In June, we invited all point-of-sale managers in Slovenia to the 4th Retail Day where the Management Board Member responsible for Sales and assistants presented them the results, familiarised them with expertise and the future projects or trends in retail and Petrol in general. We held an in-house Coaching with point-of-sale managers and Retail Process Renewal – overview and challenges where we invited some managers from various points of sale (motorway, transit, city) and point-of-sale managers who actively cooperated with ideas, suggestions and concrete practical examples related to the topic of the workshop.

We also held the legally required trainings, especially fire safety, HACCP, job coaching seminars and many e-courses on a monthly level which have significantly alleviated the burden on employees because they are now able to attend these courses when permitted by their work obligations. We held a practical presentation of fire extinguishing at the business building on Dunajska 50 to revise our knowledge and practise fire extinguishing using a simulator. In the second quarter of the year, many employees attended the legally required programmes in the field of technology and energy – technical gas filling operator, operator of the central heating, boilers, pumping apparatuses, piston engines, etc. Employees were also invited to complete the e-course in fire safety and workers at service stations revised the contents of fire extinguishing in case of fire and extinguished fire using a simulator. In Zagreb, we held the Efficient Sales Training where internal coaches for the southern markets revised the contents of successful sales. We started the licencing for road tanker drivers, enabling them to train for safety in fuel warehouses and service stations both theoretically and practically.

13. Quality control

Quality and excellence are embedded in the Petrol Group's strategy for the 2021-2025 period, which is why we are constantly upgrading and expanding our quality management systems. Petrol has the following **certified systems** in place: quality management system (ISO 9001), environmental management system (ISO 14001), and energy management system (ISO 50001). In addition to the certified systems, the Company's comprehensive quality management system incorporates the requirements of the HACCP food safety management system, of the ISO 45001 occupational health and safety system and of the ISO 27001 information security system. Petrol d.d., Ljubljana has a Responsible Care Certificate for its activities relating to storage, logistics and the retail network of service stations in Slovenia, an FSC certificate for the sale of FSC-certified products, and an ISCC certificate for trading and storing renewable energy sources.

Regular activities related to the maintenance of the quality management systems have been in place in 2023. At the end of 2022, a surveillance audit was carried out at an inspection body accredited in accordance with the SIST EN ISO/IEC 17020:2012 (General criteria for the operation of various types of bodies performing inspection), which has 13 accredited test methods for the inspection of flow and tyre pressure measuring devices, of pressure equipment, of the tightness of fixed steel reservoirs, of the wall thickness of liquid fuel reservoirs, of the measurement of the dielectric strength of liquid fuel reservoir insulation and of the measurement of noise in the natural and living environment. The validity of the accreditation certificate was extended.

In January 2023, a surveillance audit of the energy management system was performed at Petrol d.d., Ljubljana. The validity of the certificate was preserved.

At Petrol d.o.o., Beograd, a recertification audit under the ISO 9001, ISO 14001 and ISO 45001 standards was conducted in respect of the Industrial Equipment Sale, Engineering and Project Management Process. The validity of the certificates was extended until 2026.

At Beogas d.o.o., a surveillance audit of the ISO 9001:2015 quality management system was conducted in March 2023. 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 2024.

In April, a recertification audit of the ISO 9001 quality management system and the ISO 14001 environmental management system was conducted at Petrol d.d., Ljubljana. The inconsistencies which were recorded during the audit were eliminated and the Company received the ISO 9001 and ISO 14001 certificates with the validity until 13 May 2026.

In May, a surveillance audit of the ISO 9001 quality management system and the ISO 14001 environmental management system was conducted at Petrol d.o.o. No inconsistencies were recorded.

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 45001:2018

* 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

Engaging in 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 working together with the environment in which we operate.

Through the **Our Energy Connects** project, we have helped organisations and individuals in the local environment and granted funds to various associations, societies, schools, etc. for more than a decade. In the first three months of this year, we collected Petrol's Golden Points for humanitarian purposes. Donations made by Petrol's buyers via Golden Points were given to the Red Noses and the Slovenia Forest Service, EUR 20 thousand to each.

Petrol Group employees have an opportunity to become sustainability ambassadors. The aim of our **Me Too!** Portal is to establish closer cooperation and ties between employees in the field of environmental awareness and sustainable activity in reducing the carbon footprint. Moreover, employees are obliged to follow the instructions for efficient use of heating, cooling, ventilation, lighting and electrical devices, which is promoted by the Be the Hero of Your Environment! Campaign.

In May, employees volunteered and planted 1,000 spruce trees at Ravnik pri Vipavi in the context of a EUR 20,000 donation for 10,000 plants for Slovenian forests. In June, Petrol Group employees completed the **My Carbon Footprint** questionnaire in which we made a self-assessment to see how much our activity contributes to the carbon footprint at home and at work; at the same time, we also learned about the areas where improvements can be made in our footprint reduction activity.

In June, we introduced the **Heart for the Planet** sustainability label; it is used to label sustainable products, services and activities so that it is easier for users to recognise them. The label attests to our support for fellow men, nature and progress, making us active partakers on the way towards more responsible behaviour and action.

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.

We collected more than EUR 110 thousand for talented skiers in the Ski Cents charity campaign. In addition to Petrol and the campaign partners, donations were made by more than 100 thousand Petrol's clients. By selling the GlassyClassy bottles in cooperation with Rotary Slovenia and the Slovenian Olympic Committee in the charity project **Donate a Smile**, we collected funds for the humanitarian programme Sponsorship in Sports to provide scholarships

for young athletes from socially less advantaged environments; at the same time the project was aimed to promote a cleaner environment.

We also took part in the biathlon world cup in Pokljuka, competitions of the world cup ski jumping for ladies in Ljubno, and Slovenian football and basketball national team World Cup qualifiers.

In addition to sports sponsorships, the Petrol Group takes part in technical projects linked to various energy and environmental activities. As a sponsor, we continued to support conferences, symposiums and events on sustainable development, energy efficiency and e-mobility, management, marketing and public relations.

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 society 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 continue to supply the market with hydrocarbons.

Petrol Group's strategy 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 e-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 2021–2025, we plan to make investments in the total amount of EUR 698 million, of which more than 35 percent for the energy transition and, hence, for 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 the 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.

By achieving the goals, we will strengthen the Petrol Group's long-term financial stability. 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 the long-term growth and development of the Group, maximising its value for the owners. The dividend policy target for the 2021–2025 strategic period is 50 percent of the Group's net profit, taking into account the investment cycle, Group indicators and the achieved objectives.

The turbulence in the energy markets, high inflation and the resulting regulatory intervention by governments in the prices of energy products have severely affected the Petrol Group's operations. The Petrol Group's business model as a petroleum seller does not allow it to cover all costs given the purchase prices which enable refineries to make their profits during the period of retail price regulation. The changed circumstances required the Petrol Group to adjust its capital expenditure already in 2022. Energy transition projects continue to account for the bulk of our investment funds. In the light of current developments in the energy markets, the Petrol Group will update its business plan for the next five-year period in early 2024, if necessary.

16. Business plan for 2023

16.1 Business environment

The Petrol Group's Business Plan for 2023 was drawn up in a context of great uncertainty, mainly related to the situation on the energy markets. Economic growth is slowing down. The embargo on Russian crude oil and petroleum products is tightening supply conditions and increasing the risk of further downturn in the economic outlook in the countries which are Slovenia's important trading partners. Inadequate regulation of the prices of petroleum products and cost pressures due to the high inflation in 2022 and the expected inflation in 2023 require making adjustments to business models and cost optimisation. 2022 was characterised by extreme price fluctuations for petroleum products and other energy products, as well as government regulation. As one of the key drivers of the energy transition in the region, the Petrol Group is faced with a shortage of funds for investments in the green transition, mainly due to the impact of regulation.

16.2 Key trends and risks in the Business Plan for 2023

Based on economic forecasts, the Petrol Group plans to increase its sales of petroleum products in 2023 compared to the 2022 plan. In the area of merchandise and services, the Petrol Group will continue to ensure fast and convenient purchases for the consumer and an excellent customer experience. In electricity and natural gas sales, Petrol will maintain its market share in Slovenia. In 2023, the Petrol Group will increase the number of proprietary and non-proprietary EV charging stations. It will actively promote energy independence, efficiency and renewable energy in Slovenia and other Central European countries. The share of green energy generation from successful renewable energy projects in the region will increase. In the area of energy solutions, most activities will be focused on the industrial and household segments. We will continue to focus on cost efficiency. Through process optimisation and other measures, we aim to achieve a cost-to-adjusted gross profit ratio of 77 percent in 2023.

The Petrol Group acknowledges that despite careful preparation, informed business decisions, quick responses to changes and an efficient risk-management system external factors may arise in the business environment that are beyond its direct control. As a result, there is a risk that annual targets may not be met. We have already seen this in the time of the COVID-19 pandemic, and even more so during the energy crisis in 2022.

The **key risks** to the achievement of the 2023 business plan are the negative impact of the energy crisis on inflation and the resulting increase in the cost of living, and the management of higher operating costs. Other risks to the 2023 plan include:

- disruption to supply chains and the impact on the economy;
- tightening of purchasing conditions for petroleum products;
- further tightening of energy product retail price regulation;
- impact of the Energy Savings Requirements Act in Slovenia and Croatia;
- possible amendment of the Decree on the promotion of the use of biofuels and other renewable fuels for the propulsion of motor vehicles;
- uncertainty when selling into the highly volatile EU markets;
- other regulatory requirements;
- higher growth of energy prices than expected,

- inflationary pressure on costs.

16.3 Business targets for 2023

For 2023, the Petrol Group projects **sales revenue of EUR 10.2 billion and adjusted gross profit of EUR 675.0 million**. The Petrol Group will achieve its planned results for 2023 through the sale of 4.0 million tons of fuels and petroleum products, merchandise and services in the amount of EUR 544.8 million, 14.5 TWh of natural gas, 12.9 TWh of electricity (trading and sales to end customers), 154.6 thousand MWh of heat, the production of 188.4 thousand MWh of electricity, and the sale of energy and environmental solutions.

For 2023, the Petrol Group projects **EBITDA of EUR 250.4 million** and net debt/EBITDA ratio of 1.7. The latest known energy product price regulations were taken into account in the preparation of the business plan. Regulation of petroleum product margins continues to have a negative impact on the Petrol Group's performance.

For 2023, the Petrol Group plans to generate **net profit of EUR 117.1 million**.

The Petrol Group's **investment policy** for 2023 will be focused on expanding the business in the area of renewable electricity production, digitising the supply chain, modernising its points of sale and expanding its operations in the area of energy and environmental solutions. Price regulation has remained in place in 2023, and investment volumes have been adjusted accordingly. In 2023, **investments** will amount to EUR **75.0 million**, one-third of which will be spent on energy transition projects, while the Strategic Business Plan for 2023 foresees investments of EUR 135.0 million.

Before the onset of the energy crisis and the resulting price regulation, the Petrol Group was in a very good business and financial shape. In 2022, the negative impact of energy price regulation on the Group's business resulted in a significantly weaker finish than planned. We expect 2023 to be a challenging year, so we will focus a lot of attention on optimising business processes and, as a result, optimising costs. We will meet the high performance standards recognised by S&P Global Ratings. Despite the difficult business conditions, the Group will continue to pursue its goal of ensuring stable operations, thereby delivering a reasonable return for shareholders.

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.
Adjusted gross profit + Net DFI + Claim against Borzen	Adjusted gross profit + Net Derivative Financial Instruments + Claim against Borzen	Due to the regulated prices of electricity and natural gas, the Petrol Group has recorded a loss in the adjusted gross profit. Net derivatives are also intended for hedging price and volumetric risks and, hence, the amount of sales revenue and the cost of goods sold. In terms of comparison with the previous period, the ratio is more appropriate than merely the adjusted gross profit.
EBITDA	EBITDA = Operating profit + Net Allowances for operating receivables + 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.
EBITDA / (Adjusted gross profit + Net DFI + Claim against Borzen)	EBITDA / (Adjusted gross profit + Net Derivative Financial Instruments + Claim against Borzen)	The share of EBITDA in the adjusted gross profit, increased by the net derivatives and claims for compensation submitted to Borzen, is a good approximation to the share of free cash flow in the gross profit, increased by the net derivatives and claims for compensation submitted to Borzen, and ensures better comparability to the previous period and the plan.
Operating costs	Operating costs = Costs of materials + Costs of services + Labour costs + Depreciation and amortisation + Other costs	The criterion is important in terms of the cost-effectiveness of operations.
Operating costs/Adjusted gross profit	Ratio = Operating costs/Adjusted gross profit	The ratio is relevant because it concerns the cost-effectiveness of operations.
Operating costs / (Adjusted gross profit + Net DFI + Claim against Borzen)	Operating costs / (Adjusted gross profit + Net Derivative Financial Instruments + Claim against Borzen)	The ratio is relevant in terms of the operational cost efficiency and ensures better comparability to the previous period and the plan.
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 14.5 million in the period from January to June 2023 and EUR 12.4 million in the period of January to June 2022.	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 38.2 million in the period from January to June 2023) + Non-current investments (EUR 1.3 million in the period from January to June 2023) – Disposal of fixed assets and reimbursements (EUR 3.2 million in the period from January to June 2023).	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 of Petrol d.d., Ljubljana

At the 37th General Meeting of Shareholders held on 18 May 2023, the following resolutions were adopted:

1. Opening of the General Meeting and election of working bodies

1.1. 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. Presentation of the Annual Report for 2022 and Report of the Supervisory Board on the Verification of the Annual Report for 2022; Report on Remuneration to Management and Supervisory Bodies of Petrol d.d., Ljubljana in the 2022 financial year; use of profit for appropriation and granting of discharge

2.1. The profit for appropriation as at 31 December 2022 (thirty-first December two thousand twenty-two), 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 1.5 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 4 August 2023 to the shareholders registered at KDD (Central Securities Clearing Corporation) as at 3 August 2023.

