



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

In the first three  
months of 2021





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**STATEMENT OF THE MANAGEMENT BOARD**

Members of the Management Board of Petrol d.d., Ljubljana, which comprises Nada Drobne Popović, President of the Management Board, Matija Bitenc, Member of the Management Board, Jože Bajuk, Member of the Management Board, Jože Smolič, Member of the Management Board, and 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 three months of 2021 has been drawn up in accordance with International Financial Reporting Standards as adopted by the EU and gives a true and fair view of the assets and liabilities, financial position, financial performance and comprehensive income of the company Petrol d.d., Ljubljana and other consolidated companies as a whole;
- the business report of the Petrol Group and Petrol d.d., Ljubljana for the first three months of 2021 gives a fair view of the development and results of the Company's operations and its financial position, including the description of material risks that the company Petrol d.d., Ljubljana and other consolidated companies are exposed to as a whole;
- the report of the Petrol Group and the company Petrol d.d., Ljubljana for the first three months of 2021 contains a fair presentation of significant transactions with related entities, which has been prepared in accordance with International Financial Reporting Standards.



**Nada Drobne Popović**  
President of the Management Board



**Matija Bitenc**  
Member of the Management Board



**Jože Bajuk**  
Member of the Management Board



**Jože Smolič**  
Member of the Management Board



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

## INTRODUCTORY NOTES

The report on the operations of the Petrol Group and Petrol, d.d., Ljubljana, Dunajska 50, in the first three months of 2021 has been published in accordance with the Market in Financial Instruments Act, the Ljubljana Stock Exchange Rules, Guidelines on Disclosure for Listed Companies and other relevant legislation.

The figures and explanation of the operations are based on unaudited consolidated financial statements of the Petrol Group and unaudited financial statements of Petrol d.d., Ljubljana for the first three months of 2021 prepared in compliance with the Companies Act and IAS 34 – Interim Financial Reporting.

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

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

The report on the operations in the first three months of 2021 has been published on the website of Petrol d.d., Ljubljana ([www.petrol.eu](http://www.petrol.eu), [www.petrol.si](http://www.petrol.si)), and is available on demand at the registered office of Petrol d.d., Ljubljana, Dunajska cesta 50, 1000 Ljubljana, every working day between 8 am and 3 pm.

The Company's Supervisory Board discussed the report on the operations of the Petrol Group and Petrol d.d., Ljubljana in the first three months of 2021 at its meeting held on 20 May 2021.

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

Company name	Petrol, slovenska energetska družba, d.d., Ljubljana
Abbreviated company name	Petrol d.d., Ljubljana
Registered office	Dunajska cesta 50, 1000 Ljubljana
Telephone	(01) 47 14 234
Website	<a href="http://www.petrol.si">http://www.petrol.si</a> , <a href="http://www.petrol.eu">http://www.petrol.eu</a>
Activity code	47.301
Company registration number	5025796000
Tax number	SI 80267432
Share capital	EUR million 52.24
Number of shares	2,086,301
President of the Management board	Nada Drobne Popović
Members of the Management board	Matija Bitenc, Jože Bajuk, Jože Smolič, Zoran Gračner (worker director)
President of the Supervisory board	Sašo Berger until 10 April 2021, Janez Žlak from 22 April 2021

To present its business performance, the Petrol Group also uses alternative performance measures (APMs) as defined by ESMA. In the report on the operations in the first three months of 2021, these also include the share of operating costs in adjusted gross profit, which is an indicator of cost efficiency, and working capital, which reflects the operational liquidity of the Petrol Group. The APMs we have chosen provide additional information about the Petrol Group's performance.

Alternative performance measure	Calculation information	Reasons for choosing the measure
Adjusted gross profit	Adjusted gross profit = Revenue from the sale of merchandise and services – Cost of goods sold	The Petrol Group has no direct influence over global energy prices, which makes the adjusted gross profit more appropriate to monitor business performance.
EBITDA	EBITDA = Operating profit without allowances for operating receivables and impairment of goodwill + Depreciation and amortisation charge. Until the end of 2020, the depreciation of environmental fixed assets was excluded because long-term deferred revenue had been created for this purpose which was reallocated each year to other operating revenue at an amount corresponding to the depreciation of environmental fixed assets. In the period from January to March 2020, the depreciation of environmental fixed assets amounted to EUR 3.7 thousand.	EBITDA indicates business performance and is the primary source for ensuring returns to shareholders.
Net debt/EBITDA	Net debt = Current and non-current financial liabilities + Current and non-current lease liabilities – Cash and cash equivalents Ratio = Net debt/EBITDA (annualised)	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.
Operating costs/Adjusted gross profit	Ratio = Operating costs/Adjusted gross profit	The ratio is relevant because it concerns the cost-effectiveness of operations.
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 11.8 million in the period from January to March 2021) + Non-current investments (EUR 10.4 million in the period from January to March 2021) – Disposal of fixed assets (EUR 2.8 million in the period from January to March 2021)	The information about investments reflects the direction of the Petrol Group's development.

# HIGHLIGHTS

## The Petrol Group's significant performance indicators

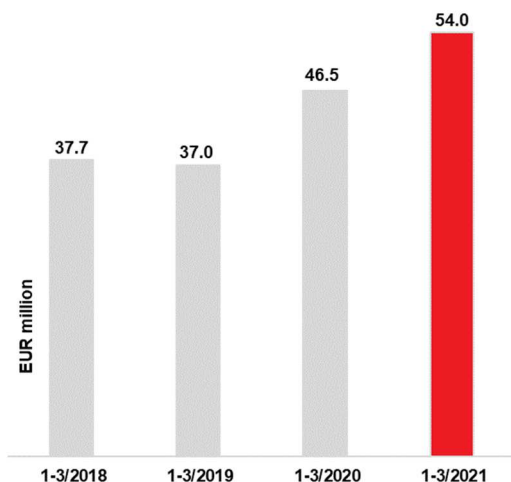
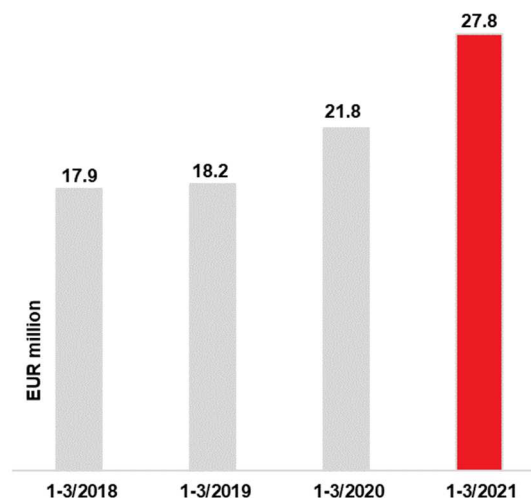
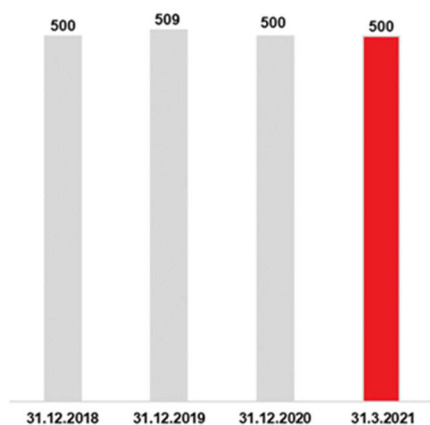
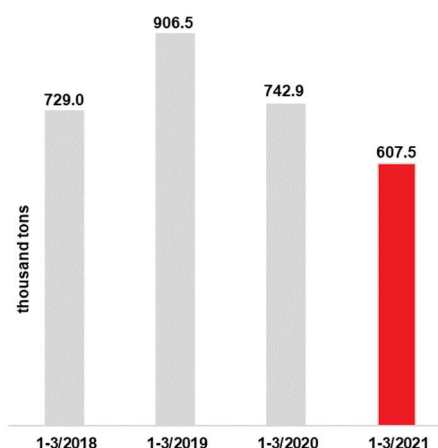
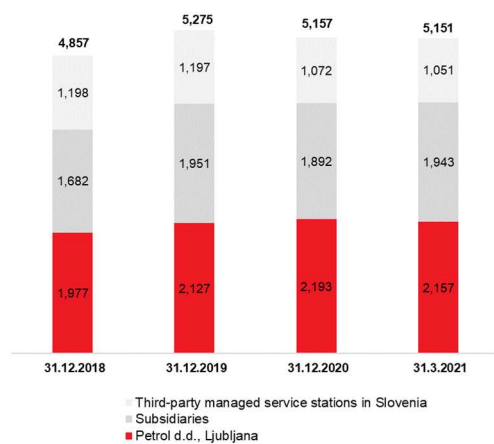
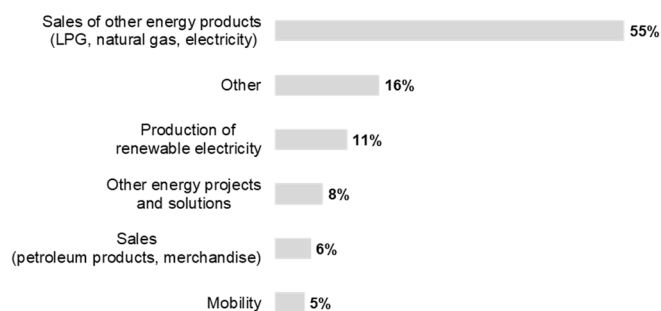
The Petrol Group	Unit	1-3 2021	1-3 2020	Index 2021 / 2020
Sales revenue	EUR million	911.9	916.1	100
Adjusted gross profit <sup>1</sup>	EUR million	137.1	105.3	130
Operating profit	EUR million	35.4	28.4	125
Net profit	EUR million	27.8	21.8	127
EBITDA <sup>1</sup>	EUR million	54.0	46.5	116
Operating costs/Adjusted gross profit <sup>1</sup>	%	70.9	85.3	83
Earnings per share	EUR	13.5	10.6	127
Net debt/EBITDA <sup>1,2</sup>		1.6	2.0	84
Net investments <sup>1</sup>	EUR million	19.4	16.1	120
Volume of petroleum products sold	thousand tons	607.5	742.9	82
Volume of liquefied petroleum gas sold	thousand tons	33.4	42.1	79
Volume of natural gas sold	TWh	13.3	6.4	207
Volume of electricity sold	TWh	3.8	5.7	66
Revenue from merchandise sales	EUR million	129.0	125.2	103

<sup>1</sup> APM

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

The Petrol Group	Unit	31 March 2021	31 December 2020	Index 2021 / 2021
Number of employees		5,151	5,157	100
Number of service stations		500	500	100
Number of e-charging points operated by the Petrol Group		225	184	122
Number of electricity customers	thousand	225.9	92.1	245
Number of natural gas customers	thousand	50.4	50.1	101



**Figure 1: EBITDA of the Petrol Group**

**Figure 2: Net profit or loss of the Petrol Group**

**Figure 3: The number of service stations of the Petrol Group**

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

**Figure 5: Number of employees in the Petrol Group**

**Figure 6: Breakdown of the Petrol Group's investments in the first three months of 2021**


## Strategic Orientation

### Our mission

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

### Our promise

Through energy transition, we create a green future and make a significant contribution to protecting our environment.

### Our vision

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

### Our values

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

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

# BUSINESS REPORT

## The Petrol Group's operations in the first three months of 2021

In 2020 the world faced a pandemic which, combined with strict health and safety measures, also had an impact on the operations of the Petrol Group. The Petrol Group responded to the crisis caused by the epidemic in a comprehensive manner. Initially, activities were focused on ensuring the continuity of operations in the changed circumstances and on identifying and managing risks. Further activities, however, had a long-term focus so that the Petrol Group could operate without interruption in a very different business environment.

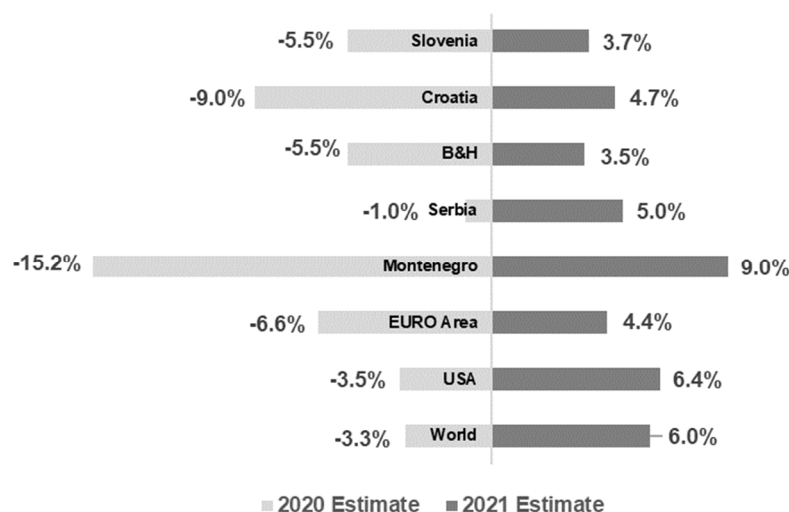
### Business environment

The Petrol Group operates in two highly competitive industries – energy and trade. Besides trends in the area of energy and commerce, the Group's operations are subject to several other and often interdependent factors, in particular changes in energy product prices and the US dollar exchange rate, which are a reflection of global economic trends. In 2021 the economic situation will be significantly affected by economic recovery following the pandemic, and this will in turn be reflected in petroleum prices. In addition, operations in the Petrol Group's markets are influenced to an important extent by local economic conditions (economic growth, inflation rate, growth in consumption and manufacturing) and measures taken by governments to regulate prices and the energy market. Another factor are measures taken by countries to contain the pandemic, as shown when it had first emerged.

The Covid-19 pandemic gave rise to an economic crisis, which was then translated into lower economic growth, consumption and production. The sectors most affected by the pandemic include aviation, public and individual transport, tourism and personal services.

In its projections published in the World Economic Outlook at the beginning of April 2021, the International Monetary Fund assessed the impact of the pandemic on the global economy. Following the significant decline in economic activity in 2020, the economy is expected to recover in 2021, with considerable uncertainty still existing as regards the course of the pandemic in the future.

**Figure 17: Impact of the pandemic on GDP**



Source: International Monetary Fund, World Economic Outlook, April 2021

To mitigate the negative effects of the epidemic, comprehensive packages of measures were adopted at the national level and by the ECB and the European Commission aimed at alleviating the loss of revenue of the economy and the general population, providing liquidity and supporting economic recovery.

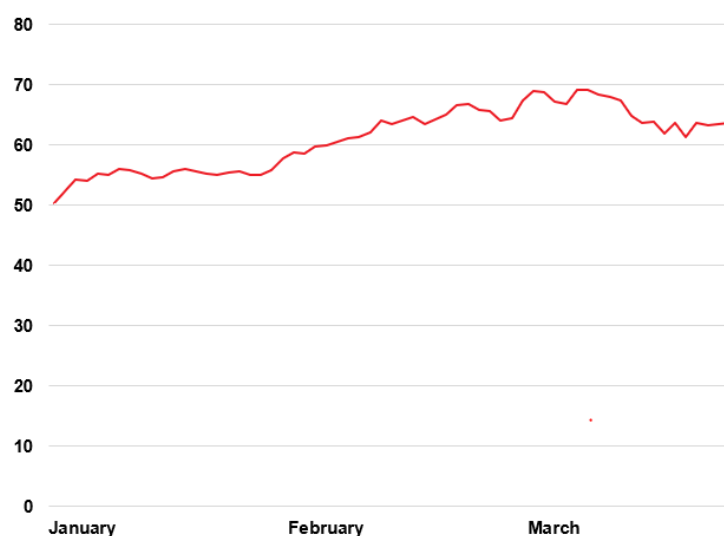
When developing measures and putting them into practice, the Petrol Group complies fully, in all of its markets, with instructions issued by authorities. Its primary concern are measures aimed at protecting the health of Petrol's customers and employees. The general public is informed of all measures as they are adopted. The Petrol Group adapts its measures to reflect the latest situation in its markets.

A number of the measures aimed at containing the epidemic have to do with movement restrictions. In Slovenia, various movement restriction measures (laid down in the Ordinance on the temporary partial restriction of movement of people and on the prohibition of gathering of people to prevent the spread of COVID-19, as amended) were in place in 2021, depending on how the epidemic evolved. These included the prohibition of movement between municipalities, a ban on the movement of people between 9 pm and 6 am (in force until 11 April 2021), restricted crossing of state borders (obligatory testing for SARS-CoV-2, quarantine, etc.). Movement restriction measures have a negative impact on transport and mobility, thus depressing the sales of petroleum products.

The Petrol Group's operations are also significantly affected by changes in the prices of oil and petroleum products in the world market, the method of determining the retail prices of petroleum products and changes in the US dollar to the euro exchange rate.

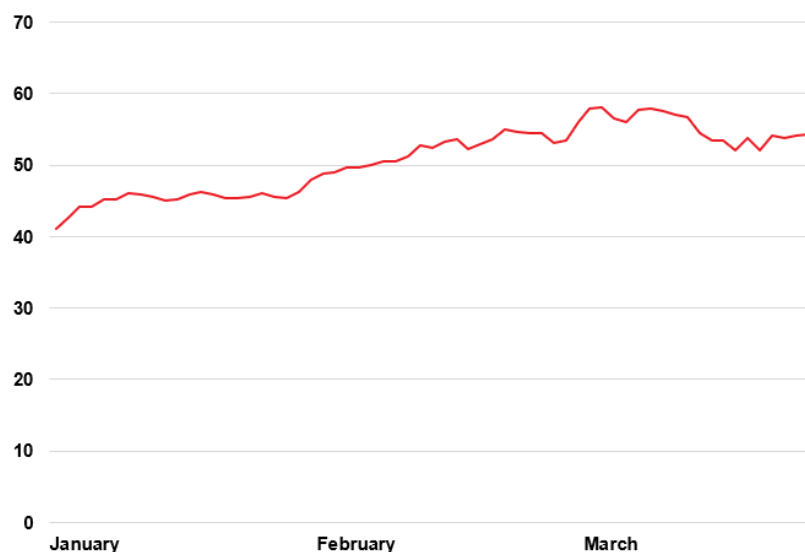
The average price of Brent Dated North Sea crude oil stood at USD 61.1 per barrel in the first three months of 2021 and was up 22 percent year-on-year whereas the average price in euros increased by 12 percent year-on-year. In the period concerned, the price of Brent crude peaked on 12 March 2021, reaching USD 69.3 per barrel. Its lowest price was recorded on 4 January 2021 at USD 50.3 per barrel. The prices of petrol and middle distillates followed the same trends as crude oil prices.

**Figure 8: Changes in Brent Dated High oil price in the first three months of 2021 in USD/barrel**



Source: Petrol, 2021

**Figure 9: Changes in Brent Dated High oil price in the first three months of 2021 in EUR/barrel**



Source: Petrol, 2021

The pandemic, which emerged in 2020 and affected all major economies in the world, caused a decline in oil demand across the globe. At the same time, excess supply began to emerge, leading to a significant drop in the prices of oil. After an initial shock, oil prices began to recover. Future oil price movements will continue to depend largely on OPEC's oil output agreements, relations between the United States and Russia and between the United States and China, and also on recovery expectations following the pandemic, US and EU oil stocks figures and demand in China.

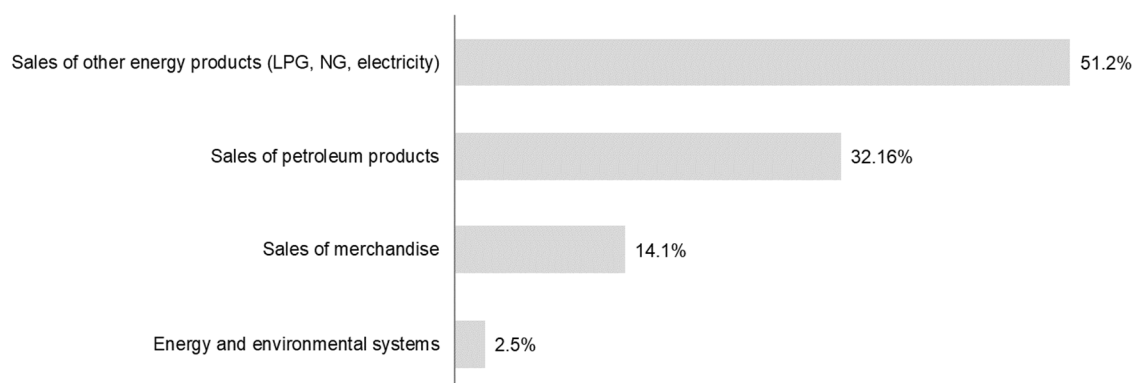
In Slovenia, Croatia, Serbia and Bosnia and Herzegovina, the retail selling prices of petroleum products have been liberalised and determined by the market. In Montenegro, the prices of petroleum products are set in accordance with the Regulation on the Method of Setting Maximum Retail Prices, which has been in force since 1 January 2011. The prices change fortnightly, provided that prices on the oil market (Platts European Marketscan) and the exchange rates of the euro and the US dollar change by more than 5 percent.