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 2022 financial year.

2.3. The General Meeting gives a discharge to the Management Board of the Company for the 2022 financial year.

2.4. The General Meeting gives a discharge to the Supervisory Board of the Company for the 2022 financial year.

3. The proposed resolution under point 3.1. "The General Meeting hereby endorses the Remuneration Policy for Management and Supervisory Bodies of Petrol d.d., Ljubljana" was not adopted.

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

Composition of the Supervisory Board did not change in the first six months of 2023. It consists of President Janez Žlak, Deputy President Borut Vrvišcar, and Members Mário Selecký, Mladen Kaliterna, Alenka Urnaut, Aleksander Zupančič, Alen Mihelčič, Robert Ravnikar and Marko Šavli.

20. Credit rating

S&P Global Ratings reaffirmed Petrol d.d., Ljubljana's "BBB-" long-term rating and "A-3" short-term credit rating with a stable outlook on 12 December 2022.

21. Events after the end of the accounting period

On 6 July 2023, the Government of the Republic of Slovenia adopted the Decree on determination of compensation for heat distribution, pursuant to which heat distributors' entitlement is estimated after the end of the price regulation period subject to the Decree on district heating pricing by assessing significant loss resulting from the loss of income due to the reduced price compared to the existing price or the inability to increase the relevant price compared to the price that distributors increased independently after the period of additional regulation by way of decree.

On 7 July 2023, the Government of the Republic of Croatia passed a decree, setting a mechanism of compensation payments to natural gas suppliers for the difference between the purchase price for the relevant energy commodity and the price regulated by the natural gas pricing methodology. The Decree is in force for supplies between 1 April 2023 and 31 March 2024. Geoplin d.o.o. (Zagreb) has already filed an application for the reimbursement of the price difference in the amount of EUR 6.5 million for the period of April–June 2023. Given that the methodology was adopted after 30 June 2023, the claim is not recognised in the Petrol Group's financial statements. Based on the current natural gas exchange quotations for the last quarter of 2023, it is estimated that the shortfall of the adjusted gross profit will amount to EUR 16.1 million in the second half of 2023; a claim for the reimbursement of the price difference will be submitted for the entire shortfall.

At its 37th meeting held on 20 July 2023, the Supervisory Board of Petrol d.d., Ljubljana, was informed about the resignation of Management Board Member Jože Bajuk who was responsible for the Energy, Solutions, Logistics, and Operations segment. As proposed by the President of the Management Board Nada Drobne Popović, the Supervisory Board unanimously appointed two new Management Board members for a five-year term of office. Sašo Berger, a university graduate in economics, will join Petrol's Management Board on 15 September 2023 and Marko Ninčević, a university graduate in economics with an MBA degree, will join on 1 September 2023. From 15 September 2023, the Management Board will have the maximum number of members, that is, six, as set out in the Articles of Association of Petrol d.d., Ljubljana, as follows: Nada Drobne Popović – President, Matija Bitenc, Jože Smolič, Sašo Berger and Marko Ninčević – Members, and Zoran Gračner – Member/Worker Director.

On 4 August 2023, Slovenia suffered devastating floods which also damaged some of Petrol's infrastructure. We had to temporarily close some of our points of sale, three of which - Nazarje, Otiški vrh in Žerjav - were still closed on the report publication date. We are making every effort to open them as soon as possible. The supply of heat and natural gas to a part of households in the municipalities of Mežica, Črna na Koroškem, and Prevalje is disrupted due to damage in the gas pipeline infrastructure. The activities to remedy the consequences of flooding are still underway at the time of publication of this report and it is not possible to estimate when the works will be completed, and supply restored. Moreover, the damage to Petrol's buildings and infrastructure has not been estimated yet on the report publication date. In the context of solidarity, the Petrol Group has focused first and foremost on its employees who have been severely affected by flooding. The Company is helping them both financially and by taking other action. We also stand by our customers during this difficult time, hence we have agreed to the initiative of the Ministry of the Environment, Climate and Energy to enable households in the most affected areas to pay electricity at the price of EUR 1 per MWh until the end of this year.

There were no other events after the reporting date that would significantly affect the financial statements for the first six months of 2023.



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.	
		1-6 2023	1-6 2022	1-6 2023	1-6 2022
Sales revenue	25.1	3,434,543,744	4,154,687,779	2,648,025,006	3,115,337,204
Cost of goods sold		(3,169,891,721)	(3,909,294,980)	(2,460,202,532)	(2,992,243,228)
Costs of materials	25.2	(35,585,152)	(19,236,296)	(29,383,059)	(14,985,063)
Costs of services	25.3	(90,111,566)	(85,114,627)	(71,454,181)	(64,932,879)
Labour costs	25.4	(78,455,250)	(66,102,420)	(51,102,426)	(41,199,084)
Depreciation and amortisation	25.5	(47,218,252)	(45,314,646)	(22,385,162)	(22,846,146)
Other costs	25.6	(23,732,353)	(20,118,623)	(18,513,849)	(13,728,076)
- of which net allowance for trade receivables		3,257,201	(6,458,850)	2,592,652	(4,063,407)
Gain from derivatives	25.7	119,254,651	196,572,839	118,165,399	202,053,032
Loss from derivatives	25.7	(89,936,917)	(212,824,137)	(85,442,419)	(207,462,403)
Other income	25.8	54,517,323	3,798,177	33,277,507	2,002,565
Other expenses		(1,001,258)	(247,134)	(92,651)	(16,405)
Operating profit or loss		72,383,249	(3,194,068)	60,891,633	(38,020,483)
Share of profit or loss of equity accounted investees		815,512	785,172	-	-
Finance income from dividends paid by subsidiaries, associates and jointly controlled entities		-	-	2,537,826	929,655
Finance income	25.9	38,340,145	51,899,307	35,672,637	48,929,071
Finance expenses	25.9	(45,105,010)	(50,554,500)	(38,285,942)	(45,630,392)
Net finance expense		(6,764,865)	1,344,807	(2,613,305)	3,298,679
Profit/(loss) before tax		66,433,896	(1,064,089)	60,816,154	(33,792,149)
Current tax expense		(14,149,370)	(6,382,648)	(10,875,104)	-
Deferred tax		471,656	6,102,588	(148,526)	6,153,907
Income tax expense		(13,677,714)	(280,060)	(11,023,630)	6,153,907
Net profit for the year		52,756,182	(1,344,149)	49,792,524	(27,638,242)
Net profit for the year attributable to:					
Owners of the controlling company		53,000,704	(5,268,048)	49,792,524	(27,638,242)
Non-controlling interest		(244,522)	3,923,899	-	-
Basic and diluted earnings per share attributable to owners of the controlling company	25.10	1.29	(0.13)	1.21	(0.67)

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.	
	1-6 2023	1-6 2022	1-6 2023	1-6 2022
Net profit for the year	52,756,182	(1,344,149)	49,792,524	(27,638,242)
Effective portion of changes in the fair value of cash flow variability hedging	(11,071,709)	33,981,170	(3,065,368)	31,592,901
Change in deferred taxes	2,100,025	(6,432,539)	582,422	(6,002,651)
Change in the fair value of financial assets through other comprehensive income	1,547	-	-	-
Change in deferred taxes	(294)	-	-	-
Foreign exchange differences	104,497	(492,940)	-	-
Other comprehensive income to be recognised in the statement of profit or loss in the future	(8,865,934)	27,055,691	(2,482,946)	25,590,250
Total other comprehensive income to be recognised in the statement of profit or loss in the future	(8,865,934)	27,055,691	(2,482,946)	25,590,250
Unrealised actuarial gains and losses	-	-	-	-
Other comprehensive income not to be recognised in the statement of profit or loss in the future	-	-	-	-
Total other comprehensive income not to be recognised in the statement of profit or loss in the future	-	-	-	-
Total other comprehensive income after tax	(8,865,934)	27,055,691	(2,482,946)	25,590,250
Total comprehensive income for the year	43,890,248	25,711,542	47,309,578	(2,047,992)
Total comprehensive income attributable to:				
Owners of the controlling company	45,723,299	21,788,559	47,309,578	(2,047,992)
Non-controlling interest	(1,833,051)	3,922,983	-	-

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

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

(in EUR)	Note	The Petrol Group		Petrol d.d.	
		30 June 2023	31 December 2022	30 June 2023	31 December 2022
ASSETS					
Non-current (long-term) assets					
Intangible assets	25.11	242,688,917	245,289,473	151,682,230	151,972,471
Right-of-use assets	25.12	135,291,423	131,620,269	27,435,697	29,237,692
Property, plant and equipment	25.13	857,705,449	854,552,521	362,353,843	366,310,650
Investment property		14,268,556	14,777,108	11,163,757	11,490,836
Investments in subsidiaries	25.14	-	-	555,292,232	554,032,932
Investments in jointly controlled entities	25.15	583,545	1,277,748	233,000	233,000
Investments in associates	25.16	56,540,637	56,968,277	26,610,477	26,610,477
Financial assets at fair value through other comprehensive income	25.17	4,112,346	4,112,346	2,117,914	2,117,914
Loans		2,065,645	949,277	51,229,070	59,134,780
Operating receivables		7,629,597	7,015,756	7,625,022	7,007,540
Deferred tax assets		20,322,574	18,190,424	4,421,286	3,987,393
		1,341,208,689	1,334,753,199	1,200,164,528	1,212,135,685
Current assets					
Inventories	25.18	232,618,372	264,849,265	126,560,371	151,178,363
Contract assets		19,708,082	13,319,362	10,625,491	11,722,300
Loans	25.19	1,186,614	1,679,138	47,774,495	41,343,762
Operating receivables	25.20	704,919,829	845,195,344	524,348,873	566,790,889
Corporate income tax assets		8,819,364	23,897,315	-	11,880,734
Financial assets at fair value through profit or loss	25.21	181,344	2,646,334	60,414	2,525,437
Financial assets at fair value through other comprehensive income	25.22	34,400,946	38,034,066	30,436,631	33,376,691
Prepayments and other assets	25.23	149,146,076	115,267,863	70,958,824	51,468,197
Cash and cash equivalents		88,447,960	100,962,531	35,998,946	51,203,361
		1,239,428,587	1,405,851,218	846,764,045	921,489,734
Total assets		2,580,637,276	2,740,604,417	2,046,928,573	2,133,625,419
EQUITY AND LIABILITIES					
Equity attributable to owners of the controlling company					
Called-up capital		52,240,977	52,240,977	52,240,977	52,240,977
Capital surplus		80,991,385	80,991,385	80,991,385	80,991,385
Legal reserves		61,987,955	61,987,955	61,749,884	61,749,884
Reserves for own shares		4,708,359	4,708,359	4,708,359	4,708,359
Own shares		(4,708,359)	(4,708,359)	(2,604,670)	(2,604,670)
Other profit reserves		247,089,197	299,826,206	270,205,285	322,180,686
Fair value reserve		1,811,650	1,810,718	42,539,491	42,539,491
Hedging reserve		10,444,691	17,827,312	24,156,900	26,639,848
Foreign exchange differences		(9,391,749)	(9,496,033)	-	-
Retained earnings		366,885,392	323,576,627	49,645,596	9,545,011
		812,059,498	828,765,147	583,633,207	597,990,971
Non-controlling interest		29,383,937	31,401,474	-	-
Total equity		841,443,435	860,166,621	583,633,207	597,990,971
Non-current liabilities					
Provisions for employee post-employment and other long-term benefits		7,818,135	7,836,685	5,898,618	5,898,618
Other provisions		32,420,717	18,210,763	30,145,439	13,381,922
Long-term deferred income		39,875,965	39,931,269	29,671,006	29,581,096
Financial liabilities	25.24	346,818,346	401,613,002	310,548,016	365,355,088
Lease liabilities	25.25	104,029,105	101,100,126	25,740,645	27,331,350
Operating liabilities		2,596,382	2,596,382	2,596,382	2,596,382
Deferred tax liabilities		20,256,324	20,682,541	-	-
		553,814,974	591,970,768	404,600,106	444,144,456
Current liabilities					
Financial liabilities	25.24	120,630,803	96,656,433	275,261,505	225,811,701
Lease liabilities	25.25	19,601,445	17,498,969	3,868,429	3,965,318
Operating liabilities	25.26	918,177,295	1,082,103,909	698,226,866	792,213,281
Commodity derivative instruments	25.27	29,959,693	29,872,456	10,014,426	16,007,602
Corporate income tax liabilities		12,785,575	1,062,768	10,544,979	-
Contract liabilities	25.28	21,460,474	23,153,575	15,530,140	18,367,017
Other liabilities	25.29	62,763,582	38,118,918	45,248,915	35,125,073
		1,185,378,867	1,288,467,028	1,058,695,260	1,091,489,992
Total liabilities		1,739,193,841	1,880,437,796	1,463,295,366	1,535,634,448
Total equity and liabilities		2,580,637,276	2,740,604,417	2,046,928,573	2,133,625,419

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

Statement of changes in equity of the Petrol Group

(in EUR)	Called-up capital	Capital surplus	Profit 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 profit reserves							
As at 1 January 2022	52,240,977	80,991,385	61,987,955	4,708,359	(4,708,359)	318,523,082	(789,611)	(858,584)	(8,634,420)	362,184,854	865,645,638	43,052,367	908,698,005
Dividend payments for 2021						(28,425,869)				(33,241,474)	(61,667,343)		(61,667,343)
Increase/(decrease) in non-controlling interest						37,054					37,054	(178,449)	(141,395)
Transactions with owners	-	-	-	-	-	(28,388,815)	-	-	-	(33,241,474)	(61,630,289)	(178,449)	(61,808,738)
Net profit for the current year										(5,268,048)	(5,268,048)	3,923,899	(1,344,149)
Other comprehensive income							27,548,631	(492,024)			27,056,607	(916)	27,055,691
Total comprehensive income	-	-	-	-	-	-	27,548,631	(492,024)		(5,268,048)	21,788,559	3,922,983	25,711,542
As at 30 June 2022	52,240,977	80,991,385	61,987,955	4,708,359	(4,708,359)	290,134,267	(789,611)	26,690,047	(9,126,444)	323,675,332	825,803,908	46,796,901	872,600,809
As at 1 January 2023	52,240,977	80,991,385	61,987,955	4,708,359	(4,708,359)	299,826,206	1,810,718	17,827,312	(9,496,033)	323,576,627	828,765,147	31,401,474	860,166,621
Dividend payments for 2022						(51,975,401)				(9,691,939)	(61,667,340)		(61,667,340)
Increase/(decrease) in non-controlling interest						(761,608)					(761,608)	(184,486)	(946,094)
Transactions with owners	-	-	-	-	-	(52,737,009)	-	-	-	(9,691,939)	(62,428,948)	(184,486)	(62,613,434)
Net profit for the current year										53,000,704	53,000,704	(244,522)	52,756,182
Other comprehensive income							932	(7,382,621)	104,284		(7,277,405)	(1,588,529)	(8,865,934)
Total comprehensive income	-	-	-	-	-	-	932	(7,382,621)	104,284	53,000,704	45,723,299	(1,833,051)	43,890,248
As at 30 June 2023	52,240,977	80,991,385	61,987,955	4,708,359	(4,708,359)	247,089,197	1,811,650	10,444,691	(9,391,749)	366,885,392	812,059,498	29,383,937	841,443,435

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	Profit reserves				Fair value reserve	Hedging reserve	Retained earnings	Total
			Legal reserves	Reserves for own shares	Own shares	Other profit reserves				
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									(27,638,242)	(27,638,242)
Other comprehensive income								25,590,250		25,590,250
Total comprehensive income	-	-	-	-	-	-	-	25,590,250	(27,638,242)	(2,047,992)
As at 30 June 2022	52,240,977	80,991,385	61,749,884	4,708,359	(2,604,670)	312,488,747	39,809,449	24,453,399	(27,638,242)	546,199,288
As at 1 January 2023	52,240,977	80,991,385	61,749,884	4,708,359	(2,604,670)	322,180,686	42,539,491	26,639,848	9,545,011	597,990,971
Dividend payments for 2022						(51,975,401)			(9,691,939)	(61,667,340)
Transfer of a portion of 2022 net profit										-
Transactions with owners	-	-	-	-	-	(51,975,401)	-	-	(9,691,939)	(61,667,340)
Net profit for the current year									49,792,524	49,792,524
Other comprehensive income								(2,482,946)		(2,482,946)
Total comprehensive income	-	-	-	-	-	-	-	(2,482,946)	49,792,524	47,309,578
As at 30 June 2023	52,240,977	80,991,385	61,749,884	4,708,359	(2,604,670)	270,205,285	42,539,491	24,156,900	49,645,596	583,633,207

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.	
		1-6 2023	1-6 2022	1-6 2023	1-6 2022
Cash flows from operating activities					
Net profit		52,756,182	(1,344,149)	49,792,524	(27,638,242)
Adjustment for:					
Corporate income tax		13,677,714	280,060	11,023,630	(6,153,907)
Depreciation of property, plant and equipment, investment property and right-of-use assets	25.5	40,771,126	38,280,156	17,787,468	17,899,003
Amortisation of intangible assets	25.5	6,447,126	7,034,490	4,597,694	4,947,143
(Gain)/loss on disposal of property, plant and equipment	25.6, 25.8	(372,015)	(423,746)	(218,997)	(326,572)
Revenue from assets under management		(32,438)	(32,438)	(32,438)	(32,438)
Net (decrease in)/creation of provisions for long-term employee benefits		(18,539)	4,443	-	-
Net (decrease in)/creation of other provisions and long-term deferred revenue		14,154,615	5,648,460	16,853,424	6,565,843
Net goods surpluses		370,218	1,872,853	432,157	700,761
Net (decrease in)/creation of allowance for receivables	25.6	(3,257,201)	6,243,572	(2,592,652)	3,848,129
Net finance (income)/expense	25.9	6,195,744	3,670,022	5,182,284	2,169,922
Share of profit of jointly controlled entities		(237,002)	(333,075)	-	-
Share of profit of associates		(578,510)	(452,097)	-	-
Finance income from dividends received from subsidiaries		-	-	(701,048)	-
Finance income from dividends received from jointly controlled entities		-	-	(931,389)	(115,217)
Finance income from dividends received from associates		-	-	(905,389)	(814,437)
Cash flow from operating activities before changes in working capital		129,877,020	60,448,551	100,287,268	1,049,988
Net (decrease in)/creation of other liabilities	25.29	24,643,297	4,549,797	10,123,840	1,677,467
Net decrease in/(creation) of other assets	25.23	(51,737,870)	(2,041,997)	(32,080,833)	(442,237)
Change in inventories	25.18	31,857,498	(162,873,260)	24,185,836	(106,773,232)
Change in operating and other receivables and contract assets	25.20	177,614,953	(150,882,982)	63,612,217	(179,696,775)
Change in operating and other liabilities and contract liabilities	25.26, 25.28	(248,084,934)	309,947,155	(160,863,374)	316,222,501
Cash generated from operating activities		64,169,964	59,147,264	5,264,954	32,037,712
Interest paid	25.9	(12,048,392)	(7,729,964)	(9,293,615)	(5,115,543)
Taxes paid		12,630,221	(33,482,178)	11,550,610	(24,222,199)
Net cash from (used in) operating activities		64,751,793	17,935,122	7,521,949	2,699,970
Cash flows from investing activities					
Payments for investments in subsidiaries, net of cash acquired	25.14	(1,259,301)	(70,482)	(1,259,301)	(70,482)
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 sale of intangible assets	25.11	64	105,731	64	105,016
Payments for intangible assets	25.11	(5,654,404)	(3,820,662)	(4,306,250)	(2,044,683)
Receipts from sale of property, plant and equipment	25.13	3,240,952	1,426,776	595,575	588,897
Payments for property, plant and equipment	25.13	(39,128,418)	(34,444,620)	(18,815,223)	(16,396,646)
Receipts from sale of investment property		7,755	21,725	-	21,725
Payments for investment property		-	(225,636)	-	-
Receipts from financial assets at fair value through other comprehensive income	25.17	309,330	-	-	-
Receipts from loans granted	25.19	443,820	15,056,111	158,091,152	61,807,164
Payments for loans granted	25.19	(183,913)	(154,528)	(155,077,191)	(80,350,596)
Interest received	25.9	6,215,626	1,537,331	4,356,121	1,117,683
Dividends received from subsidiaries		-	-	701,048	-
Dividends received from jointly controlled entities		931,389	115,217	931,389	115,217
Dividends received from associates		1,006,150	864,261	905,389	814,437
Dividends received from others		110,000	110,000	-	-
Net cash from (used in) investing activities		(33,960,950)	(16,438,776)	(13,877,227)	(31,252,268)
Cash flows from financing activities					
Payments for lease liabilities	25.25	(9,982,181)	(7,992,597)	(2,125,358)	(1,779,763)
Proceeds from borrowings	25.24	865,059,453	625,065,525	1,259,012,117	917,676,389
Repayment of borrowings	25.24	(898,379,669)	(659,771,633)	(1,265,735,896)	(918,496,833)
Dividends paid to shareholders		-	(1,018)	-	(1,018)
Net cash from (used in) financing activities		(43,302,397)	(42,699,723)	(8,849,137)	(2,601,225)
Increase/(decrease) in cash and cash equivalents		(12,511,554)	(41,203,377)	(15,204,415)	(31,153,523)
Changes in cash and cash equivalents					
At the beginning of the year		100,962,531	100,226,890	51,203,361	57,567,397
Foreign exchange differences		(3,017)	(50,532)	-	-
Increase/(decrease)		(12,511,554)	(41,203,377)	(15,204,415)	(31,153,523)
At the end of the period		88,447,960	58,972,981	35,998,946	26,413,874

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 June 2023 and separate financial statements of the company Petrol d.d., Ljubljana for the period ended 30 June 2023. 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 17 August 2023.

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 2022.

The financial statements for the period from January–June 2023 are prepared based on the same accounting policies used for the preparation of financial statements for the year ended 31 December 2022.

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.

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 sale in the name and for the account of third parties,
- 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,
- 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 2023.

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.

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*.

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 petroleum products,
- merchandise and services,
- energy and solutions,
- other.

Fuels and petroleum products consist of:

- sales of petroleum products,
- sales of liquefied petroleum gas sales and other alternative energy products,
- transport, storage and transshipment of fuels,
- revenue from payment cards,
- biomass sales,
- 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 and other services,
- rental of catering facilities.

Energy and solutions consist of:

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

Other consist of:

- mining services,
- maintenance services,
- vacation rentals.

The Petrol Group adopted a new organization of the Company and the Petrol Group in June 2021, effective from the start of 2022. The reorganization has enabled more efficient processes, unification and optimisation of support functions, customer centricity and a uniform market approach in subsidiaries. In line with this, the Petrol Group has verified the system for the allocation of business function costs to the main product groups. To ensure data comparability in the relevant time period, we prepared the same cost allocation for the comparable reporting period.

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

(in EUR)	Fuels and petroleum products	Merchandise and services	Energy and solutions	Other	Total	Statement of profit or loss
Sales revenue	2,583,835,696	237,874,191	2,154,741,456	5,534,840	4,981,986,183	
Revenue from subsidiaries	(660,501,983)	(76,899)	(164,899,239)	(1,820,283)	(827,298,404)	
Sales revenue	1,923,333,713	237,797,292	1,989,842,217	3,714,557	4,154,687,779	4,154,687,779
Cost of goods sold	(1,815,729,464)	(172,584,987)	(1,920,959,722)	(20,807)	(3,909,294,980)	(3,909,294,980)
Adjusted gross profit	107,604,249	65,212,305	68,882,495	3,693,750	245,392,799	245,392,799
Operating profit or loss	(51,773,715)	21,219,895	24,997,888	2,361,864	(3,194,068)	(3,194,068)
Depreciation of property, plant and equipment, depreciation of right-of-use assets, depreciation of investment property and amortisation of intangible assets	(26,678,487)	(4,296,026)	(14,000,703)	(339,430)	(45,314,646)	(45,314,646)
EBITDA	(21,573,368)	25,515,921	41,935,581	2,701,294	48,579,428	48,579,428
Depreciation and amortisation						(45,314,646)
Net allowance for trade receivables						(6,458,850)
Share of profit or loss of equity accounted investees						785,172
Net finance expense						1,344,807
Profit/(loss) before tax						(1,064,089)

The Group's operating segments in the period 1 January–30 June 2023:

(in EUR)	Fuels and petroleum products	Merchandise and services	Energy and solutions	Other	Total	Statement of profit or loss
Sales revenue	2,044,359,056	262,888,090	1,808,868,775	7,271,187	4,123,387,108	
Revenue from subsidiaries	(438,640,558)	(308,185)	(246,620,914)	(3,273,707)	(688,843,364)	
Sales revenue	1,605,718,498	262,579,904	1,562,247,861	3,997,481	3,434,543,744	3,434,543,744
Cost of goods sold	(1,456,425,867)	(186,968,427)	(1,526,485,634)	(11,794)	(3,169,891,721)	(3,169,891,721)
Adjusted gross profit	149,292,631	75,611,477	35,762,228	3,985,687	264,652,023	264,652,023
Operating profit or loss	16,375,569	19,016,521	37,324,125	(332,966)	72,383,249	72,383,249
Depreciation of property, plant and equipment, depreciation of right-of-use assets, depreciation of investment property and amortisation of intangible assets	(19,375,963)	(7,893,089)	(19,900,444)	(48,756)	(47,218,252)	(47,218,252)
EBITDA	33,085,046	26,909,609	54,865,234	1,484,411	116,344,300	116,344,300
Depreciation and amortisation						(47,218,252)
Net allowance for trade receivables						3,257,201
Share of profit or loss of equity accounted investees						815,512
Net finance expense						(6,764,865)
Profit/(loss) before tax						66,433,896