The US dollar to the euro exchange rate ranged between 1.17 and 1.23 US dollars per euro in the first three months of 2021. The average exchange rate of the US dollar according to the exchange rate of the European Central Bank stood at 1.20 US dollars per euro in the period concerned.

## The Petrol Group's business performance in the first three months of 2021

The Petrol Group's **sales revenue** for the first three months of 2021 stood at EUR 911.9 million, which was on a par with the results for the same period of 2020 despite a drop in the sales of petroleum products. This was mainly attributable to higher oil prices, improved natural gas sales and the incorporation of the company E 3 d.o.o. into the Petrol Group. In January and February 2020, the Petrol Group operated without any disruption. In March 2020, however, the business environment deteriorated considerably as the pandemic began. In the first three months of 2021, we were still faced with a range of measures taken by countries to curb the epidemic, which restricted movement between local communities as well as countries.

**Figure 10: The Petrol Group's sales revenue broken down by activity**



In the first three months of 2021, the Petrol Group sold 607.5 thousand tons of petroleum products, a year-on-year decrease of 18 percent. 45 percent of the sales were generated in retail and 55 percent in wholesale operations. The biggest decrease was recorded in relation to the sale of fuels in the EU markets, especially Italy, where a number of excise warehouses were shut down. This prevented us from increasing imports of petroleum products to the country. Due to movement restriction measures taken by countries to curb the coronavirus epidemic, retail sales were also down year-on-year. The largest decrease was observed in Slovenia, which is the Group's largest retail market. In Slovenia, the three-month sales of petroleum products stood at 308.9 thousand tons, accounting for 51 percent of the Petrol Group's total sales. In the same period, the Group sold 174.0 thousand tons of petroleum products in SE Europe markets, representing 29 percent of the Petrol Group's total sales, and 124.6 thousand tons in EU markets, which represented 20 percent of the Group's total sales.

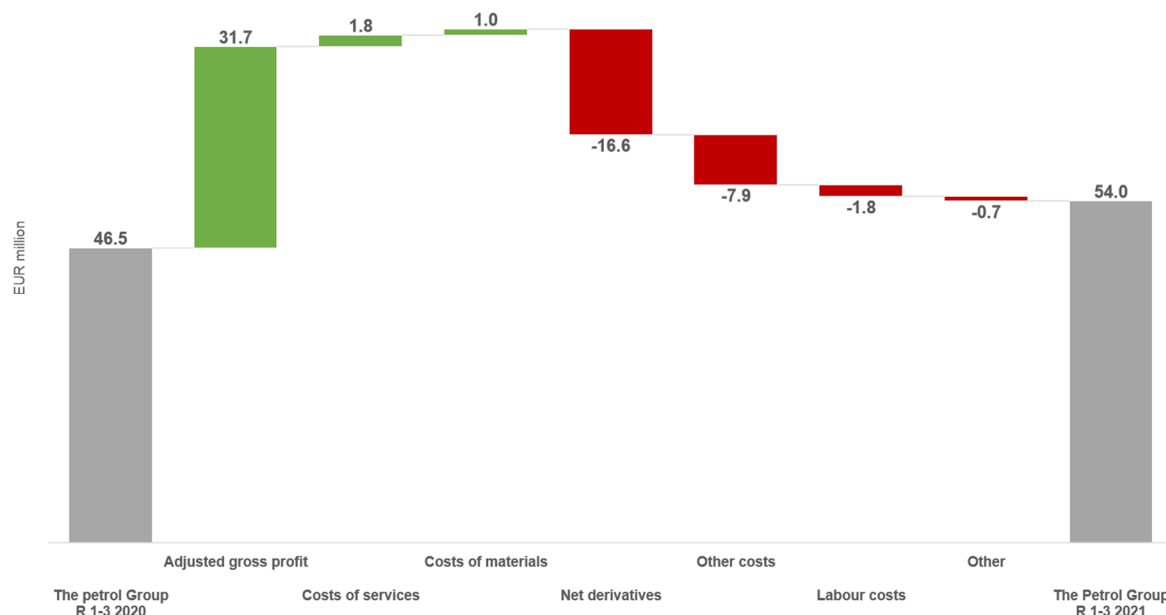
At the end of March 2021, the Petrol Group's retail network consisted of 500 service stations, of which 318 were in Slovenia, 110 in Croatia, 42 in Bosnia and Herzegovina, 15 in Serbia and 15 in Montenegro.

In the first three months of 2021, EUR 129.0 million was generated in revenue from the sale of merchandise, an increase of 3 percent compared to the same period of the previous year.

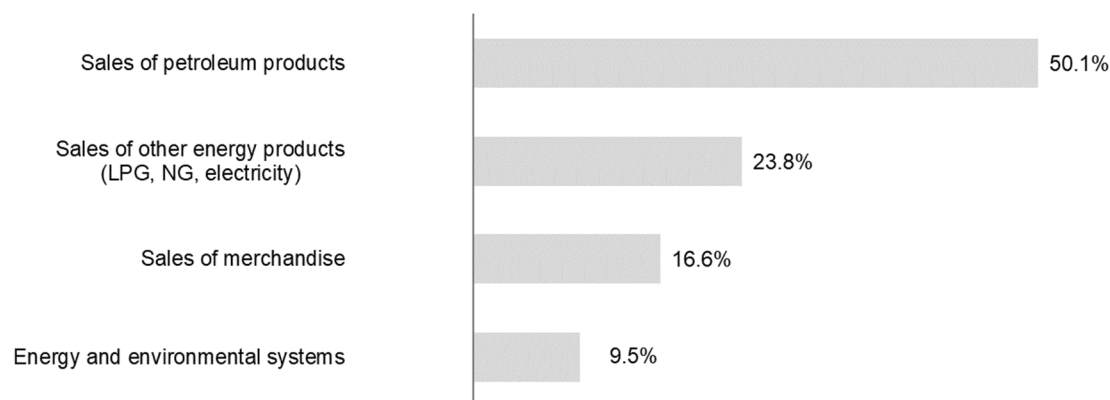
In the period concerned, we also sold 33.4 thousand tons of LPG, 13.3 TWh of natural gas, 3.8 TWh of electricity and 68.9 thousand MWh of heat.

**EBITDA** amounted to EUR 54.0 million in the first three months of 2021, which was 16 percent more than in the first three months of 2020. This was achieved by successfully adapting sales to market conditions and through effective cost management.

**Figure 11: EBITDA in the first three months of 2021 compared to the same period of 2020**



**Figure 12: The Petrol Group's EBITDA broken down by activity**

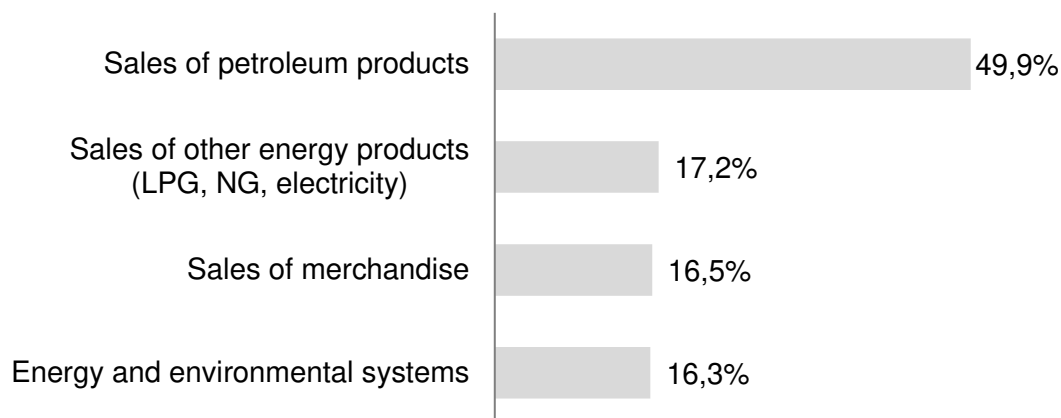


**Adjusted gross profit** stood at EUR 137.1 million in the period concerned, which was 30 percent more than in the first three months of 2020. In the first three months of 2021, we secured better procurement conditions both for petroleum products and merchandise. In addition, as the setting of selling prices was liberalised in Slovenia, the real costs of the biocomponent, which we are legally required to add to fossil fuels, could be included in the petroleum-product selling prices in the Slovene market. We were also very successful in selling natural gas. As the situation stabilised in the EU markets, better financial results were achieved despite a decrease in sales in the Italian market. In the last weeks of March 2020, the impact of the Covid-19 epidemic, which led to goods surpluses in the market, could already be felt in



these markets. This caused prices in global petroleum-product markets to decline sharply, leading to a financial performance that was much worse last year relative to this year.

**Figure 13: The Petrol Group's adjusted gross profit broken down by activity**



In the first three months of 2021, **operating costs** totalled EUR 97.2 million and were up 8 percent year-on-year. The share of these costs in the adjusted gross profit for the period concerned stood at 71 percent and amounted to 85 percent in the same period of 2020.

**Table 2: The Petrol Group's operating costs**

The Petrol Group (EUR)	1-3 2021	1-3 2020	Index 21/20
Costs of materials	7,810,829	8,815,770	89
Costs of services	32,277,274	34,078,196	95
Labour costs	27,967,847	26,119,860	107
Depreciation and amortisation	18,535,103	18,127,461	102
Other costs	10,561,863	2,655,674	398
<b>Operating costs</b>	<b>97,152,916</b>	<b>89,796,961</b>	<b>108</b>

The costs of materials totalled EUR 7.8 million in the first three months of 2021, which was 11 percent less than in the same period of 2020, owing to a decrease in the costs of energy and consumables.

The costs of services stood at EUR 32.3 million and were down 5 percent year-on-year. The costs of service station managers decreased thanks to the streamlining of business and the fact that the management of some service stations was transferred to the parent company. In addition, outsourcing costs and the costs of consultancy services and maintenance also decreased. However, lease payments (increase in the costs of computer equipment leasing), the costs of payment transactions and bank services as well as the costs of fairs, advertising and entertainment were up, primarily due to the incorporation of the company E 3 d.o.o. into the Petrol Group.

Labour costs, which stood at EUR 28.0 million, were up 7%. At Petrol d.d., the increase resulted primarily from higher sales performance related costs in line with good business results and a change in the management of certain service stations, which was transferred from managers to the parent company. Furthermore, labour costs increased because of the incorporation of E 3 d.o.o. into the Petrol Group.

In line with the measures taken by countries to contain the Covid-19 epidemic, the Petrol Group made use of measures relating to the reimbursement of labour costs of EUR 0.3 million, recording their effects as a decrease in labour costs.

The depreciation and amortisation charge, which stood at EUR 18.5 million in the first three months of 2021, increased by 2 percent compared with the same period of 2020 due to the incorporation of the company E 3 d.o.o. into the Petrol Group and the expansion of operations in the area of energy and environmental systems.

Other costs totalled EUR 10.6 million and were up EUR 7.9 million year-on-year, mostly on account of higher impairment of fixed assets.

**Other revenue** stood at EUR 11.2 million, which was EUR 37.3 million less than in the same period of 2020. Gain on derivatives totalled EUR 10.0 million or 37.0 million less than in 2020. **Other expenses** stood at EUR 15.7 million, which was EUR 20.0 million less than in the same period of 2020. Loss on derivatives totalled EUR 15.1 million or EUR 20.4 million less than in the same period of 2020. The Petrol Group is exposed to price and volumetric risks arising from energy operations (petroleum products, natural gas, electricity, LPG). The Group manages price and volumetric risks primarily by aiming to align purchases and sales of energy products in terms of quantities as well as purchase and sales conditions, thus securing its margin. Depending on the business model for each energy product, limits are in place that restrict exposure to price and volumetric risks. To hedge petroleum product prices, the Group uses mostly derivative financial instruments. Partners in this area include global financial institutions and banks or suppliers of goods, which is why the Group considers the counterparty default risk as minimal. The Group enters into derivative financial instruments also in connection with electricity trading, engaging financial institutions to ensure minimal counterparty default risk and taking into account market value limits it has adopted.

In the first three months of 2021, **operating profit** totalled EUR 35.4 million and was up 25 percent year-on-year.

The **share of profit from equity accounted investees** totalled EUR 0.3 million and was down 8 percent year-on-year.

**Net finance expenses** stood at EUR 2.7 million in the first three months of 2021 and were up EUR 0.8 million year-on-year. Net foreign exchange losses were EUR 2.2 million higher in the first three months of 2021 than in the same period of 2020, with net gains on derivatives decreasing by EUR 0.7 million compared to the same period of previous year. In the first three months of 2021, the Petrol Group's allowances for operating receivables decreased by EUR 0.8 million year-on-year. In the first three months of 2021, the Petrol Group did not impair its investments and goodwill. In the first three months of 2020, however, the impairments amounted to EUR 0.9 million.

**Pre-tax operating profit** for the first three months of 2021 amounted to EUR 33.1 million and was up 23 percent year-on-year. **Net profit** for the first three months of 2021 totalled EUR 28.0 million or 27 percent more than in the same period of 2020.

The Petrol Group's **total assets** stood at EUR 1.8 billion as at 31 March 2021, which was on a par with the balance at the end of 2020. Non-current assets totalled EUR 1.1 billion, which was on a par with the balance at the end of 2020, with current assets amounting to EUR 720.0 million, also on a par with the balance at the end of 2020. Current operating receivables were up EUR 73.2 million compared with the end of 2020, which was primarily due to the incorporation of the company E 3 d.o.o. into the Petrol Group and higher sales of natural gas.

The Petrol Group's **equity** equalled EUR 854.6 million as at 31 March 2021, an increase of 3 percent year-on-year.

**Net debt** totalled EUR 352.1 million or EUR 24.1 million more than at the end of 2020. The annualised **net debt to EBITDA ratio** stood at 1.6 compared to 2.0 at the end of 2020.

As at the last day of the period concerned, on 31 March 2021, the Petrol Group had EUR 140.7 million in **working capital** or EUR 54.6 million more than at the end of 2020 when it had stood at EUR 86.2 million. This was mainly the result of higher operating receivables.

By responding quickly to changed market conditions, both by adjusting and diversifying its product range and by streamlining and optimising costs, the Petrol Group managed to lessen the negative impact of the pandemic on its operations already in 2020. The efforts and activities aimed at optimising costs and streamlining business operations had a positive impact also on the business results for the first three months of 2021. The Petrol Group will continue to closely monitor the behaviour of its customers and adapt its range to reflect market conditions.

What follows is a detailed presentation of the Petrol Group's operations in the first three months of 2021 broken down by type of activity:

- A. Sales, consisting of petroleum product sales, liquefied petroleum gas sales, natural gas sales, electricity sales and trading, merchandise sales and sale of services
- B. Energy and environmental systems, consisting of energy solutions, heat systems, natural gas distribution, mobility and production of renewable electricity

## **A. SALES**

In the first three months of 2021, the Petrol Group's revenue generated in the sales segment stood at EUR 889.1 million.

### **Sales of petroleum products**

In the first three months of 2021, the Petrol Group sold 607.5 thousand tons of petroleum products, a year-on-year decrease of 18 percent. The biggest decrease was recorded in relation to the sale of fuels in the EU markets, especially Italy, where a number of excise warehouses were shut down. This prevented us from increasing imports of petroleum products to the country. Due to movement restriction measures taken by countries to curb the coronavirus epidemic, retail sales were also down year-on-year. The largest decrease was observed in Slovenia, which is the Group's largest retail market.

In Slovenia, 308.9 thousand tons of petroleum products were sold in the first three months of 2021, a year-on-year decrease of 2 percent. Good results were achieved in diesel fuel sales.

In SE Europe markets, 174.0 thousand tons of petroleum products were sold in the first three months of 2021, a year-on-year decrease of 3 percent.

In EU markets, 124.6 thousand tons of petroleum products were sold in the first three months of 2021, a year-on-year decrease of 49 percent. This was mainly the result of the changed selling conditions in Italy.

### **Sales of merchandise**

Merchandise sales consist of sales of automotive products, foodstuffs, accessories, tobacco and lottery products, coupons and cards, coffee-to-go and other merchandise. The Petrol Group generated EUR 129.0 million in revenue from the sale of merchandise in the first three months of 2021, an increase of 3 percent compared to the same period of the previous year.

In Slovenia, EUR 111.4 million was generated in revenue from the sale of merchandise in the first three months of 2021, an increase of 4 percent compared to the same period of the previous year. The best results were achieved in tobacco sales and in the sale of hot beverages (coffee to go) and products from the Fresh range. The range at Petrol's points of sale is modified and expanded as we try to accommodate the needs of our service station customers by quickly adapting the range.

In SE Europe markets, EUR 17.5 million was generated in revenue from the sale of merchandise in the first three months of 2021, a decrease of 2 percent compared to the same period of the previous year. The best results were achieved in tobacco, hot beverage and food sales.

### **Sales of services**

Services consist of revenue from storage and petroleum-product handling services, renting of business premises and hospitality facilities, transport, carwash services, revenue from Petrol Club cards, and other services. In the first three months of 2021, the Petrol Group generated

EUR 10.0 million in revenue from the services related to oil and merchandise sales, down 6 percent compared to the same period of 2020.

### **Sales of liquefied petroleum gas**

In the first three months of 2021, the Petrol Group sold 33.4 thousand tons of liquefied petroleum gas, a year-on-year decrease of 21 percent. The drop in LPG sales in the first quarter was primarily due to lower sales by Petrol LPG d.o.o., which had to deliver goods using railway tankers instead of barges at the Smederevo terminal because of logistical problems. This has diminished our competitiveness in the market. Decreased mobility (stemming from the Covid-19 containment measures) both in Slovenia and Croatia has also caused a drop in the sales of LPG as a propulsion fuel.

At the end of March 2021, the Petrol Group operated 5 LPG supply concessions in Slovenia. In addition, the company Petrol d.o.o. has LPG supply contracts in the towns of Šibenik and Rijeka. Liquefied petroleum gas is supplied to customers also through LPG storage tanks and at service stations as autogas.

### **Sales of natural gas**

At the end of March 2021, the Petrol Group had 50.4 thousand natural gas customers. In the first three months of 2021, the Petrol Group sold 13.3 TWh of natural gas, a year-on-year increase of 107 percent. This was the result of low temperatures during the heating season and higher sales in foreign markets.

### **Electricity sales and trading**

The Petrol Group has positioned itself as an important electricity market player. It set up a complete infrastructure for wholesale electricity trading in Slovenia, EU countries and SE Europe countries. Electricity sales to end users (businesses and households) already in place in Slovenia are now being expanded to SE Europe. At the end of March 2021, the Petrol Group had 225.9 thousand electricity customers.

In the first three months of 2021, the Petrol Group sold 3.8 TWh of electricity, a year-on-year decrease of 34 percent. This was the result of a lower trading volume. Sales to end customers stood at 0.9 TWh in the first three months of 2021, which was 112 percent more than in the same period of 2020. This was primarily due to the incorporation of the company E 3 d.o.o. into the Petrol Group. With the acquisition of E 3 d.o.o., the Petrol Group has strengthened considerably its position in the market for the sale of electricity to end customers.

## **B. ENERGY AND ENVIRONMENTAL SYSTEMS**

In the first three months of 2021, the Petrol Group generated EUR 22.8 million in sales revenue in the area of energy and environmental systems.

Energy and environmental systems consist of a range offered in the following segments:

- Energy and environmental solutions (systems of energy and environmental management of buildings, water supply systems, efficient lighting systems)
- Heat systems
- Natural gas distribution
- Mobility
- Production of renewable electricity

### **Energy and environmental solutions**

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

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

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

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

### **Heat systems**

District heat 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, with the system itself providing the following supply advantages:

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

- lower cost of operation and major repairs.

In the first three months of 2021, the Petrol Group sold 68.9 thousand MWh of heat, a year-on-year increase of 2 percent.

### **Natural gas distribution**

At the end of March 2021, the Group operated 31 natural gas supply concessions in Slovenia. In Serbia, it supplied natural gas to the municipalities of Bačka Topola and Pećinci as well as to three Belgrade municipalities. At the end of 2018, the Petrol Group also established itself in Croatia where its company Zagorski metalac d.o.o. distributes natural gas in certain municipalities of the Zagorje-Krapina County and the Zagreb County.

In the first three months of 2021, the Petrol Group distributed 533.0 thousand MWh of natural gas, a year-on-year increase of 13 percent.

### **Mobility**

- E-mobility – setting up, managing and maintaining infrastructure for the charging of electric vehicles, and provision of the charging service
- Mobility services – “vehicle as a service”, fleet management, short-term leasing and door-to-door services in cooperation with the subsidiary Atet d.o.o.

As part of e-mobility, we provide services related to the setting up, management and maintenance of infrastructure for the charging of electric vehicles as well as services linked to the very performance and billing of the charging service, and also customer care. These services and solutions are offered also to companies and municipalities. At the end of March 2021, the Petrol Group operated 165 standard and 59 fast charging points as well as 1 ultra-fast charging point. In 2021 we set up and successfully launched Petrol's first ultra-fast charging point at Kozina service station, which supports charging up to 350 KW.

In the first quarter of 2021, we successfully launched the OneCharge app in Croatia, which is a prerequisite for billing the charging service in the future. In addition, the infrastructure in Croatia was integrated into the world's largest roaming platform, Hubject, so that as many charging providers as possible can have access to it. In the first quarter, we entered into agreements with 10 new charging providers, giving them roaming access to Petrol's infrastructure in Slovenia.

In the area of mobility services, we develop services related to new concepts and types of mobility such as "vehicle as a service". Following a successful acquisition of Atet d.o.o., our range of market services now also includes short-term leasing of vehicles and door-to-door services. In addition, we develop commercial fleet management services, aiming to assist larger companies and municipalities to make a transition towards electrification, manage their fleets and, as the ultimate goal, optimise their fleets in terms of costs and function.

In 2021 we continued our work on all three international projects, for which EU grants were received, and we established partnerships to jointly finance the setting up of charging points along motorways.



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

### **Production of renewable electricity**

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

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

The Petrol Group has been involved in electricity production since 2003, when electricity was produced at smaller production plants (photovoltaics, micro cogeneration, biogas plants). We produce hydroelectric power in Bosnia and Herzegovina, where electricity is produced at four small hydroelectric plants on rivers Jezernica and Kozica as well as at the small hydroelectric power plant Jeleč. In Croatia, we produce wind electricity at Glunča power plant. In 2020 the construction of 30 MW Ljubač wind power plant was launched, which is expected to be connected to the grid in June 2021.

In the first three months of 2021, the Petrol Group produced 30.7 thousand MWh of electricity, a year-on-year increase of 14 percent.



## **Sustainable development**

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

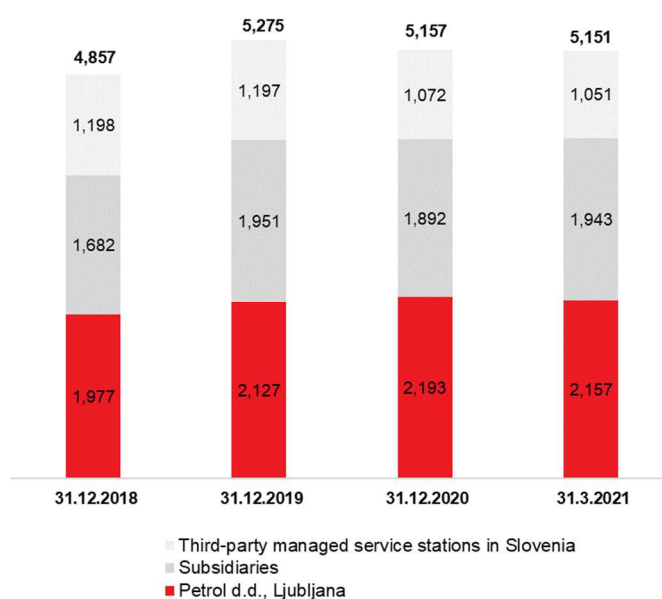
The Petrol Group has a three-fold sustainable orientation:

- Low-carbon energy company – focusing on a more sustainable energy portfolio and mobility, own production of renewable electricity, energy efficiency and on reducing the carbon footprint.
- Partners with employees and the social environment – focusing on boosting corporate integrity, providing for healthy working conditions and employee satisfaction, with the support for the wider community in all markets where the Petrol Group operates (support for humanitarian, cultural, sports and environmental projects) also having a prominent role.
- Circular economy – involvement in wastewater treatment, recycling of carwash water and re-use of industrial wastewater. Particular attention is paid to reducing or replacing raw materials used in packaging with recycled and biodegradable materials.

## **Employees**

On 31 March 2021, the Petrol Group had 5,151 employees, of which 35 percent worked for subsidiary companies abroad. The number of employees decreased by 6 compared to the end of 2020. At Petrol d.d., Ljubljana and third-party managed points of sale, the number of employees decreased by 57, whereas the number of employees working at the subsidiaries increased by 51, owing to the incorporation of E 3 d.o.o. into the Petrol Group.

**Figure 214: Changes in the number of employees of the Petrol Group and at third-party managed service stations in the period 2018 – 2021**



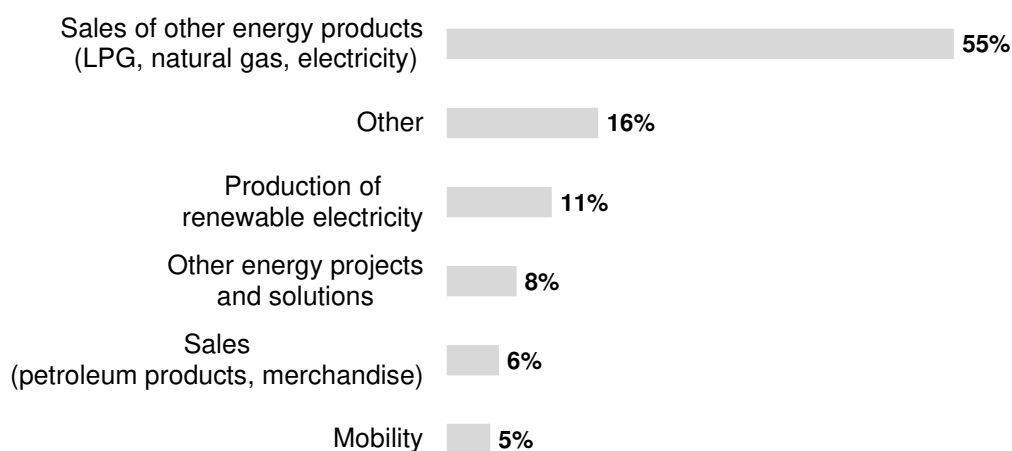
## Training

In the first three months of 2021, the Petrol Group provided more than 14.5 thousand teaching hours of training (with over 7.6 thousand participants). An internal training system has been set up within the Petrol Group to provide training to all employees in a systematic and comprehensive manner. Due to the pandemic, most training is provided remotely as online courses or webinars. In the case of training courses which need to be carried out live, the guidelines of the National Institute of Public Health and internal recommendations prepared by Petrol's specialist services are strictly observed.

## Investments

In the first three months of 2021, net investments in property, plant and equipment, intangible assets and long-term investments stood at EUR 19.4 million (as opposed to EUR 16.1 million in the first three months of 2020). Out of the above amount, 55 percent was allocated to sales of other energy products (LPG, natural gas, electricity), 16 percent to other areas (upgrading of information and other infrastructure), 11 percent to production of renewable electricity, 8 percent to other energy projects and solutions, 6 percent to sales of petroleum products, and 5 percent to mobility.

**Figure 15: Breakdown of the Petrol Group's investments in the first three months of 2021**



## The quality management system

The company Petrol has a certified 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.

In 2021 regular activities related to the maintenance of the quality management systems are being carried out. The energy management system is being adapted to meet the requirements of the new edition of ISO 50001.

At the company Petrol d.o.o., Beograd, an ISO 9001, ISO 14001 and ISO 45001 surveillance audit was carried out in January 2021 in respect of the process Sale of Industrial Equipment, Engineering and Project Management. The validity of the certificates was preserved.

At the company Beogas d.o.o., a surveillance audit of the ISO 9001:2015 quality management system took place in March 2021. The validity of the certificate was preserved.

In March 2021, Petrol Laboratory received a monitoring visit by SA in connection with its quality management system certified to the SIST EN ISO/IEC 17025:2021 standard. Currently, Petrol Laboratory has 54 accredited test methods and is in the process of expanding its accreditation to an additional test method.

At Petrol d.d., Ljubljana, a report was prepared to extend the Responsible Care certificate, which is now valid until January 2022.

**Table 3: Overview of certificates and laboratory accreditations**

Company	Quality management system	Environmental management system	Energy management system	Laboratory accreditations	Other certificates
Petrol d.d., Ljubljana	ISO 9001: 2015	ISO 14001: 2015	ISO 50001: 2011	SIST EN ISO/IEC 17025: 2017 SIST EN ISO/IEC 17020: 2012	ISCC, AEO***, RC*, FSC**
Petrol d.o.o.	ISO 9001: 2015	ISO 14001: 2015	/	/	/
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: 2004	/	/	ISO 45001

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

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

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

## **Social responsibility**

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

## **Risk management**

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

In its 2021 – 2025 strategy, the Petrol Group has adjusted its business objectives according to its risk management policies and its risk appetite.

In the first three months of the year, all activities adopted in 2020 in order to manage risks arising from the coronavirus pandemic were continued. These activities were aimed at managing and mitigating the negative effects of the pandemic.

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

A report on the impact of the coronavirus (COVID-19) pandemic on the Petrol Group's operations and risk management is available also in section The Petrol Group's operations in the first three months of 2021.

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

- Environment risks and
- Performance risks.

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

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

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

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

The Petrol Group purchases petroleum products under international market conditions, pays for them mostly in US dollars and sells them in local currencies (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.

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

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

### **Credit risk**

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

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

As part of the usual receivables management processes, we constantly and actively pursue the collection of receivables, a process which was even more intense in 2020 due to the exceptional economic situation. We refine procedures for approving the amount of exposure (limits) to individual buyers and, in these demanding times, 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). In the previous year, this was a significant challenge. 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 SE Europe 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. To monitor most of our subsidiaries, we use a joint receivables management application, which provides us with automated control over the exposure to individual customers and the possibility to respond immediately. The data pertaining to the parent company and a subsidiary is monitored using the new ERP and DWH system. In addition, we introduced centralised control over credit insurance instruments received and centralised the collection process.

Due to the quarantine and the resulting drop in economic activity, companies were faced with liquidity shocks leading to our customers having a higher credit risk. In the first three months of 2021, the Petrol Group continued to monitor closely the indicators of increased risk and engaged in intensive communication with its customers. The balance of receivables is still

subject to daily and close monitoring at the operational level for all Petrol Group companies and we actively work with customers when it comes to collecting them.

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

We consider that credit risks are adequately managed within the Petrol Group. Our assessment is based on the nature of our products, our market share, our large customer base, a higher volume of secured receivables and the small share of overdue receivables. 60 percent of receivables from legal entities are secured, with credit insurance and offsetting against trade liabilities being most widely used insurance instruments (together accounting for 81 percent).

### **Liquidity risk**

The Petrol Group has been assigned a BBB- long-term international credit rating, an A-3 short-term credit rating and a stable credit rating outlook by Standard & Poor's Ratings Services, which reaffirmed the ratings on 9 April 2021. This investment-grade rating enables us to tap international financial markets more easily and represents an additional commitment towards successful operations and the deleveraging of the Petrol Group. Liquidity risks are managed in accordance with relevant S&P methodology.

In the first three months of 2021, average petroleum product prices were higher year-on-year, meaning that slightly more working capital is needed. Through existing long-term and short-term credit lines, which were increased in 2020 due to the pandemic, we have been able to ensure continued liquidity of the Petrol Group. Should the economic situation deteriorate, the size of the credit lines will enable us to do business without interruption. The additional credit lines will help us to ensure appropriate liquidity structure of the Petrol Group in accordance with S&P criteria also in this situation.

To maintain liquidity, we began in 2020 to actively prepare even more detailed sensitivity analyses and draw up short-term liquidity and working capital forecasts. This practice was continued also in the first quarter of this year.

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

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

### **Interest rate risk**

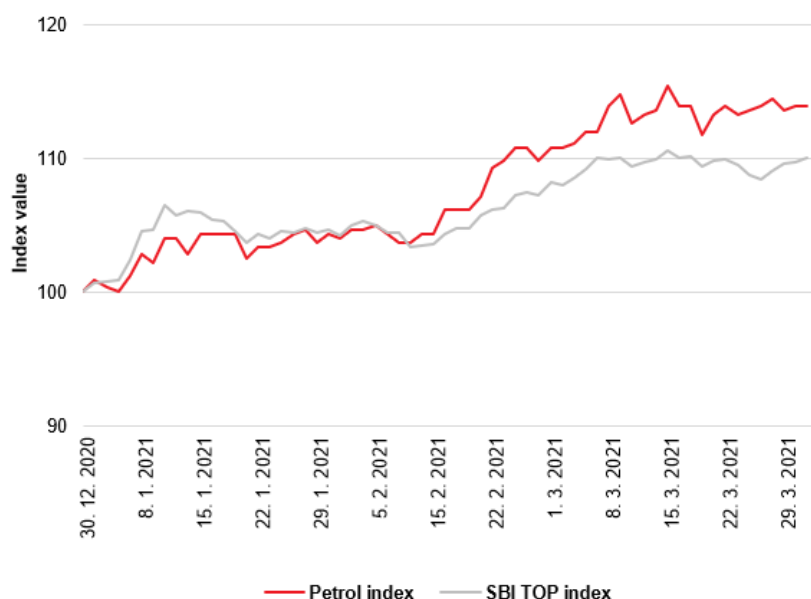
The Petrol Group regularly monitors its exposure to the interest rate risk. 85 percent of the Group's non-current financial liabilities contain a variable interest rate that is linked to EURIBOR. The average EURIBOR rates in the first three months of 2021 were similar to the ones at the end of 2020 and thus remain historically low (negative).

To hedge against exposure to the interest rate risk, a large portion of variable interest rates is transformed into a fixed interest rate using derivative financial instruments, thus protecting our net interest position. In the first three months of 2021, no additional interest rate hedging contracts were concluded.

## **Petrol's shares**

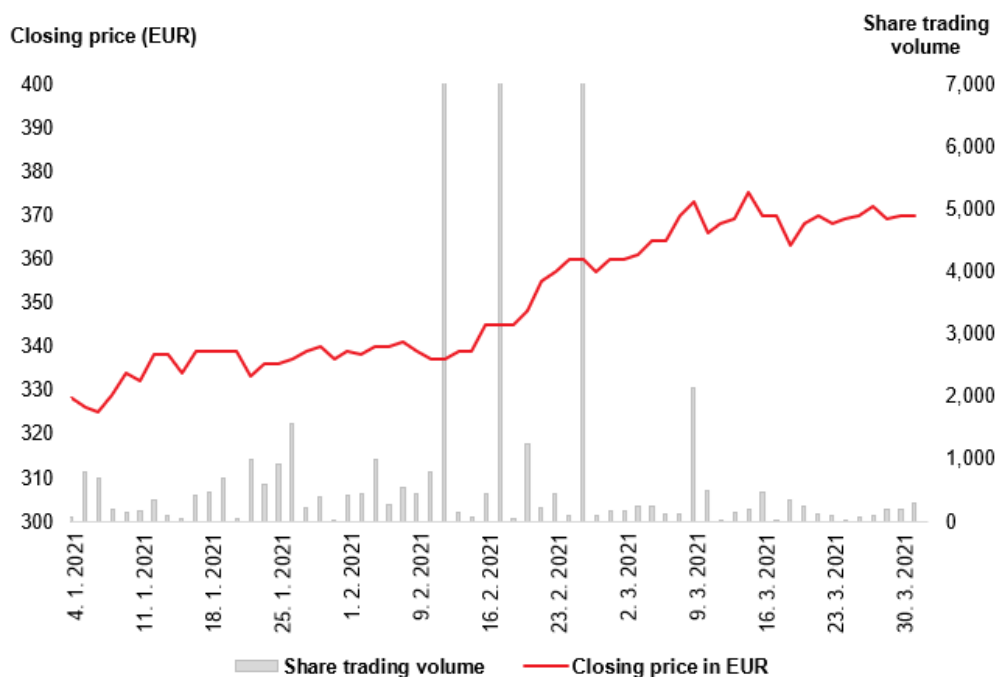
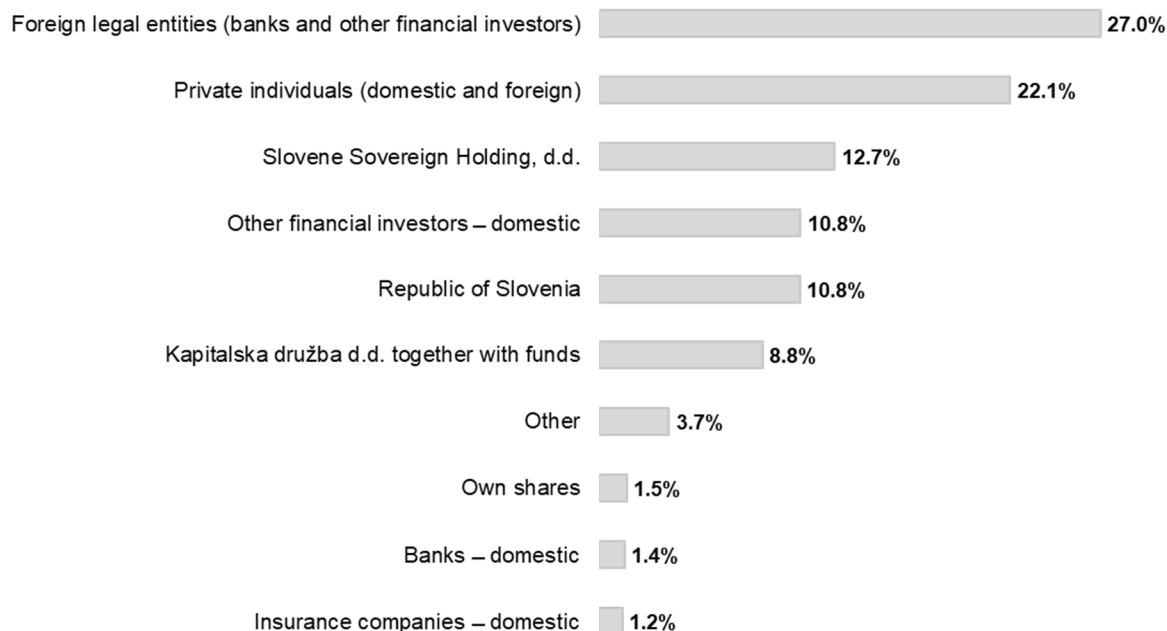
At the end of March 2021, share prices at the Ljubljana Stock Exchange were higher than at the end of 2020. This was also reflected in the SBITOP, the Slovene blue-chip index, which is used as a benchmark and provides information on changes in the prices of the most important and liquid shares traded on the regulated market. The index also comprises Petrol's shares. The SBITOP stood at 990.21 as at the end of March 2021 and was up 10.0 percent relative to the end of 2020 (900.37). During this period, the price of Petrol's shares increased by 13.8 percent. In terms of trading volume, which in the case of Petrol's shares amounted to EUR 30.3 million between January and March (this includes batch trading totalling EUR 23.3 million), the shares were ranked second among the shares traded on the Ljubljana Stock Exchange. In terms of market capitalisation, which stood at EUR 771.9 million as at 31 March 2021, the shares were ranked third and accounted for 10.3 percent of the total Slovene stock market capitalisation on the said date.

**Figure 16: Base index changes for Petrol d.d., Ljubljana's closing share price against the SBITOP index in the first three months of 2021 compared to the end of 2020**



In the first three months of 2021, the price of Petrol's shares ranged between EUR 325 and EUR 375 per share. Their average price for the period stood at EUR 350.29 and their price as at the end of March 2021 at EUR 370.00. The Petrol Group's earnings per share stood at EUR 13.52, with the book value per share amounting to EUR 409.64. Petrol d.d., Ljubljana had 22,084 shareholders as at 31 March 2021. At the end of March 2021, 566,161 shares or 27.1 percent of all shares were held by foreign legal or natural persons. Compared to the end of 2020, the number of foreign shareholders increased by 0.1 percentage points.