Additional information about geographic areas where the Group operates:

(in EUR)	Sales revenue		Total assets		Net investments	
	1-6 2023	1-6 2022	30 June 2023	31 December 2022	1-6 2023	1-6 2022
Slovenia	1,700,877,514	1,844,543,301	1,518,552,897	1,674,869,418	20,234,007	16,839,989
Croatia	556,678,512	665,207,084	743,817,266	735,407,533	15,874,612	649,833
Austria	173,564,714	146,961,536	4,489,148	5,070,379	-	-
Bosnia and Herzegovina	109,626,720	144,700,454	92,755,119	93,997,700	(1,024,662)	3,712,032
Serbia	64,778,165	111,735,511	107,503,524	116,865,024	1,045,437	1,861,696
Montenegro	25,507,890	35,737,198	33,361,354	35,279,180	45,979	170,991
Macedonia	3,174,932	4,008,895	224,144	228,555	-	-
Romania	2,440,169	2,508,180	552,503	508,318	-	-
Other countries	797,895,128	1,199,285,620	1,934,565	1,941,861	-	-
	3,434,543,744	4,154,687,779	2,503,190,520	2,664,167,968	36,175,373	23,234,541

Jointly controlled entities	583,545	1,277,748
Associates	56,540,637	56,968,277
Unallocated assets	20,322,574	18,190,424
Total assets	2,580,637,276	2,740,604,417

25. Notes to individual items in the financial statements

25.1 Sales revenue

(in EUR)	The Petrol Group		Petrol d.d.	
	1-6 2023	1-6 2022	1-6 2023	1-6 2022
Revenue from the sale of merchandise	3,351,354,432	4,082,781,780	2,579,674,914	3,062,273,254
Revenue from the sale of services	58,283,674	57,853,425	48,556,072	42,767,262
Revenue from the sale of products	24,905,638	14,052,574	19,794,020	10,296,688
Total revenue	3,434,543,744	4,154,687,779	2,648,025,006	3,115,337,204

(in EUR)	The Petrol Group		Petrol d.d.	
	1-6 2023	1-6 2022	1-6 2023	1-6 2022
Domestic sales revenue	1,700,877,514	1,844,543,301	1,516,701,806	1,620,547,328
EU market sales revenue	1,411,003,431	1,780,616,223	1,011,349,750	1,247,989,485
Non-EU market sales revenue	322,662,799	529,528,255	119,973,450	246,800,391
Total revenue	3,434,543,744	4,154,687,779	2,648,025,006	3,115,337,204

(in EUR)	The Petrol Group		Petrol d.d.	
	1-6 2023	1-6 2022	1-6 2023	1-6 2022
Fuels and petroleum products	1,605,718,498	1,923,333,713	1,414,727,178	1,653,757,158
Merchandise and services	262,579,904	237,797,292	187,310,332	165,934,706
Energy and solutions	1,562,247,861	1,989,842,217	1,041,603,181	1,292,967,779
Other	3,997,481	3,714,557	4,384,314	2,677,561
Total revenue	3,434,543,744	4,154,687,779	2,648,025,006	3,115,337,204

25.2 Costs of material

(in EUR)	The Petrol Group		Petrol d.d.	
	1-6 2023	1-6 2022	1-6 2023	1-6 2022
Costs of energy	31,407,983	15,048,974	26,496,061	12,558,456
Costs of consumables	3,800,838	3,658,016	2,681,231	2,210,046
Write-off of small tools	31,201	41,451	11,859	11,240
Other costs of materials	345,130	487,855	193,908	205,321
Total costs of materials	35,585,152	19,236,296	29,383,059	14,985,063

25.3 Costs of services

(in EUR)	The Petrol Group		Petrol d.d.	
	1-6 2023	1-6 2022	1-6 2023	1-6 2022
Costs of transport services	20,845,671	20,132,998	16,201,651	14,970,827
Costs of service station managers	18,593,647	15,886,211	18,593,647	15,886,211
Costs of fixed-asset maintenance services	14,676,144	13,903,315	10,485,940	9,861,153
Costs of payment transactions and bank services	7,525,793	8,568,397	4,987,606	5,027,033
Costs of professional services	5,827,947	5,748,283	4,285,614	4,416,103
Lease expenses	5,779,633	5,772,670	5,386,871	5,143,881
Outsourcing costs	3,862,976	1,913,750	3,537,909	1,756,230
Costs of fairs, advertising and entertainment	3,068,789	3,843,694	2,057,364	2,323,516
Costs of insurance premiums	2,985,471	2,966,135	1,602,819	1,698,427
Costs of environmental protection services	1,227,038	927,696	916,073	632,760
Costs of fire protection and physical and technical security	1,044,408	1,234,970	782,749	784,741
Reimbursement of work-related costs to employees	757,569	676,327	480,707	419,751
Property management	537,063	682,297	493,045	570,369
Membership fees	316,190	561,373	85,900	116,620
Other costs of services	3,063,227	2,296,511	1,556,286	1,325,257
Total costs of services	90,111,566	85,114,627	71,454,181	64,932,879

Lease costs/expenses

(in EUR)	The Petrol Group		Petrol d.d.	
	1-6 2023	1-6 2022	1-6 2023	1-6 2022
Depreciation of right-of-use assets	11,413,999	8,760,808	2,239,759	1,956,773
Finance expenses	2,002,952	2,326,282	615,493	637,106
Lease expenses	5,779,633	5,772,670	5,386,871	5,143,881
Total recognised costs/expenses	19,196,584	16,859,760	8,242,123	7,737,760

25.4 Labour costs

(in EUR)	The Petrol Group		Petrol d.d.	
	1-6 2023	1-6 2022	1-6 2023	1-6 2022
Salaries	57,160,317	48,781,968	37,071,999	30,320,250
Costs of other social insurance	4,843,601	4,609,245	2,531,718	2,322,083
Expense for define contribution plan	4,369,609	3,297,591	3,634,351	2,686,247
Transport allowance	2,509,739	2,018,079	1,092,870	998,486
Meal allowance	2,389,599	1,945,107	1,515,736	1,324,328
Annual leave allowance	2,217,294	1,937,940	1,683,653	1,644,483
Supplementary pension insurance	1,013,251	913,737	949,952	848,766
Other allowances and reimbursements	3,951,840	2,598,753	2,622,147	1,054,441
Total labour costs	78,455,250	66,102,420	51,102,426	41,199,084

25.5 Depreciation and amortisation

(in EUR)	The Petrol Group		Petrol d.d.	
	1-6 2023	1-6 2022	1-6 2023	1-6 2022
Depreciation of property, plant and equipment	28,853,607	29,000,485	15,218,529	15,604,533
Depreciation of right-of-use assets	11,413,999	8,760,808	2,239,759	1,956,773
Amortisation of intangible assets	6,447,126	7,034,490	4,597,694	4,947,143
Depreciation of investment property	503,520	518,863	329,180	337,697
Total depreciation and amortisation	47,218,252	45,314,646	22,385,162	22,846,146

25.6 Other costs

(in EUR)	The Petrol Group		Petrol d.d.	
	1-6 2023	1-6 2022	1-6 2023	1-6 2022
Environmental charges and charges unrelated to operations	3,779,952	2,971,325	2,494,615	1,657,345
Disposals/impairment of assets	711,961	131,434	71,707	104,580
Sponsorships and donations	413,614	1,068,043	384,229	877,284
Net allowance for trade receivables	(3,257,201)	6,458,850	(2,592,652)	4,063,407
Other costs	22,084,027	9,488,971	18,155,950	7,025,460
Total other costs	23,732,353	20,118,623	18,513,849	13,728,076

25.7 Gain/(Loss) from derivatives

(in EUR)	The Petrol Group		Petrol d.d.	
	1-6 2023	1-6 2022	1-6 2023	1-6 2022
Gain from derivatives	119,254,651	196,572,839	118,165,399	202,053,032
Loss from derivatives	(89,936,917)	(212,824,137)	(85,442,419)	(207,462,403)
Gain/(Loss) from derivatives	29,317,734	(16,251,298)	32,722,980	(5,409,371)

25.8 Other revenue

(in EUR)	The Petrol Group		Petrol d.d.	
	1-6 2023	1-6 2022	1-6 2023	1-6 2022
Revenue from claims against Borzen	50,036,101	-	30,525,694	-
Gain on disposal of plan, property and equipment	1,083,976	555,180	290,704	431,152
Compensation received from insurance companies	201,384	174,780	13,002	55,448
Compensation, lawsuits, contractual penalties received	162,583	122,658	147,921	27,725
Other revenue	3,033,279	2,945,559	2,300,186	1,488,240
Total other revenue	54,517,323	3,798,177	33,277,507	2,002,565

Other revenue of the Group/Company includes revenue from claims against Borzen related to the electricity and natural gas compensation in accordance with the Decree adopted at the start of this year.

25.9 Financial income and expenses

(in EUR)	The Petrol Group		Petrol d.d.	
	1-6 2023	1-6 2022	1-6 2023	1-6 2022
Foreign exchange differences	25,407,603	35,771,965	23,912,530	32,767,473
Gain on derivatives	5,804,827	11,206,492	5,804,827	11,206,492
Interest income	7,017,005	1,529,858	5,901,274	1,607,971
Loss allowances for financial receivables reversed	-	215,278	-	215,278
Other finance income	110,710	3,175,714	54,006	3,131,857
Total finance income	38,340,145	51,899,307	35,672,637	48,929,071
Foreign exchange differences	(27,178,401)	(41,019,556)	(22,545,228)	(37,561,292)
Loss on derivatives	(4,603,150)	(1,159,350)	(4,603,150)	(1,159,350)
Interest expense	(12,769,031)	(7,693,267)	(10,888,123)	(6,252,535)
Other finance expenses	(554,428)	(682,327)	(249,441)	(657,215)
Total finance expenses	(45,105,010)	(50,554,500)	(38,285,942)	(45,630,392)
Net finance expense	(6,764,865)	1,344,807	(2,613,305)	3,298,679

Interest income and expenses from interest swaps are included in interest income and expenses.

25.10 Earnings per share

	The Petrol Group		Petrol d.d.	
	1-6 2023	1-6 2022	1-6 2023	1-6 2022
Net profit attributable to owners of the controlling company (in EUR)	53,000,704	(5,268,048)	49,792,524	(27,638,242)
Number of shares issued	41,726,020	41,726,020	41,726,020	41,726,020
Number of own shares at the beginning of the year	614,460	614,460	494,060	494,060
Number of own shares at the end of the year	614,460	614,460	494,060	494,060
Weighted average number of ordinary shares issued	41,111,560	41,111,560	41,231,960	41,231,960
Diluted average number of ordinary shares	41,111,560	41,111,560	41,231,960	41,231,960
Basic and diluted earnings per share attributable to owners of the controlling company (EUR/share)	1.29	(0.13)	1.21	(0.67)

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. Petrol's share is listed on the main board of the stock exchange under the ticker PETG. For both years, the number of shares after the 1:20 split

carried out in November 2022 is taken into account. The total number of PETG shares increased from 2,086,301 to 41,726,020.

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
Cost						
As at 1 January 2022	57,455,821	130,298,591	160,858,241	4,485,643	291,102	353,389,398
New acquisitions	314,424	16,346	-	3,373,829	116,063	3,820,662
Disposals/Impairments	(164,513)	(5,151)	(19,303)	(3,115)	(9,205)	(201,287)
Transfers between assets categories	(43,434)	551,705	-	(999,320)	-	(491,049)
Transfer from ongoing investments	2,015,974	1,249,415	-	(3,265,389)	-	-
Foreign exchange differences	(10,259)	(22,480)	(164,189)	(1,072)	-	(198,000)
As at 30 June 2022	59,568,013	132,088,426	160,674,749	3,590,576	397,960	356,319,724
Accumulated amortisation						
As at 1 January 2022	(33,661,809)	(64,796,831)	(19,303)	-	-	(98,477,943)
Amortisation	(4,116,559)	(2,917,931)	-	-	-	(7,034,490)
Disposals/Impairments	71,102	5,151	19,303	-	-	95,556
Transfers between asset categories	15,560	(352,482)	-	-	-	(336,922)
Foreign exchange differences	4,216	13,948	-	-	-	18,164
As at 30 June 2022	(37,687,490)	(68,048,145)	-	-	-	(105,735,635)
Net carrying amount as at 1 January 2022	23,794,012	65,501,760	160,838,938	4,485,643	291,102	254,911,455
Net carrying amount as at 30 June 2022	21,880,523	64,040,281	160,674,749	3,590,576	397,960	250,584,089

(in EUR)	Material and other rights	Right to use concession infrastructure	Goodwill	Ongoing investments	Long-term deferred costs	Total
Cost						
As at 1 January 2023	60,395,388	126,473,005	160,685,312	5,856,605	1,184,866	354,595,176
New acquisitions	378,300	15,235	-	4,863,416	397,453	5,654,404
Disposals/Impairments	(157,317)	-	-	-	-	(157,317)
Transfers between PPE	-	1,267	-	(1,831,263)	-	(1,829,996)
Transfer from ongoing investments	2,297,958	-	-	(2,297,958)	-	-
Foreign exchange differences	2,236	3,073	17,361	2,114	-	24,784
As at 30 June 2023	62,916,565	126,492,580	160,702,673	6,592,914	1,582,319	358,287,051
Accumulated amortisation						
As at 1 January 2023	(41,441,264)	(67,864,439)	-	-	-	(109,305,703)
Amortisation	(3,849,948)	(2,597,178)	-	-	-	(6,447,126)
Disposals/Impairments	157,253	-	-	-	-	157,253
Foreign exchange differences	(1,497)	(1,061)	-	-	-	(2,558)
As at 30 June 2023	(45,135,456)	(70,462,678)	-	-	-	(115,598,134)
Net carrying amount as at 1 January 2023	18,954,124	58,608,566	160,685,312	5,856,605	1,184,866	245,289,473
Net carrying amount as at 30 June 2023	17,781,109	56,029,902	160,702,673	6,592,914	1,582,319	242,688,917

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
Cost						
As at 1 January 2022	41,934,032	112,044,827	85,266,022	1,879,712	276,793	241,401,386
New acquisitions	-	1,406	-	1,927,214	116,063	2,044,683
Disposals	(114,059)	-	-	(2,400)	(9,205)	(125,664)
Transfer between asset categories	(12,656)	551,705	-	-	-	539,049
Transfer from ongoing investments	1,999,204	503,412	-	(2,502,616)	-	-
As at 30 June 2022	43,806,521	113,101,350	85,266,022	1,301,910	383,651	243,859,454
Accumulated amortisation						
As at 1 January 2022	(27,058,108)	(58,818,460)	-	-	-	(85,876,568)
Amortisation	(2,862,566)	(2,084,577)	-	-	-	(4,947,143)
Disposals	20,648	-	-	-	-	20,648
Transfer between asset categories	8,669	(352,482)	-	-	-	(343,813)
As at 30 June 2022	(29,891,357)	(61,255,519)	-	-	-	(91,146,876)
Net carrying amount as at 1 January 2022	14,875,924	53,226,367	85,266,022	1,879,712	276,793	155,524,818
Net carrying amount as at 30 June 2022	13,915,164	51,845,831	85,266,022	1,301,910	383,651	152,712,578

(in EUR)	Material and other rights	Right to use concession infrastructure	Goodwill	Ongoing investments	Long-term deferred costs	Total
Cost						
As at 1 January 2023	44,279,430	113,143,266	85,266,022	3,697,389	1,172,668	247,558,775
New acquisitions	-	1,369	-	3,907,631	397,250	4,306,250
Disposals	(679)	-	-	-	-	(679)
Transfers between PPE and investment property	-	1,267	-	-	-	1,267
Transfer from ongoing investments	2,297,958	-	-	(2,297,958)	-	-
As at 30 June 2023	46,576,709	113,145,902	85,266,022	5,307,062	1,569,918	251,865,613
Accumulated amortisation						
As at 1 January 2023	(32,419,672)	(63,166,632)	-	-	-	(95,586,304)
Amortisation	(2,588,109)	(2,009,585)	-	-	-	(4,597,694)
Disposals	615	-	-	-	-	615
As at 30 June 2023	(35,007,166)	(65,176,217)	-	-	-	(100,183,383)
Net carrying amount as at 1 January 2023	11,859,758	49,976,634	85,266,022	3,697,389	1,172,668	151,972,471
Net carrying amount as at 30 June 2023	11,569,543	47,969,685	85,266,022	5,307,062	1,569,918	151,682,230

25.12 Right-of-use assets

Right-of-use assets of the Petrol Group

(in EUR)	Right-of-use land	Right-of-use buildings	Right-of-use equipment	Total
Cost				
As at 1 January 2022	77,501,535	64,707,813	6,577,767	148,787,115
New acquisitions	3,391,848	45,043,482	124,909	48,560,239
Disposals	(3,558,254)	(33,270,257)	(177,753)	(37,006,264)
Foreign exchange differences	(36,923)	(38,953)	(994)	(76,870)
As at 30 June 2022	77,298,206	76,442,085	6,523,929	160,264,220
Accumulated depreciation				
As at 1 January 2022	(9,472,503)	(12,534,287)	(4,688,736)	(26,695,526)
Depreciation	(2,592,531)	(5,646,600)	(521,677)	(8,760,808)
Disposals	870,441	4,593,171	147,348	5,610,960
Foreign exchange differences	6,797	17,368	265	24,430
As at 30 June 2022	(11,187,796)	(13,570,348)	(5,062,800)	(29,820,944)
Net carrying amount as at 1 January 2022	68,029,032	52,173,526	1,889,031	122,091,589
Net carrying amount as at 30 June 2022	66,110,410	62,871,737	1,461,129	130,443,276

(in EUR)	Right-of-use land	Right-of-use buildings	Right-of-use equipment	Total
Cost				
As at 1 January 2023	79,527,262	60,112,664	25,973,902	165,613,828
New acquisitions	9,449,198	4,048,642	1,617,526	15,115,366
Disposals	-	(172,850)	-	(172,850)
Foreign exchange differences	12,094	46,922	4,848	63,864
As at 30 June 2023	88,988,554	64,035,378	27,596,276	180,620,208
Accumulated depreciation				
As at 1 January 2023	(10,801,714)	(16,157,504)	(7,034,341)	(33,993,559)
Depreciation	(3,994,694)	(4,542,786)	(2,876,519)	(11,413,999)
Disposals	-	81,729	-	81,729
Foreign exchange differences	(554)	(1,970)	(432)	(2,956)
As at 30 June 2023	(14,796,962)	(20,620,531)	(9,911,292)	(45,328,785)
Net carrying amount as at 1 January 2023	68,725,548	43,955,160	18,939,561	131,620,269
Net carrying amount as at 30 June 2023	74,191,592	43,414,847	17,684,984	135,291,423

Right-of-use assets of Petrol d.d., Ljubljana

(in EUR)	Right-of-use land	Right-of-use buildings	Right-of-use equipment	Total
Cost				
As at 1 January 2022	32,218,878	1,878,132	5,397,463	39,494,473
New acquisitions	1,207,486	1,008,263	1,066,691	3,282,440
Disposals	-	(91,031)	(141,097)	(232,128)
As at 30 June 2022	33,426,364	2,795,364	6,323,057	42,544,785
Accumulated depreciation				
As at 1 January 2022	(6,409,800)	(966,818)	(4,243,032)	(11,619,650)
Depreciation	(1,118,398)	(361,682)	(476,693)	(1,956,773)
Disposals	-	91,031	114,183	205,214
As at 30 June 2022	(7,528,198)	(1,237,469)	(4,605,542)	(13,371,209)
Net carrying amount as at 1 January 2022	25,809,078	911,314	1,154,431	27,874,823
Net carrying amount as at 30 June 2022	25,898,166	1,557,895	1,717,515	29,173,576

(in EUR)	Right-of-use land	Right-of-use buildings	Right-of-use equipment	Total
Cost				
As at 1 January 2023	33,478,119	3,116,757	8,404,753	44,999,629
New acquisitions	-	-	437,764	437,764
As at 30 June 2023	33,478,119	3,116,757	8,842,517	45,437,393
Accumulated depreciation				
As at 1 January 2023	(8,672,608)	(1,505,715)	(5,583,614)	(15,761,937)
Depreciation	(1,122,105)	(333,967)	(783,687)	(2,239,759)
As at 30 June 2023	(9,794,713)	(1,839,682)	(6,367,301)	(18,001,696)
Net carrying amount as at 1 January 2023	24,805,511	1,611,042	2,821,139	29,237,692
Net carrying amount as at 30 June 2023	23,683,406	1,277,075	2,475,216	27,435,697

25.13 Property, plant and equipment

Property, plant and equipment of the Petrol Group

(in EUR)	Land	Buildings	Machinery	Equipment	Ongoing investments	Total
Cost						
As at 1 January 2022	326,139,185	796,182,254	7,259,275	367,201,042	60,437,164	1,557,218,920
New acquisitions	-	29,170	22,585	3,471,169	16,674,898	20,197,822
Disposals/Impairments	(212,776)	(499,616)	(31,275)	(2,456,350)	-	(3,200,017)
Transfers between assets	106,699	345,167	(2,138,926)	809,622	191,475	(685,963)
Transfer from ongoing investments	348,145	6,812,979	96,222	36,103,801	(43,361,147)	-
Transfers between investment property	-	-	-	-	(18,470)	(18,470)
Foreign exchange differences	(104,881)	(263,934)	(2,144)	(68,615)	(89,388)	(528,962)
As at 30 June 2022	326,276,372	802,606,020	5,205,737	405,060,669	33,834,532	1,572,983,330
Accumulated depreciation						
As at 1 January 2022	-	(474,840,389)	(2,975,105)	(221,989,378)	-	(699,804,872)
Depreciation	-	(13,969,922)	(195,123)	(14,835,440)	-	(29,000,485)
Disposals/Impairments	-	459,156	19,729	1,294,356	-	1,773,241
Transfer between asset categories	-	266,561	1,230,394	192,114	-	1,689,069
Foreign exchange differences	-	145,112	1,509	75,893	-	222,514
As at 30 June 2022	-	(487,939,482)	(1,918,596)	(235,262,455)	-	(725,120,533)
Net carrying amount as at 1 January 2022	326,139,185	321,341,865	4,284,170	145,211,664	60,437,164	857,414,048
Net carrying amount as at 30 June 2022	326,276,372	314,666,538	3,287,141	169,798,214	33,834,532	847,862,797

(in EUR)	Land	Buildings	Machinery	Equipment	Ongoing investments	Total
Cost						
As at 1 January 2023	326,233,532	825,836,318	4,766,684	402,752,534	46,439,462	1,606,028,530
New acquisitions	-	61,878	2,147	4,493,968	28,394,889	32,952,882
Disposals	(55,092)	(3,967,341)	-	(5,961,650)	(721,186)	(10,705,269)
Transfers between assets	-	(580,826)	-	625,031	(44,205)	-
Transfers between intangible assets	-	-	-	1,806,365	23,631	1,829,996
Transfer from ongoing investments	-	905,424	19,425	2,985,596	(3,910,445)	-
Transfers between investment property	-	-	-	-	(2,100)	(2,100)
Foreign exchange differences	43,064	38,125	200	36,088	1,744	119,221
As at 30 June 2023	326,221,504	822,293,578	4,788,456	406,737,932	70,181,790	1,630,223,260
Accumulated depreciation						
As at 1 January 2023	-	(507,112,863)	(2,846,356)	(241,516,790)	-	(751,476,009)
Depreciation	-	(14,078,952)	(115,524)	(14,659,131)	-	(28,853,607)
Disposals	-	3,339,075	-	4,497,257	-	7,836,332
Transfers between assets	-	42,662	-	(42,662)	-	-
Foreign exchange differences	-	(9,641)	(189)	(14,697)	-	(24,527)
As at 30 June 2023	-	(517,819,719)	(2,962,069)	(251,736,023)	-	(772,517,811)
Net carrying amount as at 1 January 2023	326,233,532	318,723,455	1,920,328	161,235,744	46,439,462	854,552,521
Net carrying amount as at 30 June 2023	326,221,504	304,473,859	1,826,387	155,001,909	70,181,790	857,705,449

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

(in EUR)	Land	Buildings	Equipment	Ongoing investments	Total
Cost					
As at 1 January 2022	102,794,116	577,375,427	266,626,550	14,315,883	961,111,976
New acquisitions	-	-	-	10,704,700	10,704,700
Disposals/Impairments	(206,005)	(485,122)	(480,199)	-	(1,171,326)
Transfers between assets	193,874	(119,811)	(141,808)	-	(67,745)
Transfer from ongoing investments	126	1,956,321	3,735,541	(5,691,988)	-
Transfers between investment property	-	-	-	(18,470)	(18,470)
As at 30 June 2022	102,782,111	578,726,815	269,740,084	19,310,125	970,559,135

Accumulated depreciation					
As at 1 January 2022	-	(415,142,838)	(179,706,981)	-	(594,849,819)
Depreciation	-	(7,734,756)	(7,869,777)	-	(15,604,533)
Disposals/Impairments	-	480,986	428,015	-	909,001
Transfers between asset categories	-	(143,235)	190,878	-	47,643
As at 30 June 2022	-	(422,539,843)	(186,957,865)	-	(609,497,708)

Net carrying amount as at 1 January 2022 **102,794,116** **162,232,589** **86,919,569** **14,315,883** **366,262,157**

Net carrying amount as at 30 June 2022 **102,782,111** **156,186,972** **82,782,219** **19,310,125** **361,061,427**

(in EUR)	Land	Buildings	Equipment	Ongoing investments	Total
Cost					
As at 1 January 2023	102,587,002	584,616,960	276,608,194	23,408,190	987,220,346
New acquisitions	-	-	-	11,641,668	11,641,668
Disposals	(55,092)	(39,174)	(2,027,015)	(227,429)	(2,348,710)
Transfers between intangible assets	-	-	-	(1,267)	(1,267)
Transfer from ongoing investments	-	498,032	1,997,920	(2,495,952)	-
Transfers between investment property	-	-	-	(2,100)	(2,100)
As at 30 June 2023	102,531,910	585,075,818	276,579,099	32,323,110	996,509,937

Accumulated depreciation					
As at 1 January 2023	-	(429,511,087)	(191,398,609)	-	(620,909,696)
Depreciation	-	(7,498,031)	(7,720,499)	-	(15,218,530)
Disposals	-	24,437	1,947,695	-	1,972,132
As at 30 June 2023	-	(436,984,681)	(197,171,413)	-	(634,156,094)

Net carrying amount as at 1 January 2023 **102,587,002** **155,105,873** **85,209,585** **23,408,190** **366,310,650**

Net carrying amount as at 30 June 2023 **102,531,910** **148,091,137** **79,407,686** **32,323,110** **362,353,843**

25.14 Investment in subsidiaries

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

(in EUR)	Petrol d.d.	
	2023	2022
As at 1 January	554,032,932	553,970,331
New acquisitions	1,259,300	62,600
As at 30 June	555,292,232	554,032,932

The Company purchased the remaining interest in Atet d.o.o., thereby becoming a 100 percent owner of the company.