**Figure 17: Closing price and the volume of trading in Petrol's shares in the first three months of 2021**

**Figure 18: Ownership structure of Petrol d.d., Ljubljana as at 31 March 2021**




**Table 4: Changes in the ownership structure of Petrol d.d., Ljubljana (comparison between 31 March 2021 and 31 December 2020)**

	31 March 2021		31 December 2020	
	No. of Shares	in %	No. of Shares	in %
Slovenski državni holding, d.d.	264,516	12.7%	264,516	12.7%
Kapitalska družba d.d. together with own funds	183,181	8.8%	183,181	8.8%
Republic of Slovenia	225,699	10.8%	225,699	10.8%
Other institutional investors - domestic	225,878	10.8%	227,660	10.9%
Banks - domestic	28,340	1.4%	27,920	1.3%
Insurers - domestic	25,479	1.2%	25,779	1.2%
Foreign legal entities (banks and other inst. inv.)	563,017	27.0%	565,270	27.1%
Private individuals (domestic and foreign)	461,344	22.1%	459,584	22.0%
Own shares	30,723	1.5%	30,723	1.5%
Others	78,124	3.7%	75,969	3.7%
<b>Total</b>	<b>2,086,301</b>	<b>100.0%</b>	<b>2,086,301</b>	<b>100.0%</b>

**Table 5: 10 largest shareholders of Petrol d.d., Ljubljana as at 31 March 2021**

Shareholder	Address	Number of shares	Holding in %
Clearstream Banking SA – fiduciary account	42 Avenue J. F. Kennedy, L-1855, Luksemburg	285,503	13.68%
Slovene Sovereign Holding, d.d.	Mala ulica 5, 1000 Ljubljana	264,516	12.68%
Republic of Slovenia	Gregorčičeva ulica 20, 1000 Ljubljana	225,699	10.82%
Kapitalska družba, d.d.	Dunajska cesta 119, 1000 Ljubljana	172,639	8.27%
OTP banka, d.d. – Client account – fiduciary account	Domovinskog rata 61, 21000 Split, Croatia	142,159	6.81%
Vizija Holding, d.o.o.	Dunajska cesta 156, 1000 Ljubljana	71,676	3.44%
Vizija Holding Ena, d.o.o.	Dunajska cesta 156, 1000 Ljubljana	65,919	3.16%
Perspektiva FT d.o.o.	Dunajska cesta 156, 1000 Ljubljana	36,262	1.74%
Unicredit Bank Hungary ZRT. – fiduciary account	Szabadsag Ter 5 - 6, 1054 Budapest, Hungary	30,989	1.49%
Nova KBM d.d.	Ulica Vita Kraigherja 4, 2000 Maribor	25,985	1.25%

**Table 6: Shares owned by members of the Supervisory and Management Board as at 31 March 2021**

Name and Surname	Position	Shares owned	Equity share
<b>Supervisory Board</b>		<b>175</b>	<b>0.0084%</b>
<b>Internal members</b>		<b>88</b>	<b>0.0042%</b>
1. Marko Šavli	Member of the Supervisory Board	88	0.0042%
2. Alen Mihelčič	Member of the Supervisory Board	0	0.0000%
3. Robert Ravnikar	Member of the Supervisory Board	0	0.0000%
<b>External members</b>		<b>87</b>	<b>0.0042%</b>
1. Sašo Berger	President of the Supervisory Board	0	0.0000%
2. Igo Gruden	Deputy President of the Supervisory Board	0	0.0000%
3. Sergij Goriup	Member of the Supervisory Board	5	0.0002%
4. Metod Podkrižnik	Member of the Supervisory Board	82	0.0039%
5. Mladen Kaliterna	Member of the Supervisory Board	0	0.0000%
6. Janez Pušnik	Member of the Supervisory Board	0	0.0000%
<b>Management Board</b>		<b>4</b>	<b>0.0002%</b>
1. Nada Drobne Popović	President of the Management Board	4	0.0002%
2. Matija Bitenc	Member of the Management Board	0	0.0000%
3. Jože Bajuk	Member of the Management Board	0	0.0000%
4. Jože Smolič	Member of the Management Board	0	0.0000%
5. Zoran Gračner	Member of the Management Board and Worker Director	0	0.0000%

## **Contingent increase in share capital**

In the period up to 31 March 2021, the General Meeting of Petrol d.d., Ljubljana did not adopt any resolutions regarding the contingent increase in share capital.

## **Dividends**

In accordance with a resolution of the 33<sup>rd</sup> General Meeting held on 22 April 2021, Petrol d.d., Ljubljana shall pay 2020 gross dividends of EUR 22.00 per share in August 2021. The gross dividend per share for 2019, which was paid in 2020, also stood at EUR 22.00.

## **Own shares**

Petrol d.d., Ljubljana did not repurchase its own shares in the first three months of 2021. As at 31 March 2021, the number of own shares stood at 30,723, representing 1.5 percent of the share capital. This includes 24,703 own shares that were acquired by Petrol d.d., Ljubljana in the period from 1997 to 1999. Their total cost equalled EUR 2.6 million as at 31 March 2021 and was EUR 6.5 million lower than their market value on that date. The remaining 6,020 shares are the shares that are considered as own shares which were held by the subsidiary Geoplin d.o.o. Ljubljana at the time it was incorporated in the Petrol Group.

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

## **Regular participation at investors' conferences and external communication**

Petrol d.d., Ljubljana has set up a programme of regular cooperation with domestic and foreign investors, which consists of public announcements, individual meetings and presentations, and public presentations. We regularly attend investors' conferences that are organised each year by stock exchanges, banks and brokerage companies. In the first three months of 2021, we held several individual videoconferences with investors and analysts. In March, we took part in the webcast of the Ljubljana Stock Exchange. Other events were cancelled due to the coronavirus (Covid-19) pandemic.

## **Credit rating**

On 9 April 2021, Standard & Poor's Ratings Services again reaffirmed Petrol d.d., Ljubljana's "BBB-" long-term credit rating, its "A-3" short-term credit rating and its "stable" credit rating outlook.

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

At 32<sup>nd</sup> General Meeting of Shareholders of Petrol d.d., Ljubljana held on 28 December 2020, the following persons were elected Members of the Supervisory Board for a four-year term commencing on 11 April 2020: Aleksander Zupančič, Borut Vrviščar, Branko Bračko, Alenka Urnaut Ropoša and Mario Selecky. Mladen Kaliterna, Member of the Supervisory Board, whose term of office expires on 16 July 2021, will commence a new term of office on 16 July 2021. In addition to the representatives of shareholders, the Supervisory Board also consists of three representatives of employees Alen Mihelčič, Robert Ravnikar and Marko Šavli. Their four-year term of office started on 23 February 2021.

On 25 March 2021, the Supervisory Board of Petrol d.d., Ljubljana received a resignation notice from prospective Supervisory Board member Branko Bračko, whose four-year term of office would have begun on 11 April 2021 following his appointment at the 32<sup>nd</sup> General Meeting of 28 December 2020. From 11 April 2021 onwards, the Supervisory Board was not complete and had had eight members until another Supervisory Board member was appointed at the General Meeting of Petrol d.d., Ljubljana of 22 April 2021.

At 33<sup>rd</sup> General Meeting of Shareholders of Petrol d.d., Ljubljana held on 22 April 2021 Janez Žlak was elected as Member of the Supervisory Board for a four-year term commencing on 22 April 2021.

The members of the Supervisory Board elected Janez Žlak as President of the Supervisory Board and Borut Vrviščar as Deputy President of the Supervisory Board. They also elected new members of the Audit Committee and the Human Resource and Management Evaluation Committee.

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

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

The new strategy of the Petrol Group defines clear targets for implementing our vision to become an integrated partner in the energy transition, offering an excellent user experience. This helps us focus on our core business, which is to supply energy products, 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 products 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, 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 products and energy transition services and invest in renewable electricity production;
- Serbia, where we will increase our share in the energy product sales market.

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

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

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

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

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

**The main targets for 2025 are as follows:**

- 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/EBITDA < 1
- Net profit of EUR 180 million
- Total investments in fixed assets of EUR 698 million in the period 2021 – 2025, of which 35 percent in energy transformation
- Renewable electricity production output of 160 MW
- Retail network consisting of 627 service stations
- 1,575 charging points for electric vehicles
- Energy savings of 73 GWh for end-customers in the period 2021 – 2025

## **Business plan for 2021**

Energy market participants are presented with vast challenges and change. On the one hand, they have to deal with an extremely difficult systemic transition to renewable supply sources, while on the other, a considerable shift can be observed in the behaviour of end customers, who are becoming increasingly engaged and environmentally conscious. As a main energy company in Slovenia and in SE Europe, the Petrol Group took on an active role in increasing energy independence, energy efficiency and the share of renewables. In 2021 the Petrol Group will continue to work to reduce its carbon footprint.

The sales of merchandise and services make up an important part of the Group's revenue, which is why the situation in the trade sector has a major impact on operations. The Group participates in the development of the trade sector, which is changing the purchasing habits of consumers and distribution channels through the digitisation of business. The pandemic has further highlighted the need to reduce and control costs and to optimise supply and sales chains, thereby ensuring point-of-sale profitability.

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

In the Petrol Group, we realise that despite careful preparation, informed business decisions, quick response to changes and an efficient risk management system external factors may arise in the business environment which are beyond our direct control and may pose a risk or a threat when it comes to meeting our targets. This was evident in 2020 when the Covid-19 pandemic emerged.

Our goals for 2021 are ambitious. In drawing up the plan for 2021, we have assumed that the pandemic will be effectively contained through vaccination in the first half of 2021.

We are still drawing attention to the fact that there remains considerable uncertainty as to the achievement of the plan, which is subject to the further course of the pandemic. This is particularly relevant if:

- insufficient vaccination coverage is achieved before summer 2021 and the pandemic continues,
  - the measures to curb the pandemic are still in place at the end of the second quarter, in particular those taken by countries to restrict movement,
  - economic recovery will be slower, leading to economic growth that is lower than expected.
- In this case, the Petrol Group will review its 2021 business targets in the second half of 2021 and adjust them accordingly.

The 2021 plans do not take into account any new acquisitions.

In addition to the pandemic, the following risks also bear on the achievement of the 2021 plans:

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

The Petrol Group's main business targets for 2021:

- Sales revenue of EUR 3.5 billion
- Adjusted gross profit of EUR 490.0 million
- EBITDA of EUR 213.5 million
- Net profit of EUR 104.4 million
- Net debt to EBITDA ratio of 1.5
- 3.0 million tons of petroleum products sold
- 171.7 thousand tons of LPG sold
- 25.6 TWh of natural gas sold
- Revenue from merchandise sales of EUR 446.2 million

Considering its first-quarter results, the Petrol Group is successfully delivering on its 2021 targets.



## **Events after the end of the accounting period**

- On 9 April 2021, Standard & Poor's Ratings Services reaffirmed Petrol d.d., Ljubljana's "BBB-" long-term credit rating, its "A-3" short-term credit rating and its "stable" credit rating outlook.
- Resolutions of the 33<sup>rd</sup> General Meeting of Petrol d.d., Ljubljana of 22 April 2021 (available via [this link](#)):
  - 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 accumulated profit of EUR 45,355,156 as at 31 December 2020 shall be distributed as follows: part of the accumulated profit amounting to EUR 45,222,716 shall be distributed as dividend payments of EUR 22 per share (gross), with own shares not participating; the remaining accumulated profit of EUR 132,440 and any amounts linked to own shares arising on the date the dividends are paid and amounts resulting from rounding off dividend payments shall be transferred to other revenue reserves. The Company shall pay out dividends on 6 August 2021 to shareholders registered with KDD – the Central Securities Clearing Corporation on 5 August 2021.
  - The Company's Management Board shall be granted discharge from liability for the year 2020.
  - The Company's Supervisory Board shall be granted discharge from liability for the year 2020.
  - The General Meeting of Petrol, Slovenska energetska družba, d.d., Ljubljana shall be informed that at the 44<sup>th</sup> meeting of the Workers' Council of Petrol, Slovenska energetska družba, d.d., Ljubljana of 4 December 2020 Alen Mihelčič, Robert Ravnikar and Marko Šavli were elected as employee representatives to the Supervisory Board of Petrol, Slovenska energetska družba, d.d., Ljubljana for the term of office from 23 February 2021 to 22 February 2025.
  - The General Meeting adopted resolutions regarding payment to the members of the Supervisory Board.
  - The General Meeting shall take note of the resignation notice submitted by Branko Bračko on 25 March 2021 in which he resigned irrevocably as member of the Supervisory Board of Petrol d.d., Ljubljana.
  - The General Meeting shall appoint Dr Janez Žlak as Supervisory Board member and shareholder representative for a four-year term of office, effective 22 April 2021.
- The Supervisory Board of Petrol d.d., Ljubljana has been fully constituted since 22 April 2021 and is composed of: Janez Žlak, Supervisory Board president; Borut Vrvišar, Supervisory Board deputy president; Supervisory Board members – shareholder representatives: Aleksander Zupančič, Alenka Urnaut Ropoša, Mario Selecky; Supervisory Board members – employee representatives: Alen Mihelčič, Robert Ravnikar and Marko Šavli.
- The emergence of the SARS-CoV-2 virus and of the global pandemic still affects the operations of the Petrol Group. Countries in which the Group operates still introduce different measures to contain the pandemic, which are strictly respected by the Petrol Group in all of its markets. From 12 April 2021 onwards, the ban on the movement of people between 9 pm and 6 am is no longer in place in Slovenia.
- There were no other events after the reporting date that would significantly affect the disclosed operations in the first three months of 2021.

# FINANCIAL REPORT



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

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

(in EUR)	Note	The Petrol Group		Petrol d.d.	
		1-3 2021	1-3 2020	1-3 2021	1-3 2020
<b>Sales revenue</b>		<b>911,947,639</b>	<b>916,148,166</b>	<b>601,877,929</b>	<b>704,354,910</b>
<b>Cost of goods sold</b>		<b>(774,869,966)</b>	<b>(810,819,584)</b>	<b>(510,959,686)</b>	<b>(627,352,642)</b>
Costs of materials	3	(7,810,829)	(8,815,770)	(6,552,501)	(7,649,175)
Costs of services	4	(32,277,274)	(34,078,196)	(26,036,861)	(28,573,800)
Labour costs	5	(27,967,847)	(26,119,860)	(20,164,731)	(18,343,196)
Depreciation and amortisation	6	(18,535,103)	(18,127,461)	(11,508,004)	(11,254,389)
Other costs	7	(10,561,863)	(2,655,674)	(7,566,192)	(2,610,934)
<b>Operating costs</b>		<b>(97,152,916)</b>	<b>(89,796,961)</b>	<b>(71,828,289)</b>	<b>(68,431,494)</b>
Other revenue	2	11,189,705	48,506,076	10,973,077	42,322,603
Other expenses	8	(15,672,962)	(35,657,277)	(14,942,110)	(36,105,019)
<b>Operating profit or loss</b>		<b>35,441,500</b>	<b>28,380,420</b>	<b>15,120,921</b>	<b>14,788,358</b>
<b>Share of profit or loss of equity accounted investees</b>		<b>297,137</b>	<b>322,802</b>	<b>-</b>	<b>-</b>
<b>Finance income from dividends paid by subsidiaries, associates and jointly controlled entities</b>		<b>-</b>	<b>-</b>	<b>0</b>	<b>0</b>
Other finance income	9	6,252,547	8,659,766	4,908,565	6,078,176
Other finance expenses	9	(8,920,704)	(10,533,721)	(8,249,105)	(7,117,125)
<b>Net finance expense</b>		<b>(2,668,157)</b>	<b>(1,873,955)</b>	<b>(3,340,540)</b>	<b>(1,038,949)</b>
<b>Profit before tax</b>		<b>33,070,480</b>	<b>26,829,267</b>	<b>11,780,381</b>	<b>13,749,409</b>
Tax expense		(5,783,356)	(5,087,458)	(1,903,509)	(2,954,526)
Deferred tax		511,969	97,835	(132,400)	218,694
<b>Corporate income tax</b>		<b>(5,271,387)</b>	<b>(4,989,623)</b>	<b>(2,035,909)</b>	<b>(2,735,832)</b>
<b>Net profit for the period</b>		<b>27,799,093</b>	<b>21,839,644</b>	<b>9,744,472</b>	<b>11,013,577</b>
Net profit for the period attributable to:					
Owners of the controlling company		25,672,677	20,543,927	9,744,472	11,013,577
Non-controlling interest		2,126,416	1,295,717	-	-
Basic and diluted earnings per share	10	13.52	10.62	4.73	5.34

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.	
	1-3 2021	1-3 2020	1-3 2021	1-3 2020
<b>Net profit for the period</b>	<b>27,799,093</b>	<b>21,839,644</b>	<b>9,744,472</b>	<b>11,013,577</b>
<b>Other comprehensive income to be recognised in the statement of profit or loss in the future</b>				
Effective portion of changes in the fair value of cash flow variability hedging	1,262,086	(165,430)	1,063,231	(142,611)
Change in deferred taxes	(237,816)	31,203	(202,022)	27,096
Foreign exchange differences	(854,372)	(5,572,797)	-	-
<b>Total other comprehensive income to be recognised in the statement of profit or loss in the future</b>	<b>169,898</b>	<b>(5,707,024)</b>	<b>861,209</b>	<b>(115,515)</b>
<b>Other comprehensive income not to be recognised in the statement of profit or loss in the future</b>				
Unrealised actuarial gains and losses	0	0	0	0
Attribution of changes in the equity of subsidiaries	0	0	-	-
Attribution of changes in the equity of associates	0	0	-	-
<b>Total other comprehensive income not to be recognised in the statement of profit or loss in the future</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total other comprehensive income after tax</b>	<b>169,898</b>	<b>(5,707,024)</b>	<b>861,209</b>	<b>(115,515)</b>
<b>Total comprehensive income for the period</b>	<b>27,968,991</b>	<b>16,132,620</b>	<b>10,605,681</b>	<b>10,898,062</b>
Total comprehensive income attributable to:				
Owners of the controlling company	25,846,965	14,821,014	10,605,681	10,898,062
Non-controlling interest	2,122,026	1,311,606	-	-