25.15 Investments in jointly controlled entities

(in EUR)	The Petrol Group		Petrol d.d.	
	2023	2022	2023	2022
As at 1 January	1,277,748	704,501	233,000	210,000
Attributed profit/loss	237,002	333,075	-	-
Dividends received	(931,389)	(115,217)	-	-
New acquisitions	-	23,000	-	23,000
Foreign exchange differences	184	5	-	-
As at 30 June	583,545	945,364	233,000	233,000

25.16 Investments in associates

(in EUR)	The Petrol Group		Petrol d.d.	
	2023	2022	2023	2022
As at 1 January	56,968,277	55,169,626	26,610,477	26,610,477
Attributed profit/loss	578,510	452,097	-	-
Dividends received	(1,006,150)	(864,261)	-	-
As at 30 June	56,540,637	54,757,462	26,610,477	26,610,477

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

(in EUR)	The Petrol Group		Petrol d.d.	
	2023	2022	2023	2022
As at 1 January	4,112,346	4,133,044	2,117,914	2,117,914
As at 30 June	4,112,346	4,133,044	2,117,914	2,117,914

25.18 Inventories

(in EUR)	The Petrol Group		Petrol d.d.	
	30 June 2023	31 December 2022	30 June 2023	31 December 2022
Spare parts and materials	3,092,921	2,827,561	2,749,231	2,502,499
Merchandise:	229,525,451	262,021,704	123,811,140	148,675,864
- fuel	154,998,486	205,210,206	73,953,126	105,874,708
- other petroleum products	125,795	146,102	104,954	123,081
- other merchandise	74,401,170	56,665,396	49,753,060	42,678,075
Total inventories	232,618,372	264,849,265	126,560,371	151,178,363

25.19 Current loans

(in EUR)	The Petrol Group		Petrol d.d.	
	30 June 2023	31 December 2022	30 June 2023	31 December 2022
Loans granted	982,566	2,365,069	44,846,909	39,937,625
Allowance to the value of loans granted	(779,504)	(779,400)	(718,115)	(718,115)
Time deposits with banks (3 months to 1 year)	932,375	43,103	916,151	26,869
Interest receivables	74,467	73,654	7,393,198	6,616,330
Allowance for interest receivables	(23,290)	(23,288)	(4,663,648)	(4,518,947)
Total current loans	1,186,614	1,679,138	47,774,495	41,343,762

25.20 Current operating receivables

(in EUR)	The Petrol Group		Petrol d.d.	
	30 June 2023	31 December 2022	30 June 2023	31 December 2022
Trade receivables	734,061,059	883,095,961	541,737,946	585,600,764
Allowance for trade receivables	(52,840,891)	(58,471,044)	(27,504,604)	(30,333,833)
Operating receivables from state and other institutions	7,249,279	5,008,957	3,776	-
Operating interest receivables	1,287,145	1,362,471	2,221,286	2,232,069
Allowance for interest receivables	(1,252,799)	(1,239,410)	(826,925)	(843,877)
Receivables from insurance companies (loss events)	31,185	48,497	22,783	26,635
Other operating receivables	17,805,712	17,874,625	9,374,290	10,833,971
Allowance for other receivables	(1,420,861)	(2,484,713)	(679,679)	(724,840)
Total current operating receivables	704,919,829	845,195,344	524,348,873	566,790,889

25.21 Financial assets at fair value through profit or loss

(in EUR)	The Petrol Group		Petrol d.d.	
	30 June 2023	31 December 2022	30 June 2023	31 December 2022
Assets arising from commodity swaps	174,527	2,297,589	53,597	2,176,692
Assets arising from forward contracts	6,817	348,745	6,817	348,745
Total financial assets at fair value through profit or loss	181,344	2,646,334	60,414	2,525,437

25.22 Current financial assets at fair value through other comprehensive income

(in EUR)	The Petrol Group		Petrol d.d.	
	30 June 2023	31 December 2022	30 June 2023	31 December 2022
Assets arising from interest rate swaps	34,400,946	34,616,805	30,436,631	30,293,507
Assets arising from commodity swaps	-	3,083,184	-	3,083,184
Bonds	-	334,077	-	-
Current balance of financial assets at fair value through other comprehensive income	34,400,946	38,034,066	30,436,631	33,376,691

25.23 Prepayments and other assets

(in EUR)	The Petrol Group		Petrol d.d.	
	30 June 2023	31 December 2022	30 June 2023	31 December 2022
Prepayments and collaterals	62,678,003	80,538,388	14,867,427	27,457,632
Accrued claims against Borzen	55,456,343	6,460,495	35,945,936	6,460,495
Prepaid licences, subscriptions, specialised literature, etc.	3,787,770	3,640,143	2,874,657	2,888,280
Prepaid insurance premiums	831,526	1,618,395	416,249	1,299,037
Other deferred costs	26,392,434	23,010,442	16,854,555	13,362,753
Total prepayments and other assets	149,146,076	115,267,863	70,958,824	51,468,197

25.24 Financial liabilities

(in EUR)	The Petrol Group		Petrol d.d.	
	30 June 2023	31 December 2022	30 June 2023	31 December 2022
Current financial liabilities				
Bank loans	76,844,380	85,954,276	70,338,604	59,493,518
Bonds issued	33,020,096	300,831	33,020,096	300,831
Liabilities to banks arising from forward contracts	10,334,359	8,837,601	517,583	745,579
Other loans and financial liabilities	431,968	1,563,725	171,385,222	165,271,773
	120,630,803	96,656,433	275,261,505	225,811,701
Non-current financial liabilities				
Bank loans	335,446,146	357,416,530	278,555,354	300,538,159
Bonds issued	10,992,662	43,816,929	10,992,662	43,816,929
Loans obtained from other companies	379,538	379,543	21,000,000	21,000,000
	346,818,346	401,613,002	310,548,016	365,355,088
Total financial liabilities	467,449,149	498,269,435	585,809,521	591,166,789

25.25 Lease liabilities

(in EUR)	The Petrol Group		Petrol d.d.	
	30 June 2023	31 December 2022	30 June 2023	31 December 2022
Non-current lease liabilities	104,029,105	101,100,126	25,740,645	27,331,350
Current lease liabilities	19,601,445	17,498,969	3,868,429	3,965,318
Total lease liabilities	123,630,550	118,599,095	29,609,074	31,296,668

25.26 Current operating liabilities

(in EUR)	The Petrol Group		Petrol d.d.	
	30 June 2023	31 December 2022	30 June 2023	31 December 2022
Trade liabilities	637,603,270	829,990,796	478,825,616	598,342,065
Excise duty liabilities	99,615,021	116,169,181	56,958,147	101,934,781
Value added tax liabilities	84,355,924	103,251,423	36,069,996	73,163,760
Liabilities to employees	10,465,061	10,274,352	5,928,407	6,529,867
Other liabilities to the state and other state institutions	6,226,749	4,815,981	43,975,968	1,720,853
Social security contribution liabilities	1,858,442	1,945,001	862,993	952,677
Liabilities for environmental charges and contributions	9,832,646	4,486,633	8,044,664	1,886,975
Liabilities arising from interests acquired	3,450,000	3,947,693	3,450,000	3,450,000
Import duty liabilities	1,136,812	2,946,580	-	-
Liabilities associated with the allocation of profit or loss	62,436,220	768,880	62,436,220	768,880
Other liabilities	1,197,150	3,507,389	1,674,855	3,463,423
Total current operating and other liabilities	918,177,295	1,082,103,909	698,226,866	792,213,281

25.27 Commodity derivative instruments

(in EUR)	The Petrol Group		Petrol d.d.	
	30 June 2023	31 December 2022	30 June 2023	31 December 2022
Commodity derivative instruments	29,959,693	29,872,456	10,014,426	16,007,602
Total commodity derivative instruments	29,959,693	29,872,456	10,014,426	16,007,602

25.28 Contract liabilities

(in EUR)	The Petrol Group		Petrol d.d.	
	30 June 2023	31 December 2022	30 June 2023	31 December 2022
Short-term prepayments and securities given	17,501,119	20,018,795	13,157,407	16,295,826
Deferred prepaid card revenue	2,396,743	3,016,958	1,580,742	2,071,191
Deferred revenue from rebates and discounts granted	1,173,797	86,523	791,991	-
Other	388,815	31,299	-	-
Total contract liabilities	21,460,474	23,153,575	15,530,140	18,367,017

25.29 Other liabilities

(in EUR)	The Petrol Group		Petrol d.d.	
	30 June 2023	31 December 2022	30 June 2023	31 December 2022
Accrued annual leave expenses	3,866,396	3,964,599	2,279,179	2,279,179
Accrued expenses for tanker demurrage	1,636,244	968,947	1,636,244	968,947
Accrued motorway site lease payments	199,470	531,993	199,470	531,993
Accrued concession fee costs	178,282	360,333	178,282	356,736
Other accrued costs	53,075,004	27,522,803	37,385,917	26,345,012
Other deferred revenue	3,808,186	4,770,243	3,569,823	4,643,206
Total other liabilities	62,763,582	38,118,918	45,248,915	35,125,073

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*.

Credit risk

In the first six months of the year 2023 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 June 2023:

(in EUR)	The Petrol Group		Petrol d.d.	
	30 June 2023	31 December 2022	30 June 2023	31 December 2022
Financial assets at fair value through other comprehensive income	38,513,292	42,146,412	32,554,545	35,494,605
Non-current loans	2,065,645	949,277	51,229,070	59,134,780
Non-current operating receivables	7,629,597	7,015,756	7,625,022	7,007,540
Contract assets	19,708,082	13,319,362	10,625,491	11,722,300
Current loans	1,186,614	1,679,138	47,774,495	41,343,762
Current operating receivables (excluding rec. from the state)	697,670,550	840,186,387	524,345,097	566,790,889
Financial assets at fair value through profit or loss	181,344	2,646,334	60,414	2,525,437
Cash and cash equivalents	88,447,960	100,962,531	35,998,946	51,203,361
Total assets	855,403,084	1,008,905,197	710,213,080	775,222,674

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	738,315,493	71,183,742	9,407,479	3,515,484	2,202,719	824,624,917
Interest receivables	6,188	1,933	33,538	16,781	64,621	123,061
Other receivables (excluding receivables from the state)	14,610,337	787,652	188	758	39,474	15,438,409
Total as at 31 December 2022	752,932,018	71,973,327	9,441,205	3,533,023	2,306,814	840,186,387
(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	599,023,662	60,015,743	10,800,640	3,627,542	7,752,581	681,220,168
Interest receivables	-	-	-	-	34,346	34,346
Other receivables (excluding receivables from the state)	15,769,828	245,869	362,210	-	38,129	16,416,036
Total as at 30 June 2023	614,793,490	60,261,612	11,162,850	3,627,542	7,825,056	697,670,550

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	513,737,535	27,798,258	4,482,811	1,589,324	7,659,003	555,266,931
Interest receivables	-	-	-	-	1,388,192	1,388,192
Other receivables (excluding receivables from the state)	9,531,621	563,655	188	758	39,544	10,135,766
Total as at 31 December 2022	523,269,156	28,361,913	4,482,999	1,590,082	9,086,739	566,790,889
(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	450,925,030	34,458,611	13,434,518	1,913,215	13,501,968	514,233,342
Interest receivables	-	-	-	-	1,394,361	1,394,361
Other receivables (excluding receivables from the state)	8,132,204	184,851	362,210	-	38,129	8,717,394
Total as at 30 June 2023	459,057,234	34,643,462	13,796,728	1,913,215	14,934,458	524,345,097

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

(in days)	The Petrol Group		Petrol d.d.	
	1-6 2023	1-12 2022	1-6 2023	1-12 2022
Days sales outstanding				
Contract days	38	27	34	23
Overdue receivables in days	4	3	4	2
Total days sales outstanding	42	30	38	25

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 and different national approaches to regulate the prices of fuel and energy products 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. We manage liquidity risk with a diversified portfolio of credit lines, regular reviews of financial market conditions, intense and regular financial planning of cash flows and careful investment planning.