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

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

		The Petrol Group		Petrol d.d.	
(in EUR)	Note	31 March 2021	31 December 2020	31 March 2021	31 December 2020
<b>ASSETS</b>					
<b>Non-current (long-term) assets</b>					
Intangible assets	11	191,793,059	194,646,631	159,503,695	161,533,797
Right-of-use assets	12	62,578,008	62,401,606	30,366,427	30,716,648
Property, plant and equipment	13	712,450,057	710,207,621	371,918,193	379,425,104
Investment property		17,100,738	17,522,012	13,358,206	13,551,882
Investments in subsidiaries	14	-	-	372,520,627	351,013,627
Investments in jointly controlled entities	15	665,676	562,016	233,000	233,000
Investments in associates	16	54,072,645	55,953,391	26,610,477	29,185,477
Financial assets at fair value through other comprehensive income	17	4,528,987	4,528,987	2,117,914	2,117,914
Financial receivables		2,102,989	2,680,471	55,533,321	58,124,422
Operating receivables		8,792,452	10,565,315	8,775,135	10,542,414
Deferred tax assets		10,064,832	9,906,032	6,577,583	6,912,005
		<b>1,064,149,443</b>	<b>1,068,974,082</b>	<b>1,047,514,576</b>	<b>1,043,356,290</b>
<b>Current assets</b>					
Inventories	18	120,559,850	169,933,758	88,013,298	87,530,630
Contract assets		3,796,716	1,949,652	2,940,107	3,276,761
Financial receivables	19	3,238,926	2,854,527	7,506,334	22,247,726
Operating receivables	20	439,672,361	366,441,439	249,410,707	237,718,876
Corporate income tax assets		3,655,068	3,426,549	7,575,859	6,317,590
Financial assets at fair value through profit or loss	21	9,444,353	11,316,982	9,339,684	11,262,235
Prepayments and other assets	22	86,995,015	78,506,510	33,700,811	27,371,876
Cash and cash equivalents		52,523,364	88,674,952	13,820,900	44,670,525
		<b>719,885,653</b>	<b>723,104,369</b>	<b>412,307,700</b>	<b>440,396,219</b>
<b>Total assets</b>		<b>1,784,035,096</b>	<b>1,792,078,451</b>	<b>1,459,822,276</b>	<b>1,483,752,509</b>
<b>EQUITY AND LIABILITIES</b>					
<b>Equity attributable to owners of the controlling company</b>					
Called-up capital		52,240,977	52,240,977	52,240,977	52,240,977
Capital surplus		80,991,385	80,991,385	80,991,385	80,991,385
Legal reserves		61,987,955	61,987,955	61,749,884	61,749,884
Reserves for own shares		4,708,359	4,708,359	4,708,359	4,708,359
Own shares		(4,708,359)	(4,708,359)	(2,604,670)	(2,604,670)
Other revenue reserves		316,057,569	316,057,569	338,449,102	338,449,102
Fair value reserve		(753,447)	(753,447)	39,796,454	39,796,454
Hedging reserve		(3,171,453)	(4,195,723)	(2,935,672)	(3,796,881)
Foreign exchange differences		(9,976,789)	(9,126,807)	-	-
Retained earnings		316,466,185	290,793,508	24,191,230	14,446,758
		<b>813,842,382</b>	<b>787,995,417</b>	<b>596,587,049</b>	<b>585,981,368</b>
<b>Non-controlling interest</b>		<b>40,796,046</b>	<b>38,674,020</b>	<b>-</b>	<b>-</b>
<b>Total equity</b>		<b>854,638,428</b>	<b>826,669,437</b>	<b>596,587,049</b>	<b>585,981,368</b>
<b>Non-current liabilities</b>					
Provisions for employee post-employment and other long-term benefits		9,805,104	9,438,977	8,293,721	8,293,721
Other provisions		36,145,864	31,347,421	19,348,825	14,763,837
Long-term deferred revenue		34,788,910	33,412,476	29,221,919	28,419,773
Financial liabilities	23	267,735,106	303,431,060	245,294,127	282,866,603
Lease liabilities	24	54,209,692	54,397,111	27,354,291	27,608,922
Operating liabilities		727,182	727,182	727,182	727,182
Deferred tax liabilities		3,552,444	3,985,700	0	0
		<b>406,964,302</b>	<b>436,739,927</b>	<b>330,240,066</b>	<b>362,680,038</b>
<b>Current liabilities</b>					
Financial liabilities	23	72,078,257	48,766,555	216,625,806	160,688,732
Lease liabilities	24	10,606,935	10,069,352	4,259,323	4,259,323
Operating liabilities	25	413,112,103	437,216,148	293,237,225	348,832,832
Corporate income tax liabilities		1,435,416	1,966,916	0	0
Contract liabilities	26	10,163,246	14,927,846	6,953,166	8,830,761
Other liabilities	27	15,036,409	15,722,270	11,919,641	12,479,455
		<b>522,432,366</b>	<b>528,669,087</b>	<b>532,995,161</b>	<b>535,091,103</b>
<b>Total liabilities</b>		<b>929,396,668</b>	<b>965,409,014</b>	<b>863,235,227</b>	<b>897,771,141</b>
<b>Total equity and liabilities</b>		<b>1,784,035,096</b>	<b>1,792,078,451</b>	<b>1,459,822,276</b>	<b>1,483,752,509</b>

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

## Statement of changes in equity of the Petrol Group

(in EUR)	Called-up capital	Capital surplus	Revenue reserves				Fair value reserve	Hedging reserve	Foreign exchange differences	Retained earnings	Equity attributable to owners of the controlling company	Non-controlling interest	Total
			Legal reserves	Reserves for own shares	Own shares	Other revenue reserves							
<b>As at 1 January 2020</b>	52,240,977	80,991,385	61,987,955	4,708,359	(4,708,359)	314,675,779	(894,548)	(4,089,455)	(5,994,856)	271,904,940	770,822,177	40,430,080	811,252,257
Increase/(decrease) in non-controlling interest						(2,670,907)					(2,670,907)	(4,259,645)	(6,930,552)
<b>Transactions with owners</b>	0	0	0	0	0	(2,670,907)	0	0	0	0	(2,670,907)	(4,259,645)	(6,930,552)
Net profit for the period										20,543,927	20,543,927	1,295,717	21,839,644
Other changes in other comprehensive income								(134,227)	(5,588,686)		(5,722,913)	15,889	(5,707,024)
<b>Total changes in total comprehensive income</b>	0	0	0	0	0	0	0	(134,227)	(5,588,686)	20,543,927	14,821,014	1,311,606	16,132,620
<b>As at 31 March 2020</b>	52,240,977	80,991,385	61,987,955	4,708,359	(4,708,359)	312,004,872	(894,548)	(4,223,682)	(11,583,542)	292,448,867	782,972,284	37,482,041	820,454,325
<b>As at 1 January 2021</b>	52,240,977	80,991,385	61,987,955	4,708,359	(4,708,359)	316,057,569	(753,447)	(4,195,723)	(9,126,807)	290,793,508	787,995,417	38,674,020	826,669,437
Net profit for the period										25,672,677	25,672,677	2,126,416	27,799,093
Other changes in other comprehensive income								1,024,270	(849,982)		174,288	(4,390)	169,898
<b>Total changes in total comprehensive income</b>	0	0	0	0	0	0	0	1,024,270	(849,982)	25,672,677	25,846,965	2,122,026	27,968,991
<b>As at 31 March 2021</b>	52,240,977	80,991,385	61,987,955	4,708,359	(4,708,359)	316,057,569	(753,447)	(3,171,453)	(9,976,789)	316,466,185	813,842,382	40,796,046	854,638,428

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

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

(in EUR)	Called-up capital	Capital surplus	Revenue reserves				Fair value reserve	Hedging reserve	Retained earnings	Total
			Legal reserves	Reserves for own shares	Own shares	Other revenue reserves				
<b>As at 1 January 2020</b>	52,240,977	80,991,385	61,749,884	4,708,359	(2,604,670)	339,100,447	39,489,924	(3,897,907)	30,124,614	601,903,014
Net profit for the period									11,013,577	11,013,577
Other changes in comprehensive income								(115,515)		(115,515)
<b>Total changes in total comprehensive income</b>	0	0	0	0	0	0	0	(115,515)	11,013,577	10,898,062
<b>As at 31 March 2020</b>	52,240,977	80,991,385	61,749,884	4,708,359	(2,604,670)	339,100,447	39,489,924	(4,013,421)	41,138,191	612,801,074
<b>As at 1 January 2021</b>	52,240,977	80,991,385	61,749,884	4,708,359	(2,604,670)	338,449,102	39,796,454	(3,796,881)	14,446,758	585,981,368
Net profit for the period									9,744,472	9,744,472
Other changes in other comprehensive income								861,209		861,209
<b>Total changes in total comprehensive income</b>	0	0	0	0	0	0	0	861,209	9,744,472	10,605,681
<b>As at 31 March 2021</b>	52,240,977	80,991,385	61,749,884	4,708,359	(2,604,670)	338,449,102	39,796,454	(2,935,672)	24,191,230	596,587,049

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.	
		1-3 2021	1-3 2020	1-3 2021	1-3 2020
<b>Cash flows from operating activities</b>					
<b>Net profit</b>		<b>27,799,093</b>	<b>21,839,644</b>	<b>9,744,472</b>	<b>11,013,577</b>
<b>Adjustment for:</b>					
Corporate income tax		5,271,387	4,989,623	2,035,909	2,735,832
Depreciation of property, plant and equipment, investment property and right-of-use assets	6	15,429,860	15,398,845	9,209,691	9,233,908
Amortisation of intangible assets	6	3,105,243	2,728,616	2,298,313	2,020,481
(Gain)/loss on disposal of property, plant and equipment	2, 7	360,323	(106,398)	370,535	(64,020)
Impairment, write-down/(reversed impairment) of assets		3,734,139	0	1,320,938	0
Revenue from assets under management		(16,129)	(16,264)	(16,129)	(16,264)
Net (decrease in)/creation of provisions for long-term employee benefits		(4,824)	0	0	0
Net (decrease in)/creation of other provisions and long-term deferred revenue		5,602,731	319,625	5,387,134	1,509,722
Net goods surpluses		809,786	350,634	278,824	34,038
Net (decrease in)/creation of allowance for receivables	9	918,213	1,839,815	83,203	1,423,559
Net finance (income)/expense	9	957,087	1,281,057	1,280,638	977,895
Impairment of investments	9	0	867,224	943,000	867,224
Share of profit of jointly controlled entities		(103,731)	(93,526)	-	-
Share of profit of associates		(193,406)	(229,276)	-	-
Finance income from dividends received from subsidiaries		-	-	-	-
<b>Cash flow from operating activities before the changes in working capital</b>		<b>63,669,772</b>	<b>49,169,619</b>	<b>32,936,527</b>	<b>29,735,952</b>
Net (decrease in)/creation of other liabilities	27	(1,301,214)	(3,017,043)	(559,813)	(2,992,316)
Net decrease in/(creation of) other assets	22	(18,215,574)	(3,417,350)	(13,280,086)	(4,650,328)
Change in inventories	18	48,511,843	39,024,016	(761,492)	24,383,496
Change in operating and other receivables and contract assets	20	(28,124,098)	35,505,057	259,148	30,165,057
Change in operating and other liabilities and contract liabilities	25, 26	(49,342,166)	(40,943,900)	(54,974,926)	(21,687,734)
<b>Cash generated from operating activities</b>		<b>15,198,563</b>	<b>76,320,399</b>	<b>(36,380,642)</b>	<b>54,954,127</b>
Interest paid	9	(1,862,513)	(1,860,244)	(1,559,100)	(1,505,872)
Taxes paid		(6,338,390)	(5,755,183)	(3,161,777)	(4,185,369)
<b>Net cash from (used in) operating activities</b>		<b>6,997,660</b>	<b>68,704,972</b>	<b>(41,101,518)</b>	<b>49,262,886</b>
<b>Cash flows from investing activities</b>					
Payments for investments in subsidiaries	14	(14,950,000)	(2,791,450)	(22,450,000)	(2,791,450)
Receipts from investments in associates	16	2,575,000	0	2,575,000	0
Receipts from intangible assets	11	6,646	0	6,646	0
Payments for intangible assets	11	(741,352)	(2,173,330)	(274,857)	(1,901,965)
Receipts from property, plant and equipment	12	250,062	174,526	70,830	132,627
Payments for property, plant and equipment	12	(18,234,671)	(19,590,691)	(8,916,756)	(14,583,591)
Receipts from investment property		0	261,591	0	261,591
Receipts from loans granted	19	576,016	683,905	17,557,689	18,184,374
Payments for loans granted	19	0	(447,479)	(2,495)	(26,621,106)
Interest received	9	741,063	830,410	795,504	635,399
<b>Net cash from (used in) investing activities</b>		<b>(29,777,236)</b>	<b>(23,052,518)</b>	<b>(10,638,439)</b>	<b>(26,684,121)</b>
<b>Cash flows from financing activities</b>					
Payments for right-of-use assets	24	(2,369,775)	(2,415,952)	(904,297)	(894,252)
Proceeds from borrowings	23	146,818,858	538,598,298	187,920,558	566,073,721
Repayment of borrowings	23	(158,548,388)	(362,910,481)	(166,125,929)	(408,211,294)
<b>Net cash from (used in) financing activities</b>		<b>(14,099,305)</b>	<b>173,271,865</b>	<b>20,890,332</b>	<b>156,968,175</b>
<b>Increase/(decrease) in cash and cash equivalents</b>		<b>(36,878,881)</b>	<b>218,924,319</b>	<b>(30,849,626)</b>	<b>179,546,940</b>
<b>Changes in cash and cash equivalents</b>					
<b>At the beginning of the year</b>		<b>88,674,952</b>	<b>41,730,269</b>	<b>44,670,525</b>	<b>17,680,102</b>
Foreign exchange differences		(64,926)	(585,746)	-	-
Cash acquired through acquisition of companies		792,219	0	-	-
Increase/(decrease)		(36,878,881)	218,924,319	(30,849,626)	179,546,940
<b>At the end of the period</b>		<b>52,523,364</b>	<b>260,068,842</b>	<b>13,820,900</b>	<b>197,227,042</b>

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

## Notes to the financial statements

### Reporting entity

Petrol d.d., Ljubljana (hereinafter the "Company") is a company domiciled in Slovenia. Its registered office is at Dunajska cesta 50, 1527 Ljubljana. Below we present consolidated financial statements of the Group for the period ended 31 March 2021 and separate financial statements of the company Petrol d.d., Ljubljana for the period ended 31 March 2021. 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 13 May 2021.

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 2020.

The financial statements for the period from January – March 2021 are prepared based on the same accounting policies used for the preparation of financial statements for the year ended 31 December 2020.

#### b. Basis of measurement

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

#### c. Functional and presentation currency

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

#### d. Use of estimates and judgements

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

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

Estimates and assumptions are mainly used in the following judgements:

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

**e. Changes of financial statement presentation**

The Group/Company did not change its accounting policies in 2021.



## Notes to individual items in the financial statements

### 1. Segment reporting

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

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

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

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

- sales,
- energy and environmental systems.

Sales consist of:

- sales of petroleum products,
  - sales of merchandise and services,
  - sales of liquefied petroleum gas (LPG),
  - sales of and trading in electricity,
  - sales of natural gas.
- 
- Energy and environmental systems consist of:
  - energy and environmental solutions,
  - heat systems,
  - distribution of natural gas,
  - mobility and
  - production of renewable electricity.

**The Group's operating segments in the period 1 January - 31 March 2020:**

(in EUR)	Sales	Energy and environmental systems	Total	Statement of profit or loss/ Statement of financial position
Sales revenue	1,003,904,526	21,792,798	1,025,697,324	
Revenue from subsidiaries	(109,541,225)	(7,933)	(109,549,158)	
Sales revenue	894,363,301	21,784,865	916,148,166	916,148,166
Net profit for the period	17,734,171	4,105,473	21,839,644	21,839,644
Interest income*	607,704	234,066	841,770	841,770
Interest expense*	(1,445,466)	(556,743)	(2,002,209)	(2,002,209)
Depreciation of property, plant and equipment, amortisation of intangible assets, depreciation of investment property and depreciation of right to use of lease assets	(13,607,754)	(4,519,707)	(18,127,461)	(18,127,461)
Share of profit or loss of equity accounted investees	0	322,802	322,802	322,802
Total assets	1,679,983,643	314,152,734	1,994,136,377	1,994,136,377
Equity accounted investees	0	55,580,554	55,580,554	55,580,554
Property, plant and equipment, intangible assets, investment property and right to use of lease assets	746,693,254	236,829,937	983,523,191	983,523,191
Other assets	933,290,389	21,742,243	955,032,632	955,032,632
Current and non-current operating, financial and lease liabilities	914,961,097	168,854,960	1,083,816,057	1,083,816,057

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

**The Group's operating segments in the period 1 January - 31 March 2021:**

(in EUR)	Sales	Energy and environmental systems	Total	Statement of profit or loss/ Statement of financial position
Sales revenue	991,956,027	22,810,970	1,014,766,997	
Revenue from subsidiaries	(102,807,388)	(11,970)	(102,819,358)	
Sales revenue	889,148,639	22,799,000	911,947,639	911,947,639
Net profit for the period	27,316,667	482,426	27,799,093	27,799,093
Interest income*	685,463	296,875	982,338	982,338
Interest expense*	(1,404,009)	(608,079)	(2,012,088)	(2,012,088)
Depreciation of property, plant and equipment, amortisation of intangible assets, depreciation of investment property and depreciation of right to use of lease assets	(13,629,453)	(4,905,650)	(18,535,103)	(18,535,103)
Share of profit or loss of equity accounted investees	0	297,137	297,137	297,137
Total assets	1,452,238,348	331,796,748	1,784,035,096	1,784,035,096
Equity accounted investees	0	54,738,321	54,738,321	54,738,321
Property, plant and equipment, intangible assets, investment property and right to use of lease assets	724,763,549	259,158,313	983,921,862	983,921,862
Other assets	727,474,799	17,900,114	745,374,913	745,374,913
Current and non-current operating, financial and lease liabilities	666,249,488	152,219,787	818,469,275	818,469,275

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

## 2. Other revenue

(in EUR)	The Petrol Group		Petrol d.d.	
	1-3 2021	1-3 2020	1-3 2021	1-3 2020
Gain on derivatives	9,880,058	46,893,041	9,995,061	41,710,894
Gain on disposal of fixed assets	61,285	119,191	45,294	76,813
Compensation, litigation proceeds and contractual penalties received	55,455	37,788	41,744	25,857
Compensation received from insurance companies	37,631	24,538	17,972	7,561
Utilisation of environmental provisions	0	3,727	0	3,727
Other revenue	1,155,276	1,427,791	873,006	497,751
<b>Total other revenue</b>	<b>11,189,705</b>	<b>48,506,076</b>	<b>10,973,077</b>	<b>42,322,603</b>

## 3. Costs of material

(in EUR)	The Petrol Group		Petrol d.d.	
	1-3 2021	1-3 2020	1-3 2021	1-3 2020
Costs of energy	6,145,412	6,892,685	5,395,115	6,179,427
Costs of consumables	1,502,887	1,730,231	1,092,340	1,345,895
Write-off of small tools	28,662	23,100	14,184	15,574
Other costs of materials	133,868	169,754	50,862	108,279
<b>Total costs of materials</b>	<b>7,810,829</b>	<b>8,815,770</b>	<b>6,552,501</b>	<b>7,649,175</b>

## 4. Costs of services

(in EUR)	The Petrol Group		Petrol d.d.	
	1-3 2021	1-3 2020	1-3 2021	1-3 2020
Costs of service station managers	7,514,900	9,644,649	7,514,900	9,647,999
Costs of transport services	6,728,603	6,847,060	5,497,399	5,625,343
Costs of fixed-asset maintenance services	5,098,650	5,394,564	3,943,838	4,294,667
Costs of payment transactions and bank services	2,794,396	2,620,438	1,808,416	1,970,807
Lease payments	2,287,244	813,978	1,740,903	658,103
Costs of professional services	1,855,058	2,248,804	1,498,508	1,892,748
Costs of fairs, advertising and entertainment	1,695,959	1,430,103	994,050	740,359
Costs of insurance premiums	1,013,584	1,122,953	591,462	747,209
Outsourcing costs	718,592	1,291,404	633,293	1,082,554
Costs of fire protection and physical and technical security	669,804	498,521	574,672	404,222
Costs of environmental protection services	411,823	502,327	249,600	381,940
Property management	264,567	257,125	243,754	328,488
Reimbursement of work-related costs to employees	175,670	315,041	91,996	196,835
Membership fees	172,497	226,266	40,614	58,364
Other costs of services	875,927	864,963	613,456	544,162
<b>Total costs of services</b>	<b>32,277,274</b>	<b>34,078,196</b>	<b>26,036,861</b>	<b>28,573,800</b>

## Lease expenses

(in EUR)	The Petrol Group		Petrol d.d.	
	1-3 2021	1-3 2020	1-3 2021	1-3 2020
Depreciation of right-of-use assets	2,581,788	2,679,461	999,887	1,030,092
Finance expenses	609,868	652,755	326,384	344,457
Lease expenses	2,287,244	813,978	1,740,903	658,103
<b>Total recognised costs/expenses</b>	<b>5,478,900</b>	<b>4,146,194</b>	<b>3,067,174</b>	<b>2,032,652</b>

## 5. Labour costs

(in EUR)	The Petrol Group		Petrol d.d.	
	1-3 2021	1-3 2020	1-3 2021	1-3 2020
Salaries	20,648,520	19,476,531	14,995,269	13,822,535
Costs of pension insurance	1,851,007	1,657,337	1,498,527	1,309,464
Costs of other social insurance	1,764,388	1,721,228	1,010,612	1,008,866
Meal allowance	843,456	736,769	676,459	585,530
Transport allowance	761,650	811,479	452,383	496,253
Annual leave allowance	745,739	772,596	584,094	626,960
Supplementary pension insurance	412,128	372,932	380,561	358,550
Other allowances and reimbursements	940,959	570,988	566,826	135,038
<b>Total labour costs</b>	<b>27,967,847</b>	<b>26,119,860</b>	<b>20,164,731</b>	<b>18,343,196</b>

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

In line with the measures taken by countries to contain the Covid-19 epidemic, the Group made use of measures relating to the reimbursement of labour costs totalling EUR 303,031, recording their effects as a decrease in labour costs.

In accordance with the Act Determining the Intervention Measures to Contain the Covid-19 Epidemic, the Company made use of a crisis allowance totalling EUR 224,978, recording it as a decrease in labour costs.

## 6. Depreciation and amortisation

(in EUR)	The Petrol Group		Petrol d.d.	
	1-3 2021	1-3 2020	1-3 2021	1-3 2020
Amortisation of intangible assets	3,105,243	2,728,616	2,298,313	2,020,481
Depreciation of property, plant and equipment	12,648,405	12,432,970	8,015,070	7,926,420
Depreciation of right-of-use assets	2,581,788	2,679,461	999,887	1,030,092
Depreciation of investment property	199,667	286,414	194,733	277,396
<b>Total depreciation and amortisation</b>	<b>18,535,103</b>	<b>18,127,461</b>	<b>11,508,004</b>	<b>11,254,389</b>

## 7. Other costs

(in EUR)	The Petrol Group		Petrol d.d.	
	1-3 2021	1-3 2020	1-3 2021	1-3 2020
Environmental charges and charges unrelated to operations	1,288,438	1,202,392	833,474	803,602
Sponsorships and donations	439,493	269,518	397,023	219,931
Disposals/impairment of assets	4,150,915	12,793	1,736,766	12,793
Other costs	5,281,289	2,082,400	4,791,313	1,902,767
Reversal of other provision and other liabilities	(598,272)	(911,429)	(192,384)	(328,159)
<b>Total other costs</b>	<b>10,561,863</b>	<b>2,655,674</b>	<b>7,566,192</b>	<b>2,610,934</b>

## 8. Other expenses

(in EUR)	The Petrol Group		Petrol d.d.	
	1-3 2021	1-3 2020	1-3 2021	1-3 2020
Loss on derivatives	15,117,584	35,493,598	14,940,395	36,084,193
Other expenses	555,378	163,679	1,715	20,826
<b>Total other expenses</b>	<b>15,672,962</b>	<b>35,657,277</b>	<b>14,942,110</b>	<b>36,105,019</b>

## 9. Other financial income and expenses

(in EUR)	The Petrol Group		Petrol d.d.	
	1-3 2021	1-3 2020	1-3 2021	1-3 2020
Foreign exchange differences	3,369,109	6,186,951	2,288,695	3,660,314
Gain on derivatives	1,514,226	1,628,951	1,514,226	1,628,951
Interest income	982,338	841,770	853,869	735,432
Allowances for receivables reversed and bad debt recovered	133,120	0	251,775	0
Other finance income	253,754	2,094	0	53,479
<b>Total other finance income</b>	<b>6,252,547</b>	<b>8,659,766</b>	<b>4,908,565</b>	<b>6,078,176</b>
Foreign exchange differences	(4,980,179)	(5,608,454)	(4,140,607)	(2,966,229)
Interest expense	(2,012,088)	(2,002,209)	(1,959,820)	(1,664,227)
Allowance for operating receivables	(1,051,333)	(1,839,815)	(334,978)	(1,423,559)
Impairment of investments	0	(867,224)	(943,000)	(867,224)
Loss on derivatives	(696,013)	(93,307)	(696,013)	(93,307)
Other finance expenses	(181,091)	(122,712)	(174,687)	(102,579)
<b>Total other finance expenses</b>	<b>(8,920,704)</b>	<b>(10,533,721)</b>	<b>(8,249,105)</b>	<b>(7,117,125)</b>
<b>Net finance expense</b>	<b>(2,668,157)</b>	<b>(1,873,955)</b>	<b>(3,340,540)</b>	<b>(1,038,949)</b>

## 10. Earnings per share

(in EUR)	The Petrol Group		Petrol d.d.	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
Net profit (in EUR)	27,799,093	21,839,644	9,744,472	11,013,577
Number of shares issued	2,086,301	2,086,301	2,086,301	2,086,301
Number of own shares at the beginning of the period	30,723	30,723	24,703	24,703
Number of own shares at the end of the period	30,723	30,723	24,703	24,703
Weighted average number of ordinary shares issued	2,055,578	2,055,578	2,061,598	2,061,598
Diluted average number of ordinary shares	2,055,578	2,055,578	2,061,598	2,061,598
<b>Basic and diluted earnings per share (EUR/share)</b>	<b>13.52</b>	<b>10.62</b>	<b>4.73</b>	<b>5.34</b>

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

## 11. Intangible assets

### Intangible assets of the Petrol Group

(in EUR)	Material and other rights	Right to use concession infrastructure	Goodwill	Ongoing investments	Long-term deferred expenses	Total
<b>Cost</b>						
<b>As at 1 January 2020</b>	43,386,512	117,831,441	107,629,738	7,406,707	223,915	276,478,313
New acquisitions	3,008	57,517	0	2,107,414	5,391	2,173,330
Disposals/Impairments	0	0	(56,610)	0	0	(56,610)
Transfer between asset categories	0	498,246	0	72,736	0	570,982
Transfer from ongoing investments	1,955,171	2,133,311	0	(4,088,482)	0	0
Foreign exchange differences	(173,406)	(212,468)	(403,692)	(5,299)	0	(794,865)
<b>As at 31 March 2020</b>	<b>45,171,285</b>	<b>120,308,047</b>	<b>107,169,436</b>	<b>5,493,076</b>	<b>229,306</b>	<b>278,371,150</b>
<b>Accumulated amortisation</b>						
<b>As at 1 January 2020</b>	(24,490,228)	(54,248,690)	(8,847)	0	0	(78,747,765)
Amortisation	(1,445,351)	(1,282,385)	(880)	0	0	(2,728,616)
Foreign exchange differences	24,760	89,378	222	0	0	114,360
<b>As at 31 March 2020</b>	<b>(25,910,819)</b>	<b>(55,441,697)</b>	<b>(9,505)</b>	<b>0</b>	<b>0</b>	<b>(81,362,021)</b>
<b>Net carrying amount as at 1 January 2020</b>	<b>18,896,284</b>	<b>63,582,751</b>	<b>107,620,891</b>	<b>7,406,707</b>	<b>223,915</b>	<b>197,730,548</b>
<b>Net carrying amount as at 31 March 2020</b>	<b>19,260,466</b>	<b>64,866,350</b>	<b>107,159,931</b>	<b>5,493,076</b>	<b>229,306</b>	<b>197,009,129</b>

(in EUR)	Material and other rights	Right to use concession infrastructure	Goodwill	Ongoing investments	Long-term deferred expenses	Total
<b>Cost</b>						
<b>As at 1 January 2021</b>	44,755,993	122,117,146	105,895,156	7,005,570	364,959	280,138,824
New acquisitions as a result of control obtained	0	1,594,719	0	97,923	18,950	1,711,592
New acquisitions	17,255	30,730	0	524,801	168,566	741,352
Disposals/Impairments	0	0	(870,342)	(6,646)	0	(876,988)
Transfer between asset categories	0	0	0	13,993	0	13,993
Transfer from ongoing investments	3,863,461	332,177	0	(4,195,638)	0	0
Foreign exchange differences	(23,194)	(31,633)	(56,754)	(184)	0	(111,765)
<b>As at 31 March 2021</b>	<b>48,613,515</b>	<b>124,043,139</b>	<b>104,968,060</b>	<b>3,439,819</b>	<b>552,475</b>	<b>281,617,008</b>
<b>Accumulated amortisation</b>						
<b>As at 1 January 2021</b>	(26,023,005)	(59,455,652)	(13,536)	0	0	(85,492,193)
New acquisitions as a result of control obtained	0	(1,246,868)	0	0	0	(1,246,868)
Amortisation	(1,785,766)	(1,317,709)	(1,768)	0	0	(3,105,243)
Foreign exchange differences	6,868	13,445	42	0	0	20,355
<b>As at 31 March 2021</b>	<b>(27,801,903)</b>	<b>(62,006,784)</b>	<b>(15,262)</b>	<b>0</b>	<b>0</b>	<b>(89,823,949)</b>
<b>Net carrying amount as at 1 January 2021</b>	<b>18,732,988</b>	<b>62,661,494</b>	<b>105,881,620</b>	<b>7,005,570</b>	<b>364,959</b>	<b>194,646,631</b>
<b>Net carrying amount as at 31 March 2021</b>	<b>20,811,612</b>	<b>62,036,355</b>	<b>104,952,798</b>	<b>3,439,819</b>	<b>552,475</b>	<b>191,793,059</b>

When testing asset impairment indicators, the Group determined that there is a need to impair the goodwill of Zagorski metalac d.o.o.

Based on the assessed value of the assets of the cash-generating unit Zagorski metalac d.o.o., the Group recognised the impairment of assets of EUR 1,313,618, of which EUR 870,342 relates to the impairment of goodwill and EUR 443,276 to the impairment of property, plant and equipment. Lower value estimates are mainly a reflection of lower expectations regarding future cash flows as a result of the need for more investments in fixed assets over the projection period.

Goodwill was tested for impairment using the method of the present value of expected free cash flows, which are based on the future financial plans of cash-generating units. The assumptions used in the calculation of net cash flows (long-term growth rate of cash flows, cash flow projection, projection period, discount rate) are based on past operations and reasonably expected operations in the future. Cash flow projection periods reflect the operations and investment activities of individual companies. Growth rates of free cash flows are based on expected price growth rates. For Zagorski metalac d.o.o., 5-year financial plans of the cash-generating unit, the required rate of return of 10.30 percent before taxes (2020: 10.30 percent) and the annual growth rate of remaining free cash flows (the residual value) of 0 percent (2020: 0 percent) were used in testing goodwill for impairment.

In the calculation of free cash flow, increasing the discount rate by 0.5 percentage points and decreasing the long-term growth rate by 0.5 percentage points would lead to the impairment increasing by EUR 409,000. Decreasing the discount rate by 0.5 percentage points and increasing the long-term growth rate by 0.5 percentage points would lead to the impairment decreasing by a total of EUR 496,000.

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

(in EUR)	Material and other rights	Right to use concession infrastructure	Goodwill	Ongoing investments	Long-term deferred expenses	Total
<b>Cost</b>						
<b>As at 1 January 2020</b>	34,712,923	107,489,063	87,712,518	6,731,484	223,915	236,869,903
New acquisitions	0	0	0	1,896,573	5,391	1,901,964
Transfer between asset categories	0	498,246	0	72,736	0	570,982
Transfer from ongoing investments	1,954,836	2,132,375	0	(4,087,211)	0	0
<b>As at 31 March 2020</b>	<b>36,667,759</b>	<b>110,119,684</b>	<b>87,712,518</b>	<b>4,613,582</b>	<b>229,306</b>	<b>239,342,849</b>
<b>Accumulated amortisation</b>						
<b>As at 1 January 2020</b>	(23,007,066)	(49,879,553)	0	0	0	(72,886,619)
Amortisation	(975,248)	(1,045,233)	0	0	0	(2,020,481)
<b>As at 31 March 2020</b>	<b>(23,982,314)</b>	<b>(50,924,786)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(74,907,100)</b>
<b>Net carrying amount as at 1 January 2020</b>	<b>11,705,857</b>	<b>57,609,510</b>	<b>87,712,518</b>	<b>6,731,484</b>	<b>223,915</b>	<b>163,983,284</b>
<b>Net carrying amount as at 31 March 2020</b>	<b>12,685,446</b>	<b>59,194,899</b>	<b>87,712,518</b>	<b>4,613,581</b>	<b>229,306</b>	<b>164,435,750</b>
<b>Cost</b>						
<b>As at 1 January 2021</b>	34,908,199	111,460,435	85,266,022	6,198,845	163,809	237,997,310
New acquisitions	0	0	0	191,287	83,570	274,857
Disposals/Impairments	0	0	0	(6,646)	0	(6,646)
Transfer from ongoing investments	3,863,461	240,128	0	(4,103,590)	0	0
<b>As at 31 March 2021</b>	<b>38,771,660</b>	<b>111,700,563</b>	<b>85,266,022</b>	<b>2,279,896</b>	<b>247,379</b>	<b>238,265,520</b>
<b>Accumulated amortisation</b>						
<b>As at 1 January 2021</b>	(21,844,444)	(54,619,069)	0	0	0	(76,463,513)
Amortisation	(1,261,144)	(1,037,170)	0	0	0	(2,298,313)
<b>As at 31 March 2021</b>	<b>(23,105,588)</b>	<b>(55,656,238)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(78,761,825)</b>
<b>Net carrying amount as at 1 January 2021</b>	<b>13,063,755</b>	<b>56,841,366</b>	<b>85,266,022</b>	<b>6,198,845</b>	<b>163,809</b>	<b>161,533,797</b>
<b>Net carrying amount as at 31 March 2021</b>	<b>15,666,073</b>	<b>56,044,325</b>	<b>85,266,022</b>	<b>2,279,896</b>	<b>247,379</b>	<b>159,503,695</b>

## 12. Right to use of leased assets

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

(in EUR)	Right of use of leased land	Right of use of leased buildings	Right of use of leased equipment	Total
<b>Cost</b>				
<b>As at 1 January 2020</b>	<b>44,524,592</b>	<b>32,711,406</b>	<b>5,099,421</b>	<b>82,335,419</b>
New acquisitions	0	2,339,228	0	2,339,228
Disposals	0	(2,331,345)	0	(2,331,345)
Foreign exchange differences	(271,076)	(505,742)	(11,576)	(788,394)
<b>As at 31 March 2020</b>	<b>44,253,516</b>	<b>32,213,547</b>	<b>5,087,845</b>	<b>81,554,908</b>
<b>Accumulated depreciation</b>				
<b>As at 1 January 2020</b>	<b>(3,109,854)</b>	<b>(5,905,560)</b>	<b>(1,781,056)</b>	<b>(10,796,470)</b>
Depreciation	(786,909)	(1,435,812)	(456,740)	(2,679,461)
Disposals	0	546,683	0	546,683
Foreign exchange differences	26,402	109,496	3,828	139,726
<b>As at 31 March 2020</b>	<b>(3,870,361)</b>	<b>(6,685,193)</b>	<b>(2,233,968)</b>	<b>(12,789,522)</b>
<b>Net carrying amount as at 1 January 2020</b>	<b>41,414,738</b>	<b>26,805,846</b>	<b>3,318,365</b>	<b>71,538,949</b>
<b>Net carrying amount as at 31 March 2020</b>	<b>40,383,155</b>	<b>25,528,354</b>	<b>2,853,877</b>	<b>68,765,386</b>

(in EUR)	Right of use of leased land	Right of use of leased buildings	Right of use of leased equipment	Total
<b>Cost</b>				
<b>As at 1 January 2021</b>	<b>43,684,979</b>	<b>31,791,552</b>	<b>5,965,717</b>	<b>81,442,248</b>
New acquisitions as a result of control obtained	0	76,277	120,037	196,314
New acquisitions	0	3,266,760	87,866	3,354,626
Disposals	0	(620,522)	(56,697)	(677,219)
Foreign exchange differences	(36,080)	(75,322)	(1,034)	(112,436)
<b>As at 31 March 2021</b>	<b>43,648,899</b>	<b>34,438,745</b>	<b>6,115,889</b>	<b>84,203,533</b>
<b>Accumulated depreciation</b>				
<b>As at 1 January 2021</b>	<b>(6,197,450)</b>	<b>(9,367,210)</b>	<b>(3,475,982)</b>	<b>(19,040,642)</b>
New acquisitions as a result of control obtained	0	(39,323)	(37,623)	(76,946)
Depreciation	(765,863)	(1,404,987)	(410,938)	(2,581,788)
Disposals	0	7,749	36,524	44,273
Foreign exchange differences	5,932	22,861	785	29,578
<b>As at 31 March 2021</b>	<b>(6,957,381)</b>	<b>(10,780,910)</b>	<b>(3,887,234)</b>	<b>(21,625,525)</b>
<b>Net carrying amount as at 1 January 2021</b>	<b>37,487,529</b>	<b>22,424,342</b>	<b>2,489,735</b>	<b>62,401,606</b>
<b>Net carrying amount as at 31 March 2021</b>	<b>36,691,518</b>	<b>23,657,835</b>	<b>2,228,655</b>	<b>62,578,008</b>



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

(in EUR)	Right of use of leased land	Right of use of leased buildings	Right of use of leased equipment	Total
<b>Cost</b>				
As at 1 January 2020	32,908,459	1,015,136	4,463,798	38,387,393
As at 31 March 2020	32,908,459	1,015,136	4,463,798	38,387,393
<b>Accumulated depreciation</b>				
As at 1 January 2020	(2,162,182)	(303,738)	(1,574,909)	(4,040,829)
Depreciation	(548,631)	(77,862)	(403,599)	(1,030,092)
As at 31 March 2020	(2,710,813)	(381,600)	(1,978,508)	(5,070,921)
<b>Net carrying amount as at 1 January 2020</b>	<b>30,746,277</b>	<b>711,398</b>	<b>2,888,889</b>	<b>34,346,564</b>
<b>Net carrying amount as at 31 March 2020</b>	<b>30,197,646</b>	<b>633,536</b>	<b>2,485,290</b>	<b>33,316,472</b>

(in EUR)	Right of use of leased land	Right of use of leased buildings	Right of use of leased equipment	Total
<b>Cost</b>				
As at 1 January 2021	32,218,878	930,231	5,338,513	38,487,622
New acquisitions	0	596,107	53,560	649,667
As at 31 March 2021	32,218,878	1,526,338	5,392,073	39,137,289
<b>Accumulated depreciation</b>				
As at 1 January 2021	(4,287,714)	(428,912)	(3,054,348)	(7,770,974)
Depreciation	(523,882)	(119,066)	(356,940)	(999,887)
As at 31 March 2021	(4,811,596)	(547,978)	(3,411,288)	(8,770,861)
<b>Net carrying amount as at 1 January 2021</b>	<b>27,931,164</b>	<b>501,319</b>	<b>2,284,165</b>	<b>30,716,648</b>
<b>Net carrying amount as at 31 March 2021</b>	<b>27,407,282</b>	<b>978,361</b>	<b>1,980,785</b>	<b>30,366,427</b>