Despite difficult conditions, our key goal remains that the Group/Company can successfully manage liquidity risks according to S&P Global Ratings'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, we obtained 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 2022 by maturity:

(in EUR)	Carrying amount of liabilities	Contractual cash flows				More than 5 years
		Liability	0 to 6 months	6 to 12 months	1 to 5 years	
Non-current financial liabilities	401,613,002	433,536,129	-	-	372,631,738	60,904,391
Non-current lease liabilities	101,100,126	109,074,515	-	-	85,655,698	23,418,817
Non-current operating liabilities (excluding other liabilities)	2,024,000	2,024,000	-	-	2,024,000	-
Current financial liabilities	96,656,433	110,096,768	61,187,352	48,909,416	-	-
Current lease liabilities	17,498,969	21,007,713	11,041,027	9,966,686	-	-
Liabilities arising from commodity forward contracts*	-	1,636,926,610	756,687,613	622,733,589	257,505,408	-
Current operating liabilities (excluding liabilities to the state, employees and arising from advance payments)	838,214,758	838,214,758	837,450,259	764,499	-	-
Commodity derivative instruments	29,872,456	29,872,456	29,872,456	-	-	-
As at 31 December 2022	1,486,979,744	3,180,752,949	1,696,238,707	682,374,190	717,816,844	84,323,208

The Group's liabilities as at 30 June 2023 by maturity:

(in EUR)	Carrying amount of liabilities	Contractual cash flows				More than 5 years
		Liability	0 to 6 months	6 to 12 months	1 to 5 years	
Non-current financial liabilities	346,818,346	382,369,571	-	-	352,019,079	30,350,492
Non-current lease liabilities	104,029,105	123,290,133	-	-	76,452,565	46,837,568
Non-current operating liabilities (excluding other liabilities)	2,024,000	2,024,000	-	-	2,024,000	-
Current financial liabilities	120,630,803	138,664,033	74,472,241	64,191,792	-	-
Current lease liabilities	19,601,445	23,337,951	11,742,484	11,595,467	-	-
Liabilities arising from commodity forward contracts*	-	1,263,758,740	737,059,990	218,488,972	308,209,778	-
Current operating liabilities (excluding liabilities to the state, employees and arising from advance payments)	704,686,640	704,686,640	704,356,743	329,897	-	-
Commodity derivative instruments	29,959,693	29,959,693	19,945,267	10,014,426	-	-
As at 30 June 2023	1,327,750,032	2,668,090,761	1,547,576,725	304,620,554	738,705,422	77,188,060

The Company's liabilities as at 31 December 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	365,355,088	397,362,215	-	-	315,808,328	81,553,887
Non-current lease liabilities	27,331,350	36,394,573	-	-	16,335,004	20,059,569
Non-current operating liabilities (excluding other liabilities)	2,024,000	2,024,000	-	-	2,024,000	-
Current financial liabilities	225,811,701	240,808,279	200,158,490	40,649,789	-	-
Current lease liabilities	3,965,318	5,162,635	2,691,072	2,471,563	-	-
Liabilities arising from commodity forward contracts*	-	1,625,382,552	748,075,117	619,802,027	257,505,408	-
Current operating liabilities (excluding liabilities to the state, employees and arising from advance payments)	606,024,368	606,024,367	605,806,817	217,550	-	-
Commodity derivative instruments	16,007,602	16,007,602	16,007,602	-	-	-
Contingent liabilities for guarantees issued**	-	368,063,707	368,063,707	-	-	-
As at 31 December 2022	1,246,519,427	3,297,229,930	1,940,802,805	663,140,929	591,672,740	101,613,456

The Company's liabilities as at 30 June 2023 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	310,548,016	346,099,241	-	-	316,099,241	30,000,000
Non-current lease liabilities	25,740,645	34,247,447	-	-	13,115,061	21,132,386
Non-current operating liabilities (excluding other liabilities)	2,024,000	2,024,000	-	-	2,024,000	-
Current financial liabilities	275,261,505	295,748,363	229,359,161	66,387,476	1,726	-
Current lease liabilities	3,868,429	5,035,921	2,528,935	2,506,986	-	-
Liabilities arising from commodity forward contracts*	-	1,258,116,199	733,468,529	217,469,036	307,178,634	-
Current operating liabilities (excluding liabilities to the state, employees and arising from advance payments)	546,386,691	546,386,691	546,329,158	57,533	-	-
Commodity derivative instruments	10,014,426	10,014,426	-	10,014,426	-	-
Contingent liabilities for guarantees issued**	-	314,574,503	314,574,503	-	-	-
As at 30 June 2023	1,173,843,712	2,812,246,791	1,826,260,286	296,435,457	638,418,662	51,132,386

*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 and international 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 six months of 2023, 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 2,909,912, 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.

To hedge petroleum product prices, the Group/Company uses mostly derivative financial instruments. 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 six months of 2023, there were also changes or restrictions regarding petroleum product prices on the markets where the Petrol Group operates, accepted by individual governments of the countries, which additionally affected operations. Details of regulations by country are described in the Business environment subchapter.

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.

When dealing with electricity, the Petrol Group is exposed to price and quantity risks. In the period between January 1 and June 30, 2023, the prices of electricity delivered in Hungary for a year in advance were more stable than in 2022. The average daily price of electricity in this period was 162.59 EUR/MWh, which is 49 % less than the average daily price (for a year in advance) in the period of 2022. Nevertheless, the average price in 2023 is 72% higher than the average in the period of 2021, when the average daily price was 94.45 EUR/MWh. The main reason for high electricity prices in the first half of 2023 is high natural gas prices (LPG instead of Russian gas, as a result of the war in Ukraine), high prices of emission coupons and the closing of the last 3 nuclear power plants in Germany (April 2023). High electricity prices cause increased price risks, which the group manages according to the defined counterparty, Value at Risk and retail portfolios quantity exposure limit framework, as well as with appropriate monitoring and control processes. In addition, the Petrol Group regularly monitors the adequacy of the used limit framework, which it updates and supplements as necessary.

Interest rate risk

The Group/Company is exposed to interest rate risks because it takes out loans with a floating interest rate, which are mostly EURIBOR-based.

In the first six months of 2023, 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:

- through ongoing operations, the Group's/Company's interest rate on overdue operating receivables being EURIBOR-based,
- 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, long-term solvency and maximum shareholder value. The Group/Company also achieves this 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. In December 2022, S&P Global Ratings reaffirmed Petrol d.d., Ljubljana's "BBB-" long-term and "A-3" short-term credit rating with a stable outlook.

In the first six months of 2023 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

The Petrol Group

(in EUR)	The Petrol Group			
	30 June 2023 Carrying amount	Fair value	31 December 2022 Carrying amount	Fair value
Non-derivative financial assets at fair value				
Financial assets at fair value through other comprehensive income	38,513,292	38,513,292	42,146,412	42,146,412
Non-derivative financial assets at amortised cost				
Loans	3,252,259	3,252,259	2,628,415	2,628,415
Operating receivables (excluding receivables from the state)	705,300,147	705,300,147	847,202,143	847,202,143
Contract assets	19,708,082	19,708,082	13,319,362	13,319,362
Cash and cash equivalents	88,447,960	88,447,960	100,962,531	100,962,531
Total non-derivative financial assets	855,221,740	855,221,740	1,006,258,863	1,006,258,863
Non-derivative financial liabilities at amortised cost				
Bank loans and other financial liabilities (excluding derivative fin.instr.)	(457,114,790)	(457,114,790)	(489,431,834)	(489,431,834)
Lease liabilities	(123,630,550)	(123,630,550)	(118,599,095)	(118,599,095)
Operating liabilities (excluding other non-current liabilities and current liabilities to the state and employees)	(706,710,640)	(706,710,640)	(840,238,758)	(840,238,758)
Total non-derivative financial liabilities	(1,287,455,980)	(1,287,455,980)	(1,448,269,687)	(1,448,269,687)
Derivative financial instruments at fair value				
Derivative financial instruments (assets)	181,344	181,344	2,646,334	2,646,334
Derivative financial instruments (liabilities)	(40,294,052)	(40,294,052)	(38,710,057)	(38,710,057)
Total derivative financial instruments	(40,112,708)	(40,112,708)	(36,063,723)	(36,063,723)

Petrol d.d., Ljubljana

(in EUR)	Petrol d.d.			
	30 June 2023 Carrying amount	Fair value	31 December 2022 Carrying amount	Fair value
Non-derivative financial assets at fair value				
Financial assets at fair value through other comprehensive income	32,554,545	32,554,545	35,494,605	35,494,605
Non-derivative financial assets at amortised cost				
Loans	99,003,565	99,003,565	100,478,542	100,478,542
Operating receivables (excluding receivables from the state)	531,970,119	531,970,119	573,798,429	573,798,429
Contract assets	10,625,491	10,625,491	11,722,300	11,722,300
Cash and cash equivalents	35,998,946	35,998,946	51,203,361	51,203,361
Total non-derivative financial assets	710,152,666	710,152,666	772,697,237	772,697,237
Non-derivative financial liabilities at amortised cost				
Bank loans and other financial liabilities (excluding derivative fin.instr.)	(585,291,938)	(585,291,938)	(590,421,210)	(590,421,210)
Lease liabilities	(29,609,074)	(29,609,074)	(31,296,668)	(31,296,668)
Operating liabilities (excluding other non-current liabilities and current liabilities to the state and employees)	(548,410,691)	(548,410,691)	(608,048,368)	(608,048,368)
Total non-derivative financial liabilities	(1,163,311,703)	(1,163,311,703)	(1,229,766,246)	(1,229,766,246)
Derivative financial instruments at fair value				
Derivative financial instruments (assets)	60,414	60,414	2,525,437	2,525,437
Derivative financial instruments (liabilities)	(10,532,009)	(10,532,009)	(16,753,181)	(16,753,181)
Total derivative financial instruments	(10,471,595)	(10,471,595)	(14,227,744)	(14,227,744)

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 June 2023				31 December 2022			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss	-	181,344	-	181,344	-	2,646,334	-	2,646,334
Financial assets at fair value through other comprehensive income	-	34,400,946	4,112,346	38,513,292	-	37,699,989	4,446,423	42,146,412
Total assets at fair value	-	34,582,290	4,112,346	38,694,636	-	40,346,323	4,446,423	44,792,746
Non-current loans	-	-	2,065,645	2,065,645	-	-	949,277	949,277
Current loans	-	-	1,186,614	1,186,614	-	-	1,679,138	1,679,138
Non-current operating receivables	-	-	7,629,597	7,629,597	-	-	7,015,756	7,015,756
Current operating receivables (excluding rec. from the state)	-	-	697,670,550	697,670,550	-	-	840,186,387	840,186,387
Contract assets	-	-	19,708,082	19,708,082	-	-	13,319,362	13,319,362
Cash and cash equivalents	88,447,960	-	-	88,447,960	100,962,531	-	-	100,962,531
Total assets with fair value disclosure	88,447,960	-	728,260,488	816,708,448	100,962,531	-	863,149,920	964,112,451
Total assets	88,447,960	34,582,290	732,372,834	855,403,084	100,962,531	40,346,323	867,596,343	1,008,905,197

Fair value of liabilities

(in EUR)	30 June 2023				31 December 2022			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial liabilities	-	(10,334,359)	-	(10,334,359)	-	(8,837,601)	-	(8,837,601)
Commodity derivative instruments	-	(29,959,693)	-	(29,959,693)	-	(29,872,456)	-	(29,872,456)
Total liabilities at fair value	-	(40,294,052)	-	(40,294,052)	-	(38,710,057)	-	(38,710,057)
Non-current financial liabilities	-	-	(346,818,346)	(346,818,346)	-	-	(401,613,002)	(401,613,002)
Non-current lease liabilities	-	-	(104,029,105)	(104,029,105)	-	-	(101,100,126)	(101,100,126)
Current financial liabilities (excluding liabilities at fair value)	-	-	(110,296,444)	(110,296,444)	-	-	(87,818,832)	(87,818,832)
Current lease liabilities	-	-	(19,601,445)	(19,601,445)	-	-	(17,498,969)	(17,498,969)
Non-current operating liabilities (excluding other liabilities)	-	-	(2,024,000)	(2,024,000)	-	-	(2,024,000)	(2,024,000)
Current operating liabilities (excluding liabilities to the state, employees and liabilities at fair value)	-	-	(704,686,640)	(704,686,640)	-	-	(838,214,758)	(838,214,758)
Total liabilities with fair value disclosure	-	-	(1,287,455,980)	(1,287,455,980)	-	-	(1,448,269,687)	(1,448,269,687)
Total liabilities	-	(40,294,052)	(1,287,455,980)	(1,327,750,032)	-	(38,710,057)	(1,448,269,687)	(1,486,979,744)