### 13. Property, plant and equipment

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

(in EUR)	Land	Buildings	Plant	Equipment	Ongoing investments	Total
<b>Cost</b>						
<b>As at 1 January 2020</b>	<b>217,739,798</b>	<b>723,021,907</b>	<b>4,732,655</b>	<b>329,048,249</b>	<b>56,142,718</b>	<b>1,330,685,327</b>
New acquisitions	0	55,870	0	207,114	8,934,076	9,197,060
Disposals/Impairments	(40,335)	(16,973)	0	(539,631)	0	(596,939)
Transfer between assets categories	0	2,344,041	0	(2,842,287)	(72,736)	(570,982)
Transfer from ongoing investments	2,207,484	11,670,489	142,518	8,458,925	(22,479,416)	0
Transfer to investment property	0	0	0	0	(253,029)	(253,029)
Foreign exchange differences	(1,631,794)	(3,547,581)	(8,636)	(1,997,770)	(67,707)	(7,253,488)
<b>As at 31 March 2020</b>	<b>218,275,153</b>	<b>733,527,753</b>	<b>4,866,537</b>	<b>332,334,600</b>	<b>42,203,906</b>	<b>1,331,207,949</b>
<b>Accumulated depreciation</b>						
<b>As at 1 January 2020</b>	<b>0</b>	<b>(428,928,691)</b>	<b>(2,097,886)</b>	<b>(189,726,587)</b>	<b>0</b>	<b>(620,753,164)</b>
Depreciation	0	(6,067,449)	(78,421)	(6,287,100)	0	(12,432,970)
Disposals/Impairments	0	17,454	0	511,357	0	528,811
Transfer between assets categories	0	(704,110)	0	704,110	0	0
Foreign exchange differences	0	1,619,573	7,263	1,034,887	0	2,661,723
<b>As at 31 March 2020</b>	<b>0</b>	<b>(434,063,223)</b>	<b>(2,169,044)</b>	<b>(193,763,333)</b>	<b>0</b>	<b>(629,995,600)</b>
<b>Net carrying amount as at 1 January 2020</b>	<b>217,739,798</b>	<b>294,093,216</b>	<b>2,634,769</b>	<b>139,321,662</b>	<b>56,142,718</b>	<b>709,932,163</b>
<b>Net carrying amount as at 31 March 2020</b>	<b>218,275,153</b>	<b>299,464,530</b>	<b>2,697,493</b>	<b>138,571,267</b>	<b>42,203,906</b>	<b>701,212,349</b>
<b>Cost</b>						
<b>As at 1 January 2021</b>	<b>218,294,380</b>	<b>746,545,163</b>	<b>4,955,314</b>	<b>347,831,422</b>	<b>51,259,979</b>	<b>1,368,886,258</b>
New acquisitions as a result of control obtained	273,673	5,515,126	6,947,560	1,400	1,314,173	14,051,932
New acquisitions	0	26,797	414	544,878	10,508,404	11,080,493
Disposals/Impairments	(1,246,368)	(1,917,111)	(553)	(2,316,641)	(317,279)	(5,797,952)
Transfer between assets categories	0	307,567	(306,624)	(943)	(15,049)	(15,049)
Transfer from ongoing investments	1,322,857	2,425,931	3,443	3,484,143	(7,236,374)	0
Transfer to investment property	0	(324,580)	0	0	0	(324,580)
Transfer from investment property	0	815,144	0	0	0	815,144
Foreign exchange differences	(220,886)	(431,813)	(1,176)	(260,721)	(87,397)	(1,001,993)
<b>As at 31 March 2021</b>	<b>218,423,656</b>	<b>752,962,224</b>	<b>11,598,378</b>	<b>349,283,538</b>	<b>55,426,457</b>	<b>1,387,694,253</b>
<b>Accumulated depreciation</b>						
<b>As at 1 January 2021</b>	<b>0</b>	<b>(448,659,582)</b>	<b>(2,403,660)</b>	<b>(207,615,395)</b>	<b>0</b>	<b>(658,678,637)</b>
New acquisitions as a result of control obtained	0	(1,897,350)	(4,413,176)	0	0	(6,310,526)
Depreciation	0	(6,225,201)	(196,450)	(6,226,754)	0	(12,648,405)
Disposals/Impairments	0	702,282	553	1,620,936	0	2,323,771
Transfer between assets categories	0	(424)	0	424	0	0
Transfer from investment property	0	(281,466)	0	0	0	(281,466)
Foreign exchange differences	0	195,855	1,099	154,113	0	351,067
<b>As at 31 March 2021</b>	<b>0</b>	<b>(456,165,886)</b>	<b>(7,011,634)</b>	<b>(212,066,676)</b>	<b>0</b>	<b>(675,244,196)</b>
<b>Net carrying amount as at 1 January 2021</b>	<b>218,294,380</b>	<b>297,885,581</b>	<b>2,551,654</b>	<b>140,216,027</b>	<b>51,259,979</b>	<b>710,207,621</b>
<b>Net carrying amount as at 31 March 2021</b>	<b>218,423,656</b>	<b>296,796,338</b>	<b>4,586,744</b>	<b>137,216,862</b>	<b>55,426,457</b>	<b>712,450,057</b>

When testing asset impairment indicators, the Group determined that the carrying amount of the assets of the cash-generating units Zagorski metalac d.o.o. and Biogas plants exceeded the fair value and value in use of these assets. Therefore, based on internal assessments, the Group impaired the assets of the cash-generating units as at 31 March 2021 by EUR 443,276 in the case of Zagorski metalac d.o.o. and by EUR 1,320,938 in the case of Biogas plants. In the case of Zagorski metalac, the impairment of assets relates to buildings, whereas in the case of Biogas plants it relates to land, buildings and equipment.

The assumptions used in testing the cash-generating unit Zagorski metalac for impairment and the total effects recognised in the financial statements are explained as part of the disclosure of intangible fixed assets relating to the Group.

When testing the non-current assets of the cash-generating unit Biogas plants for impairment, 3-year financial plans were used, which showed the value of the cash-generating unit to be negative.

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

(in EUR)	Land	Buildings	Equipment	Ongoing investments	Total
<b>Cost</b>					
<b>As at 1 January 2020</b>	<b>103,350,635</b>	<b>535,951,087</b>	<b>247,981,148</b>	<b>44,292,962</b>	<b>931,575,832</b>
New acquisitions	0	0	0	7,142,658	7,142,658
Disposals/Impairments	(40,335)	0	(538,130)	0	(578,466)
Transfer between asset categories	0	(554,027)	55,781	(72,736)	(570,982)
Transfer from ongoing investments	10,984	9,825,674	7,490,812	(17,327,470)	0
Transfer to investment property	0	0	0	(253,029)	(253,029)
<b>As at 31 March 2020</b>	<b>103,321,284</b>	<b>545,222,734</b>	<b>254,989,611</b>	<b>33,782,385</b>	<b>937,316,014</b>
<b>Accumulated depreciation</b>					
<b>As at 1 January 2020</b>	<b>0</b>	<b>(381,759,290)</b>	<b>(161,585,211)</b>	<b>0</b>	<b>(543,344,501)</b>
Depreciation	0	(3,821,968)	(4,104,452)	0	(7,926,420)
Disposals/Impairments	0	0	509,859	0	509,859
<b>As at 31 March 2020</b>	<b>0</b>	<b>(385,581,258)</b>	<b>(165,179,804)</b>	<b>0</b>	<b>(550,761,062)</b>
<b>Net carrying amount as at 1 January 2020</b>	<b>103,350,635</b>	<b>154,191,797</b>	<b>86,395,937</b>	<b>44,292,962</b>	<b>388,231,331</b>
<b>Net carrying amount as at 31 March 2020</b>	<b>103,321,284</b>	<b>159,641,476</b>	<b>89,809,807</b>	<b>33,782,385</b>	<b>386,554,952</b>

(in EUR)	Land	Buildings	Equipment	Ongoing investments	Total
<b>Cost</b>					
<b>As at 1 January 2021</b>	<b>102,847,584</b>	<b>567,311,922</b>	<b>265,240,639</b>	<b>17,229,342</b>	<b>952,629,487</b>
New acquisitions	0	0	0	2,271,518	2,271,518
Disposals/Impairments	(146,368)	(1,474,120)	(2,006,953)	(317,279)	(3,944,720)
Transfer between asset categories	0	943	(943)	0	0
Transfer from ongoing investments	1,322,857	2,349,864	3,300,864	(6,973,585)	0
Transfer to investment property	0	0	0	(1,056)	(1,056)
<b>As at 31 March 2021</b>	<b>104,024,073</b>	<b>568,188,609</b>	<b>266,533,607</b>	<b>12,208,940</b>	<b>950,955,228</b>
<b>Accumulated depreciation</b>					
<b>As at 1 January 2021</b>	<b>0</b>	<b>(400,599,347)</b>	<b>(172,605,036)</b>	<b>0</b>	<b>(573,204,383)</b>
Depreciation	0	(3,941,008)	(4,074,063)	0	(8,015,070)
Disposals/Impairments	0	703,089	1,479,329	0	2,182,418
Transfer between asset categories	0	(424)	424	0	0
<b>As at 31 March 2021</b>	<b>0</b>	<b>(403,837,690)</b>	<b>(175,199,346)</b>	<b>0</b>	<b>(579,037,036)</b>
<b>Net carrying amount as at 1 January 2021</b>	<b>102,847,584</b>	<b>166,712,575</b>	<b>92,635,603</b>	<b>17,229,342</b>	<b>379,425,104</b>
<b>Net carrying amount as at 31 March 2021</b>	<b>104,024,073</b>	<b>164,350,919</b>	<b>91,334,261</b>	<b>12,208,940</b>	<b>371,918,193</b>

When testing asset impairment indicators, the Company determined that the carrying amount of the assets of the cash-generating unit Biogas plants exceeded the fair value and value in use of these assets. Therefore, the Company impaired the assets of the cash-generating unit as at 31 March 2021 by EUR 1,320,938, based on internal assessments.

The impairment of the assets of the cash-generating unit Biogas plants relates to land, buildings and equipment. When testing the non-current assets of the cash-generating unit Biogas plants for impairment, 3-year financial plans were used, which showed the value of the cash-generating unit to be negative.

## 14. Investment in subsidiaries

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

(in EUR)	Petrol d.d.	
	2021	2020
<b>As at 1 January</b>	<b>351,013,627</b>	<b>341,346,801</b>
New acquisitions	22,450,000	6,950,000
Disposals	0	(56,610)
Impairment	(943,000)	0
<b>As at 31 March</b>	<b>372,520,627</b>	<b>348,240,191</b>

When testing investment impairment indicators, the Company determined that the carrying amount of the investment in Zagorski metalac d.o.o. exceeded the investment's fair value and value in use, prompting the Company to impair the investment by EUR 943,000 based on internal assessments.

The assumptions used in impairment testing and the total effects recognised in the financial statements are explained as part of the disclosure of intangible fixed assets relating to the Group.

In the calculation of free cash flow, increasing the discount rate by 0.5 percentage points and decreasing the long-term growth rate by 0.5 percentage points would lead to the impairment increasing by EUR 357,750. Decreasing the discount rate by 0.5 percentage points and increasing the long-term growth rate by 0.5 percentage points would lead to the impairment decreasing by a total of EUR 434,250.

## 15. Investments in jointly controlled entities

(in EUR)	The Petrol Group		Petrol d.d.	
	2021	2020	2021	2020
<b>As at 1 January</b>	<b>562,016</b>	<b>610,273</b>	<b>233,000</b>	<b>233,000</b>
Attributed profit/loss	103,731	93,526	0	0
Foreign exchange differences	(71)	(542)	0	0
<b>As at 31 March</b>	<b>665,676</b>	<b>703,257</b>	<b>233,000</b>	<b>233,000</b>

## 16. Investments in associates

(in EUR)	The Petrol Group		Petrol d.d.	
	2021	2020	2021	2020
<b>As at 1 January</b>	<b>55,953,391</b>	<b>54,655,607</b>	<b>29,185,477</b>	<b>29,939,454</b>
Attributed profit/loss	193,406	229,276	0	0
New acquisitions	483,993	0	0	0
Decrease	(2,550,560)	0	(2,575,000)	0
Foreign exchange differences	(7,585)	(7,586)	0	0
<b>As at 31 March</b>	<b>54,072,645</b>	<b>54,877,297</b>	<b>26,610,477</b>	<b>29,939,454</b>

## 17. Financial assets at fair value through other comprehensive income

(in EUR)	The Petrol Group		Petrol d.d.	
	2021	2020	2021	2020
<b>As at 1 January</b>	<b>4,528,987</b>	<b>4,528,987</b>	<b>2,117,914</b>	<b>2,117,914</b>
New acquisitions	0	1,398,705	0	1,398,705
Impairment	0	(948,705)	0	(948,705)
<b>As at 31 March</b>	<b>4,528,987</b>	<b>4,978,987</b>	<b>2,117,914</b>	<b>2,567,914</b>

## 18. Inventories

(in EUR)	The Petrol Group		Petrol d.d.	
	31 March 2021	31 December 2020	31 March 2021	31 December 2020
Spare parts and materials	2,342,343	2,430,425	2,033,874	2,152,317
Merchandise:	118,217,507	167,503,333	85,979,424	85,378,313
- fuel	74,456,373	71,457,024	57,946,505	56,735,413
- other petroleum products	486,629	525,972	81,546	118,045
- other merchandise	43,274,505	95,520,337	27,951,373	28,524,855
<b>Total inventories</b>	<b>120,559,850</b>	<b>169,933,758</b>	<b>88,013,298</b>	<b>87,530,630</b>

## 19. Current financial receivables

(in EUR)	The Petrol Group		Petrol d.d.	
	31 March 2021	31 December 2020	31 March 2021	31 December 2020
Loans granted	3,931,254	3,562,384	8,212,704	23,050,622
Adjustment to the value of loans granted	(1,329,184)	(1,330,433)	(1,285,380)	(1,285,380)
Time deposits with banks (3 months to 1 year)	593,698	593,958	0	0
Interest receivables	152,697	122,759	5,141,776	5,000,553
Allowance for interest receivables	(109,539)	(94,141)	(4,562,766)	(4,518,069)
<b>Total current financial receivables</b>	<b>3,238,926</b>	<b>2,854,527</b>	<b>7,506,334</b>	<b>22,247,726</b>

## 20. Current operating receivables

(in EUR)	The Petrol Group		Petrol d.d.	
	31 March 2021	31 December 2020	31 March 2021	31 December 2020
Trade receivables	475,760,420	406,289,815	272,542,050	262,238,768
Allowance for trade receivables	(52,180,456)	(49,921,950)	(30,380,031)	(30,657,864)
Operating receivables from state and other institutions	7,405,108	2,511,467	212,941	217,146
Operating interest receivables	1,572,995	1,338,849	2,452,515	2,484,533
Allowance for interest receivables	(1,373,751)	(1,214,106)	(1,051,851)	(1,059,184)
Receivables from insurance companies (loss events)	134,220	143,214	25,028	28,473
Other operating receivables	9,349,780	8,227,167	6,198,519	5,018,992
Allowance for other receivables	(995,955)	(933,017)	(588,464)	(551,988)
<b>Total current operating receivables</b>	<b>439,672,361</b>	<b>366,441,439</b>	<b>249,410,707</b>	<b>237,718,876</b>

## 21. Financial assets at fair value through profit or loss

(in EUR)	The Petrol Group		Petrol d.d.	
	31 March 2021	31 December 2020	31 March 2021	31 December 2020
Assets arising from commodity swaps	9,421,583	11,314,346	9,316,914	11,259,599
Assets arising from forward contracts	22,770	2,636	22,770	2,636
<b>Total financial assets at fair value through profit or loss</b>	<b>9,444,353</b>	<b>11,316,982</b>	<b>9,339,684</b>	<b>11,262,235</b>

## 22. Prepayments and other assets

(in EUR)	The Petrol Group		Petrol d.d.	
	31 March 2021	31 December 2020	31 March 2021	31 December 2020
Prepayments	64,076,693	73,803,420	17,726,524	24,677,675
Prepaid licences, subscriptions, specialised literature, etc.	2,019,063	1,579,289	1,767,521	1,390,210
Prepaid insurance premiums	529,004	734,485	330,893	461,928
Other deferred costs	20,370,255	2,389,316	13,875,873	842,063
<b>Total prepayments and other assets</b>	<b>86,995,015</b>	<b>78,506,510</b>	<b>33,700,811</b>	<b>27,371,876</b>

## 23. Financial liabilities

(in EUR)	The Petrol Group		Petrol d.d.	
	31 March 2021	31 December 2020	31 March 2021	31 December 2020
<b>Current financial liabilities</b>				
Bank loans	63,776,621	36,621,251	60,538,282	36,620,014
Liabilities to banks arising from interest rate swaps	4,402,162	5,379,273	4,119,928	4,896,601
Liabilities to banks arising from commodity swaps	2,668,223	5,029,689	2,668,223	5,145,357
Bonds issued	316,681	250,309	316,681	250,309
Liabilities to banks arising from forward contracts	192	786,222	192	786,222
Other liabilities arising from financial instruments	0	0	2,568,846	2,568,846
Other loans and financial liabilities	914,378	699,811	146,413,654	110,421,383
	<b>72,078,257</b>	<b>48,766,555</b>	<b>216,625,806</b>	<b>160,688,732</b>
<b>Non-current financial liabilities</b>				
Bank loans	223,551,912	259,249,424	173,490,397	209,427,879
Bonds issued	43,803,730	43,801,874	43,803,730	43,801,874
Loans obtained from other companies	379,464	379,762	28,000,000	29,636,850
	<b>267,735,106</b>	<b>303,431,060</b>	<b>245,294,127</b>	<b>282,866,603</b>
<b>Total financial liabilities</b>	<b>339,813,363</b>	<b>352,197,615</b>	<b>461,919,933</b>	<b>443,555,335</b>

## 24. Lease liabilities

(in EUR)	The Petrol Group		Petrol d.d.	
	31 March 2021	31 December 2020	31 March 2021	31 December 2020
Non-current lease liabilities	54,209,692	54,397,111	27,354,291	27,608,922
Current lease liabilities	10,606,935	10,069,352	4,259,323	4,259,323
<b>Total lease liabilities</b>	<b>64,816,627</b>	<b>64,466,463</b>	<b>31,613,614</b>	<b>31,868,245</b>

## 25. Current operating liabilities

(in EUR)	The Petrol Group		Petrol d.d.	
	31 March 2021	31 December 2020	31 March 2021	31 December 2020
Trade liabilities	268,649,121	287,742,078	182,739,025	225,732,060
Excise duty liabilities	81,024,240	89,051,979	71,855,953	81,941,940
Value added tax liabilities	28,856,694	28,464,911	12,895,582	18,681,572
Liabilities to employees	13,928,774	12,264,510	11,244,795	9,700,069
Liabilities for environmental charges and contributions	8,786,058	7,074,616	8,305,429	6,574,164
Other liabilities to the state and other state institutions	4,163,467	4,066,375	2,156,413	2,154,492
Import duty liabilities	1,369,734	1,068,381	0	0
Social security contribution liabilities	1,328,735	1,443,461	739,822	809,456
Liabilities arising from interests acquired	1,323,821	1,423,471	1,100,000	1,199,650
Liabilities associated with the allocation of profit or loss	607,895	607,895	607,895	607,895
Other liabilities	3,073,564	4,008,471	1,592,311	1,431,534
<b>Total current operating and other liabilities</b>	<b>413,112,103</b>	<b>437,216,148</b>	<b>293,237,225</b>	<b>348,832,832</b>

## 26. Contract liabilities

(in EUR)	The Petrol Group		Petrol d.d.	
	31 March 2021	31 December 2020	31 March 2021	31 December 2020
Short-term prepayments and collaterals given	7,980,069	13,019,932	5,150,434	7,351,829
Deferred prepaid card revenue	1,406,567	1,665,807	1,294,970	1,478,932
Deferred revenue from rebates and discounts granted	776,610	242,107	507,762	0
<b>Total contract liabilities</b>	<b>10,163,246</b>	<b>14,927,846</b>	<b>6,953,166</b>	<b>8,830,761</b>

## 27. Other liabilities

(in EUR)	The Petrol Group		Petrol d.d.	
	31 March 2021	31 December 2020	31 March 2021	31 December 2020
Accrued annual leave expenses	2,651,541	2,613,290	1,784,815	1,784,815
Accrued concession fee costs	313,895	366,833	305,895	366,833
Accrued expenses for tanker demurrage	302,841	387,983	302,841	387,983
Accrued motorway site lease payments	95,255	73,747	95,255	73,747
Other accrued costs	8,582,625	9,804,015	6,490,777	7,555,385
Other deferred revenue	3,090,252	2,476,402	2,940,058	2,310,692
<b>Total other liabilities</b>	<b>15,036,409</b>	<b>15,722,270</b>	<b>11,919,641</b>	<b>12,479,455</b>

## 28. Financial instruments and risks

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

The impact of the Corona virus pandemic (COVID-19) on the Petrol Group's operations and risk management is reported also in Chapter *The Petrol Group's operations in the first three months of 2021*.