Petrol d.d., Ljubljana Fair value of assets

(in EUR)	30 June 2023				31 December 2022			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss	-	60,414	-	60,414	-	2,525,437	-	2,525,437
Financial assets at fair value through other comprehensive income	-	30,436,631	2,117,914	32,554,545	-	33,376,691	2,117,914	35,494,605
Total assets at fair value	-	30,497,045	2,117,914	32,614,959	-	35,902,128	2,117,914	38,020,042
Non-current loans	-	-	51,229,070	51,229,070	-	-	59,134,780	59,134,780
Current loans	-	-	47,774,495	47,774,495	-	-	41,343,762	41,343,762
Non-current operating receivables	-	-	7,625,022	7,625,022	-	-	7,007,540	7,007,540
Current operating receivables (excluding rec. from the state)	-	-	524,345,097	524,345,097	-	-	566,790,889	566,790,889
Contract assets	-	-	10,625,491	10,625,491	-	-	11,722,300	11,722,300
Cash and cash equivalents	35,998,946	-	-	35,998,946	51,203,361	-	-	51,203,361
Total assets with fair value disclosure	35,998,946	-	641,599,175	677,598,121	51,203,361	-	685,999,271	737,202,632
Total assets	35,998,946	30,497,045	643,717,089	710,213,080	51,203,361	35,902,128	688,117,185	775,222,674

Fair value of liabilities

(in EUR)	30 June 2023				31 December 2022			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial liabilities	-	(517,583)	-	(517,583)	-	(745,579)	-	(745,579)
Commodity derivative instruments	-	(10,014,426)	-	(10,014,426)	-	(16,007,602)	-	(16,007,602)
Total liabilities at fair value	-	(10,532,009)	-	(10,532,009)	-	(16,753,181)	-	(16,753,181)
Non-current financial liabilities	-	-	(310,548,016)	(310,548,016)	-	-	(365,355,088)	(365,355,088)
Non-current lease liabilities	-	-	(25,740,645)	(25,740,645)	-	-	(27,331,350)	(27,331,350)
Current financial liabilities (excluding liabilities at fair value)	-	-	(274,743,922)	(274,743,922)	-	-	(225,066,122)	(225,066,122)
Current lease liabilities	-	-	(3,868,429)	(3,868,429)	-	-	(3,965,318)	(3,965,318)
Non-current operating liabilities (excluding other liabilities)	-	-	(2,024,000)	(2,024,000)	-	-	(2,024,000)	(2,024,000)
Current operating liabilities (excluding liabilities to the state, employees and liabilities at fair value)	-	-	(546,386,691)	(546,386,691)	-	-	(606,024,368)	(606,024,368)
Total liabilities with fair value disclosure	-	-	(1,163,311,703)	(1,163,311,703)	-	-	(1,229,766,246)	(1,229,766,246)
Total liabilities	-	(10,532,009)	(1,163,311,703)	(1,173,843,712)	-	(16,753,181)	(1,229,766,246)	(1,246,519,427)

Changes in Level 3 assets measured at fair value

(in EUR)	The Petrol Group		Petrol d.d.	
	2023	2022	2023	2022
As at 1 January	4,446,423	4,467,121	2,117,914	2,117,914
Disposals	(335,624)	-	-	-
Total profit or losses recognised in the statement of comprehensive income	1,547	-	-	-
As at 30 June	4,112,346	4,467,121	2,117,914	2,117,914

27. Related party transactions

(in EUR)	The Petrol Group		Petrol d.d.	
	1-6 2023	1-6 2022	1-6 2023	1-6 2022
Sales revenue:				
Subsidiaries	-	-	461,075,893	542,077,687
Jointly controlled entities	392,020	2,509,855	14,756	19,875
Associates	17,787	17,071	17,787	17,071
Cost of goods sold:				
Subsidiaries	-	-	105,862,764	76,990,776
Jointly controlled entities	56,595	81,072	-	-
Costs of materials:				
Subsidiaries	-	-	457,912	520,015
Jointly controlled entities	1,544	4,307	-	-
Costs of services:				
Subsidiaries	-	-	461,321	425,382
Jointly controlled entities	1,995	1,596	-	-
Gain from derivatives:				
Subsidiaries	-	-	702,373	695,931
Loss from derivatives:				
Subsidiaries	-	-	2,880,205	1,658,726
Fin. income/expenses from interests in Group				
Subsidiaries	-	-	701,048	-
Jointly controlled entities	237,002	333,075	931,389	115,217
Associates	578,510	452,097	905,389	814,437
Finance income from interest:				
Subsidiaries	-	-	864,930	569,581
Jointly controlled entities	1,370	387	1,370	387
Other finance income:				
Subsidiaries	-	-	53,662	68,513
Associates	-	344	-	344
Finance expenses for interest:				
Subsidiaries	-	-	980,230	1,251,972
Jointly controlled entities	-	174	-	174

(in EUR)	The Petrol Group		Petrol d.d.	
	30 June 2023	31 December 2022	30 June 2023	31 December 2022
Investments in Group companies:				
Subsidiaries	-	-	555,292,232	554,032,932
Jointly controlled entities	583,545	1,277,748	233,000	233,000
Associates	56,540,637	56,968,277	26,610,477	26,610,477
Non-current loans:				
Subsidiaries	-	-	49,829,205	59,087,634
Current operating receivables:				
Subsidiaries	-	-	80,431,769	83,627,973
Jointly controlled entities	285,865	1,100,698	15,732	15,433
Associates	830	1,568	750	1,487
Current loans:				
Subsidiaries	-	-	46,772,259	40,046,732
Jointly controlled entities	4,366	247,383	4,366	247,383
Contract assets:				
Subsidiaries	-	-	1,854,385	5,542,493
Non-current financial liabilities:				
Subsidiaries	-	-	21,000,000	21,000,000
Current financial liabilities:				
Subsidiaries	-	-	170,996,873	164,958,704
Jointly controlled entities	300,000	300,000	300,000	300,000
Current operating liabilities:				
Subsidiaries	-	-	5,220,290	8,515,784
Jointly controlled entities	378	898,293	-	876,704
Contract liabilities				
Subsidiaries	-	-	8,988	2,527
Other liabilities				
Subsidiaries	-	-	3,603,651	11,321,656

28. Contingent liabilities

Contingent liabilities for guarantees issued

(in EUR)	Petrol d.d.		Petrol d.d.	
	30 June 2023	31 December 2022	30 June 2023	31 December 2022
Guarantee issued to:	Value of guarantee issued		Guarantee amount used	
Petrol d.o.o.	94,741,975	176,237,013	94,741,975	110,590,551
E 3, d.o.o.	6,268,195	15,000,000	6,268,195	3,812,407
Petrol Trade Handelsgesellschaft m.b.H.	3,000,000	3,000,000	3,000,000	1,800,000
Petrol BH Oil Company d.o.o. Sarajevo	598,180	5,437,589	1,169,939	166,588
Petrol Crna Gora MNE d.o.o.	308,937	3,000,000	308,937	206,682
Geoplin d.o.o. Ljubljana	169,286	21,000,000	169,286	-
Petrol LPG HIB d.o.o.	30,355	460,163	59,369	-
Vjetroelektrarna Ljubač d.o.o.	-	23,792,130	-	-
Petrol LPG d.o.o.	-	4,700,000	-	-
Petrol d.o.o. Beograd	-	3,999,800	-	1,023
Aquasystems d.o.o.	-	373,318	-	373,318
Total	105,116,928	257,000,013	105,717,701	116,950,569
Bills of exchange issued as security	101,179,771	103,464,125	101,179,771	103,464,125
Other guarantees	108,277,804	7,599,569	108,277,804	7,599,569
Total contingent liabilities for guarantees issued	314,574,503	368,063,707	315,175,276	228,014,263

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 3,174,984 (31 December 2022: EUR 3,150,872). 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 1,914,456 as at 30 June 2023 (31 December 2022: EUR 1,799,722).

The total value of lawsuits against the Group as defendant and debtor totals EUR 4,814,856 (31 December 2022: EUR 4,233,150). 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 2,582,957 as at 30 June 2023 (31 December 2022: EUR 2,511,603).

29. Events after the reporting date

On 7 July 2023, the Government of the Republic of Croatia passed a decree, setting a mechanism of compensation payments to natural gas suppliers for the difference between the purchase price for the relevant energy commodity and the price regulated by the natural gas pricing methodology. The Decree is in force for supplies between 1 April 2023 and 31 March 2024. Geoplin d.o.o. (Zagreb) has already filed an application for the reimbursement of the price difference in the amount of EUR 6.5 million for the period of April–June 2023. Given that the methodology was adopted after 30 June 2023, the claim is not recognised in the Petrol Group's financial statements. Based on the current natural gas exchange quotations for the last quarter of 2023, it is estimated that the shortfall of the adjusted gross profit will amount to EUR 16.1 million in the second half of 2023; a claim for the reimbursement of the price difference will be submitted for the entire shortfall.

On 4 August 2023, Slovenia suffered devastating floods which also damaged some of Petrol's infrastructure. We had to temporarily close some of our points of sale, three of which - Nazarje, Otiški vrh in Žerjav - were still closed on the report publication date. We are making every effort to open them as soon as possible. The supply of heat and natural gas to a part of households in the municipalities of Mežica, Črna na Koroškem, and Prevalje is disrupted due to damage in the gas pipeline infrastructure. The activities to remedy the consequences of flooding are still underway at the time of publication of this report and it is not possible to estimate when the works will be completed, and supply restored. Moreover, the damage to Petrol's buildings and infrastructure has not been estimated yet on the report publication date.

There were no other events after the reporting date that would significantly affect the financial statements for the first six months of year 2023.

Appendix 1: Organisational structure of the Petrol Group

The Petrol Group, 30 June 2023	Fuels and petroleum products	Merchandise and services	Energy and solutions	Other
The parent company				
Petrol d.d., Ljubljana	•	•	•	•
Subsidiaries				
Petrol d.o.o. (100%)	•	•	•	•
Petrol javna rasvjeta d.o.o. (100%)			•	
Adria-Plin d.o.o. (75%)	•			
Petrol BH Oil Company d.o.o. Sarajevo (100%)	•	•	•	
Petrol d.o.o. Beograd (100%)	•	•	•	
Petrol Lumennis PB 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 S d.o.o. (100%)			•	
Zagorski metalac d.o.o. (75%)			•	
Mbills d.o.o. (100%)		•		
Atet d.o.o. (96%; 100% 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%)			•	
Jointly controlled entities				
Geoenergo d.o.o. (50%)			•	
Soenergetika d.o.o. (25%)			•	
Vjetroelektrana Dazlina d.o.o. (50%)			•	
Associates				
Plinhold d.o.o. (29.6985%)			•	
Aquasystems d.o.o. (26%)			•	
Knešca d.o.o. (47.27% of the company is owned by E 3, d.o.o.)			•	

As at 30 June 2023, the Petrol Group diagram does not include inactive companies.

Appendix 2: List of abbreviations in the report

Organizations, companies	CEGH	Central European Gas Hub	
	CINEA	European Climate, Infrastructure and Environment Executive Agency	
	ECB	European Central Bank	
	EEX	European Energy Exchange	
	ESMA	European Securities and Markets Authority	
	FED	Federal Reserve Bank	
	HERA	Croatian Energy Regulatory Agency	
	JP VOKA	Public Utility Company	
	KDD	Central Securities Clearing Corporation	
	OECD	Organisation of Economic Co-operation and Development	
	OPEC	Organization of the Petroleum Exporting Countries	
	SIST	Slovenian Institute for Standardization	
	TCFD	Task force on Climate-Related Financial Disclosures	
	Projects	EOL	Energy Renovation of Ljubljana
		EUO	Energy Management of Buildings
MULTI-E		Project for the development of e-mobility and alternative fuel infrastructure services in Slovenia, Croatia, and Slovakia	
NEXT-E		European project to expand an EV-charging infrastructure in Central and Eastern Europe	
URBAN-E		European project to facilitate e-mobility, intermodal transport and green transport services in city centres (Ljubljana, Bratislava, Zagreb)	
Certificates, programs, methods, standards	AEO	Authorised Economic Operator	
	FSC	Forest Stewardship Council	
	ISCC	International Sustainability and Carbon Certification	
	ISO	International Organisation of Economic Co-operation and Development	
	HACCP	Hazard Analysis Critical Control Point	
	IAS	International Accounting Standards	
	IFRS	International Financial Reporting Standards	
	Software	AQUIS	Software to optimize water distribution in real-time
		SCADA	Supervisory Control And Data Acquisition
	Indicators	ERP	Enterprise Resource Planning
APM		Alternative performance measures	
GDP		Gross domestic product	
CEX		Customer Experience	
EBITDA		Earnings Before Interest, Taxes, Depreciation and Amortization	
EPS		Earnings Per Share	
TNPS		Transactional Net Promoter Score	
Units of measurement, currency		BAM	Bosnia-Herzegovina Convertible Mark
		RSD	Serbian Dinar
		KWh	Kilowatt hour
	MWh	Megawatt hour	
	GWh	Gigawatt hour	
	TWh	Terawatt hour	
Other	PE	Population equivalent – unit for measuring purification plant capacity	
	AC	Alternating current	
	DC	Direct current	
	SPP	Solar power plant	
	ESG	Environmental, social, and governance	
	NMB	Unleaded petrol	
	LPG	Liquefied petroleum gas	
	RES	Renewable energy sources	