### Credit risk

In the first three months of the year 2021 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 31 March 2021:

(in EUR)	The Petrol Group		Petrol d.d.	
	31 March 2021	31 December 2020	31 March 2021	31 December 2020
Financial assets at fair value through other comprehensive income	4,528,987	4,528,987	2,117,914	2,117,914
Non-current financial receivables	2,102,989	2,680,471	55,533,321	58,124,422
Non-current operating receivables	8,792,452	10,565,315	8,775,135	10,542,414
Contract assets	3,796,716	1,949,652	2,940,107	3,276,761
Current financial receivables	3,238,926	2,854,527	7,506,334	22,247,726
Current operating receivables (excluding receivables from the state)	432,267,253	363,929,972	249,197,766	237,501,730
Financial assets at fair value through profit or loss	9,444,353	11,316,982	9,339,684	11,262,235
Cash and cash equivalents	52,523,364	88,674,952	13,820,900	44,670,525
<b>Total assets</b>	<b>516,695,040</b>	<b>486,500,858</b>	<b>349,231,161</b>	<b>389,743,727</b>

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



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

(in EUR)	Breakdown by maturity					Total
	Not yet due	Up to 30 days overdue	31 to 60 days overdue	61 to 90 days overdue	More than 90 days overdue	
Trade receivables	314,932,992	31,695,839	5,075,314	611,619	4,052,101	356,367,865
Interest receivables	37,856	16,889	8,111	1,968	59,919	124,743
Other receivables (excluding receivables from the state)	7,374,118	55,134	3,462	4,650	0	7,437,364
<b>Total as at 31 December 2020</b>	<b>322,344,966</b>	<b>31,767,862</b>	<b>5,086,887</b>	<b>618,237</b>	<b>4,112,020</b>	<b>363,929,972</b>
(in EUR)	Breakdown by maturity					Total
	Not yet due	Up to 30 days overdue	31 to 60 days overdue	61 to 90 days overdue	More than 90 days overdue	
Trade receivables	385,097,883	29,061,209	6,078,774	1,548,101	1,793,997	423,579,964
Interest receivables	66,830	33,994	2,264	17,100	79,056	199,244
Other receivables (excluding receivables from the state)	8,294,226	120,826	5,625	1,476	65,892	8,488,045
<b>Total as at 31 March 2021</b>	<b>393,458,939</b>	<b>29,216,029</b>	<b>6,086,663</b>	<b>1,566,677</b>	<b>1,938,945</b>	<b>432,267,253</b>

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

(in EUR)	Breakdown by maturity					Total
	Not yet due	Up to 30 days overdue	31 to 60 days overdue	61 to 90 days overdue	More than 90 days overdue	
Trade receivables	201,953,228	9,636,626	9,019,494	961,715	10,009,841	231,580,904
Interest receivables	0	0	0	0	1,425,349	1,425,349
Other receivables (excluding receivables from the state)	4,461,687	32,808	708	274	0	4,495,477
<b>Total as at 31 December 2020</b>	<b>206,414,915</b>	<b>9,669,434</b>	<b>9,020,202</b>	<b>961,989</b>	<b>11,435,190</b>	<b>237,501,730</b>
(in EUR)	Breakdown by maturity					Total
	Not yet due	Up to 30 days overdue	31 to 60 days overdue	61 to 90 days overdue	More than 90 days overdue	
Trade receivables	213,961,593	14,226,323	3,241,984	992,745	9,739,374	242,162,019
Interest receivables	0	0	0	0	1,400,664	1,400,664
Other receivables (excluding receivables from the state)	5,551,731	82,461	891	0	0	5,635,083
<b>Total as at 31 March 2021</b>	<b>219,513,324</b>	<b>14,308,784</b>	<b>3,242,875</b>	<b>992,745</b>	<b>11,140,038</b>	<b>249,197,766</b>

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

(in days)	The Petrol Group		Petrol d.d.	
	1-3 2021	1-12 2020	1-3 2021	1-12 2020
<b>Days sales outstanding</b>				
Contract days	40	49	36	42
Overdue receivables in days	4	5	4	5
<b>Total days sales outstanding</b>	<b>44</b>	<b>54</b>	<b>40</b>	<b>47</b>

### Liquidity risk

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

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

The Group/Company manages liquidity risks through:

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



- computer-assisted system for the management of cash flows of the parent company and all its subsidiaries,
- centralised collection of available cash through cash pooling.

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

Successful cash flow planning or estimating the decrease in inflows due to the decrease in sales, enabled us timely or good liquidity forecast and optimal cash flow management at the Group level. A strong liquidity position also allows us to settle all liabilities on the due date.

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

The Group's liabilities as at 31 December 2020 by maturity:

(in EUR)	Carrying amount of liabilities	Liability	Contractual cash flows			
			0 to 6 months	6 to 12 months	1 to 5 years	More than 5 years
Non-current financial liabilities	303,431,060	310,959,169	0	0	299,710,991	11,248,178
Non-current lease liabilities	54,397,111	70,609,544	0	0	38,272,782	32,336,762
Non-current operating liabilities (excluding other liabilities)	24,000	24,000	0	0	24,000	0
Current financial liabilities	48,766,555	51,021,405	25,928,595	25,092,810	0	0
Current lease liabilities	10,069,352	11,024,294	5,638,689	5,385,605	0	0
Liabilities arising from commodity forward contracts*	-	366,543,618	165,388,450	156,287,654	44,867,514	0
Current operating liabilities (excluding liabilities to the state, employees and arising from advance payments)	293,781,915	293,781,915	293,382,666	399,249	0	0
<b>As at 31 December 2020</b>	<b>710,469,993</b>	<b>1,103,963,945</b>	<b>490,338,400</b>	<b>187,165,318</b>	<b>382,875,287</b>	<b>43,584,940</b>

The Group's liabilities as at 31 March 2021 by maturity:

(in EUR)	Carrying amount of liabilities	Liability	Contractual cash flows			
			0 to 6 months	6 to 12 months	1 to 5 years	More than 5 years
Non-current financial liabilities	267,735,106	274,107,422	0	0	262,942,874	11,164,548
Non-current lease liabilities	54,209,692	70,775,052	0	0	32,625,128	38,149,924
Non-current operating liabilities (excluding other liabilities)	24,000	24,000	0	0	24,000	0
Current financial liabilities	72,078,257	74,958,143	73,181,638	1,776,505	0	0
Current lease liabilities	10,606,935	11,499,512	5,875,556	5,623,956	0	0
Liabilities arising from commodity forward contracts*	-	326,796,255	164,839,943	96,815,366	65,140,946	0
Current operating liabilities (excluding liabilities to the state, employees and arising from advance payments)	273,654,401	273,654,401	273,138,269	516,132	0	0
<b>As at 31 March 2021</b>	<b>678,308,391</b>	<b>1,031,814,785</b>	<b>517,035,406</b>	<b>104,731,959</b>	<b>360,732,948</b>	<b>49,314,472</b>

The Company's liabilities as at 31 December 2020 by maturity:

(in EUR)	Carrying amount of liabilities	Liability	Contractual cash flows			
			0 to 6 months	6 to 12 months	1 to 5 years	More than 5 years
Non-current financial liabilities	282,866,603	287,498,462	0	0	276,250,284	11,248,178
Non-current lease liabilities	27,608,922	39,824,872	0	0	15,965,169	23,859,703
Non-current operating liabilities (excluding other liabilities)	24,000	24,000	0	0	24,000	0
Current financial liabilities	160,688,732	164,278,181	33,525,671	130,752,510	0	0
Current lease liabilities	4,259,323	4,294,274	2,212,789	2,081,485	0	0
Liabilities arising from commodity forward contracts*	-	368,883,699	166,749,812	157,266,373	44,867,514	0
Current operating liabilities (excluding liabilities to the state, employees and arising from advance payments)	228,971,139	228,971,869	228,721,931	249,938	0	0
Contingent liabilities for ruarantees issued**	-	168,698,903	168,698,903	0	0	0
<b>As at 31 December 2020</b>	<b>704,418,719</b>	<b>1,262,474,260</b>	<b>599,909,106</b>	<b>290,350,306</b>	<b>337,106,967</b>	<b>35,107,881</b>

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

(in EUR)	Carrying amount of liabilities	Liability	Contractual cash flows			
			0 to 6 months	6 to 12 months	1 to 5 years	More than 5 years
Non-current financial liabilities	245,294,127	249,113,930	0	0	237,949,382	11,164,548
Non-current lease liabilities	27,354,291	39,312,007	0	0	13,108,731	26,203,276
Non-current operating liabilities (excluding other liabilities)	24,000	24,000	0	0	24,000	0
Current financial liabilities	216,625,806	219,890,297	109,081,680	110,808,617	0	0
Current lease liabilities	4,259,323	4,576,234	2,372,339	2,203,895	0	0
Liabilities arising from commodity forward contracts*	-	326,707,141	164,780,650	96,785,545	65,140,946	0
Current operating liabilities (excluding liabilities to the state, employees and arising from advance payments)	186,039,231	186,039,231	185,837,772	201,459	0	0
Contingent liabilities for ruarantees issued**	-	174,000,405	174,000,405	0	0	0
<b>As at 31 March 2021</b>	<b>679,596,778</b>	<b>1,199,663,245</b>	<b>636,072,846</b>	<b>209,999,516</b>	<b>316,223,059</b>	<b>37,367,824</b>

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

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

## Foreign exchange risk

As far as foreign exchange risks are concerned, the Group/Company is mostly exposed to the risk of changes in the EUR/USD exchange rate. Petroleum products are generally purchased in US dollars and sold in local currencies.

The Group hedges against the exposure to changes in the EUR/USD exchange rate by fixing the exchange rate in order to secure the margin. The hedging instruments used in this case are forward contracts entered into with banks. There was no need to change the exchange rate hedging system at the time of the epidemic and the fall in oil prices.

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

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

In the first three months of 2021, 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 2,036,386, with the EUR/BAM currency pair being treated as fixed.

## **Price and volumetric risk**

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

The Group/Company hedges energy commodity prices primarily by using derivatives. Partners in this area include global financial institutions and banks or suppliers of goods. The Group/Company considers the counterparty default risk as minimal.

## **Interest rate risk**

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

In the first three months of 2021, the Group/Company continued to monitor exposure to changes in net interest expense in the case of interest rate changes.

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

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

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

## **Capital Adequacy Management**

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

Testifying to our financial stability are the »BBB-« credit rating received from S&P at the end of June 2014 and the successful international issuance of eurobonds worth a total of EUR 265 million, which were fully repaid in 2019. On 9 April 2021, Standard & Poor's Ratings Services reaffirmed the »BBB-« long-term credit rating and the »A-3« short-term credit rating of Petrol d.d., Ljubljana, also reaffirming the »stable« credit rating outlook.

In the first three months of 2021, despite the impact of the epidemic, the Petrol Group continued to pursue its strategic orientation to drive down financial debt and to maintain the net debt to equity ratio at the 2020 level through good operating performance.

## Carrying amount and fair value of financial instruments

(in EUR)	The Petrol Group			
	31 March 2021 Carrying	Fair value	31 December 2020 Carrying	Fair value
<b>Non-derivative financial assets at fair value</b>				
Financial assets at fair value through other comprehensive income	4,528,987	4,528,987	4,528,987	4,528,987
<b>Non-derivative financial assets at amortised cost</b>				
Financial receivables (excluding derivative financial instruments)	5,341,915	5,341,915	5,534,998	5,534,998
Operating receivables (excluding receivables from the state)	441,059,705	441,059,705	374,495,287	374,495,287
Contract assets	3,796,716	3,796,716	1,949,652	1,949,652
Cash and cash equivalents	52,523,364	52,523,364	88,674,952	88,674,952
<b>Total non-derivative financial assets</b>	<b>507,250,687</b>	<b>507,250,687</b>	<b>475,183,876</b>	<b>475,183,876</b>
<b>Non-derivative financial liabilities at amortised cost</b>				
Bank loans and other financial liabilities (excluding derivative fin.instr.)	(332,742,786)	(332,742,786)	(341,002,431)	(341,002,431)
Lease liabilities	(64,816,627)	(64,816,627)	(64,466,463)	(64,466,463)
Operating liabilities (excluding other non-current liabilities and current liabilities to the state, employees and arising from advance payments)	(273,678,401)	(273,678,401)	(293,805,915)	(293,805,915)
<b>Total non-derivative financial liabilities</b>	<b>(671,237,814)</b>	<b>(671,237,814)</b>	<b>(699,274,809)</b>	<b>(699,274,809)</b>
<b>Derivative financial instruments at fair value</b>				
Derivative financial instruments (assets)	9,444,353	9,444,353	11,316,982	11,316,982
Derivative financial instruments (liabilities)	(7,070,577)	(7,070,577)	(11,195,184)	(11,195,184)
<b>Total derivative financial instruments</b>	<b>2,373,776</b>	<b>2,373,776</b>	<b>121,798</b>	<b>121,798</b>

(in EUR)	Petrol d.d.			
	31 March 2021 Carrying amount	Fair value	31 December 2020 Carrying amount	Fair value
<b>Non-derivative financial assets at fair value</b>				
Financial assets at fair value through other comprehensive income	2,117,914	2,117,914	2,117,914	2,117,914
<b>Non-derivative financial assets at amortised cost</b>				
Financial receivables (excluding derivative financial instruments)	63,039,655	63,039,655	80,372,148	80,372,148
Operating receivables (excluding receivables from the state)	257,972,901	257,972,901	248,044,144	248,044,144
Contract assets	2,940,107	2,940,107	3,276,761	3,276,761
Cash and cash equivalents	13,820,900	13,820,900	44,670,525	44,670,525
<b>Total non-derivative financial assets</b>	<b>339,891,477</b>	<b>339,891,477</b>	<b>378,481,492</b>	<b>378,481,492</b>
<b>Non-derivative financial liabilities at amortised cost</b>				
Bank loans and other financial liabilities (excluding derivative fin.instr.)	(452,562,744)	(452,562,744)	(430,158,309)	(430,158,309)
Lease liabilities	(31,613,614)	(31,613,614)	(31,868,245)	(31,868,245)
Operating liabilities (excluding other non-current liabilities and current liabilities to the state, employees and arising from advance payments)	(186,063,231)	(186,063,231)	(228,995,139)	(228,995,139)
<b>Total non-derivative financial liabilities</b>	<b>(670,239,589)</b>	<b>(670,239,589)</b>	<b>(691,021,693)</b>	<b>(691,021,693)</b>
<b>Derivative financial instruments at fair value</b>				
Derivative financial instruments (assets)	9,339,684	9,339,684	11,262,235	11,262,235
Derivative financial instruments (liabilities)	(9,357,189)	(9,357,189)	(13,397,026)	(13,397,026)
<b>Total derivative financial instruments</b>	<b>(17,505)</b>	<b>(17,505)</b>	<b>(2,134,791)</b>	<b>(2,134,791)</b>

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

### The Petrol Group Fair value of assets

(in EUR)	31 March 2021				31 December 2020			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss	9,444,353	0	0	9,444,353	11,316,982	0	0	11,316,982
Financial assets at fair value through other comprehensive income	0	0	4,528,987	4,528,987	0	0	4,528,987	4,528,987
<b>Total assets at fair value</b>	<b>9,444,353</b>	<b>0</b>	<b>4,528,987</b>	<b>13,973,340</b>	<b>11,316,982</b>	<b>0</b>	<b>4,528,987</b>	<b>15,845,969</b>
Non-current financial receivables	0	0	2,102,989	2,102,989	0	0	2,680,471	2,680,471
Current financial receivables	0	0	3,238,926	3,238,926	0	0	2,854,527	2,854,527
Non-current operating receivables	0	0	8,792,452	8,792,452	0	0	10,565,315	10,565,315
Current operating rec. (excluding rec. from the state)	0	0	432,267,253	432,267,253	0	0	363,929,972	363,929,972
Contract assets	0	0	3,796,716	3,796,716	0	0	1,949,652	1,949,652
Cash and cash equivalents	0	0	52,523,364	52,523,364	0	0	88,674,952	88,674,952
<b>Total assets with fair value disclosure</b>	<b>0</b>	<b>0</b>	<b>502,721,700</b>	<b>502,721,700</b>	<b>0</b>	<b>0</b>	<b>470,654,889</b>	<b>470,654,889</b>
<b>Total assets</b>	<b>9,444,353</b>	<b>0</b>	<b>507,250,687</b>	<b>516,695,040</b>	<b>11,316,982</b>	<b>0</b>	<b>475,183,876</b>	<b>486,500,858</b>

### Fair value of liabilities

(in EUR)	31 March 2021				31 December 2020			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial liabilities at fair value through profit or loss	(7,070,577)	0	0	(7,070,577)	(11,195,184)	0	0	(11,195,184)
<b>Total liabilities at fair value</b>	<b>(7,070,577)</b>	<b>0</b>	<b>0</b>	<b>(7,070,577)</b>	<b>(11,195,184)</b>	<b>0</b>	<b>0</b>	<b>(11,195,184)</b>
Non-current financial liabilities	0	0	(267,735,106)	(267,735,106)	0	0	(303,431,060)	(303,431,060)
Non-current lease liabilities	0	0	(54,209,692)	(54,209,692)	0	0	(54,397,111)	(54,397,111)
Current financial liabilities (excluding liabilities at fair value)	0	0	(65,007,680)	(65,007,680)	0	0	(37,571,371)	(37,571,371)
Current lease liabilities	0	0	(10,606,935)	(10,606,935)	0	0	(10,069,352)	(10,069,352)
Non-current operating liabilities (excluding other liabilities)	0	0	(24,000)	(24,000)	0	0	(24,000)	(24,000)
Current operating liabilities (excluding liabilities to the state, employees and arising from advance payments)	0	0	(273,654,401)	(273,654,401)	0	0	(293,781,915)	(293,781,915)
<b>Total liabilities with fair value disclosure</b>	<b>0</b>	<b>0</b>	<b>(671,237,814)</b>	<b>(671,237,814)</b>	<b>0</b>	<b>0</b>	<b>(699,274,809)</b>	<b>(699,274,809)</b>
<b>Total liabilities</b>	<b>(7,070,577)</b>	<b>0</b>	<b>(671,237,814)</b>	<b>(678,308,391)</b>	<b>(11,195,184)</b>	<b>0</b>	<b>(699,274,809)</b>	<b>(710,469,993)</b>

### Petrol d.d., Ljubljana Fair value of assets

(in EUR)	31 March 2021				31 December 2020			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss	9,339,684	0	0	9,339,684	11,262,235	0	0	11,262,235
Financial assets at fair value through other comprehensive income	0	0	2,117,914	2,117,914	0	0	2,117,914	2,117,914
<b>Total assets at fair value</b>	<b>9,339,684</b>	<b>0</b>	<b>2,117,914</b>	<b>11,457,598</b>	<b>11,262,235</b>	<b>0</b>	<b>2,117,914</b>	<b>13,380,149</b>
Non-current financial receivables	0	0	55,533,321	55,533,321	0	0	58,124,422	58,124,422
Current financial receivables	0	0	7,506,334	7,506,334	0	0	22,247,726	22,247,726
Non-current operating receivables	0	0	8,775,135	8,775,135	0	0	10,542,414	10,542,414
Current operating rec. (excluding rec. from the state)	0	0	249,197,766	249,197,766	0	0	237,501,730	237,501,730
Contract assets	0	0	2,940,107	2,940,107	0	0	3,276,761	3,276,761
Cash and cash equivalents	0	0	13,820,900	13,820,900	0	0	44,670,525	44,670,525
<b>Total assets with fair value disclosure</b>	<b>0</b>	<b>0</b>	<b>337,773,563</b>	<b>337,773,563</b>	<b>0</b>	<b>0</b>	<b>376,363,578</b>	<b>376,363,578</b>
<b>Total assets</b>	<b>9,339,684</b>	<b>0</b>	<b>339,891,477</b>	<b>349,231,161</b>	<b>11,262,235</b>	<b>0</b>	<b>378,481,492</b>	<b>389,743,727</b>

### Fair value of liabilities

(in EUR)	31 March 2021				31 December 2020			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial liabilities at fair value through profit or loss	(6,788,343)	0	(2,568,846)	(9,357,189)	(10,828,180)	0	(2,568,846)	(13,397,026)
<b>Total liabilities at fair value</b>	<b>(6,788,343)</b>	<b>0</b>	<b>(2,568,846)</b>	<b>(9,357,189)</b>	<b>(10,828,180)</b>	<b>0</b>	<b>(2,568,846)</b>	<b>(13,397,026)</b>
Non-current financial liabilities	0	0	(245,294,127)	(245,294,127)	0	0	(282,866,603)	(282,866,603)
Non-current lease liabilities	0	0	(27,354,291)	(27,354,291)	0	0	(27,608,922)	(27,608,922)
Current financial liabilities (excluding liabilities at fair value)	0	0	(207,268,617)	(207,268,617)	0	0	(147,291,706)	(147,291,706)
Current lease liabilities	0	0	(4,259,323)	(4,259,323)	0	0	(4,259,323)	(4,259,323)
Non-current operating liabilities (excluding other liabilities)	0	0	(24,000)	(24,000)	0	0	(24,000)	(24,000)
Current operating liabilities (excluding liabilities to the state, employees and arising from advance payments)	0	0	(186,039,231)	(186,039,231)	0	0	(228,971,139)	(228,971,139)
<b>Total liabilities with fair value disclosure</b>	<b>0</b>	<b>0</b>	<b>(670,239,589)</b>	<b>(670,239,589)</b>	<b>0</b>	<b>0</b>	<b>(691,021,693)</b>	<b>(691,021,693)</b>
<b>Total liabilities</b>	<b>(6,788,343)</b>	<b>0</b>	<b>(672,808,435)</b>	<b>(679,596,778)</b>	<b>(10,828,180)</b>	<b>0</b>	<b>(693,590,539)</b>	<b>(704,418,719)</b>

## Changes in Level 3 assets measured at fair value

(in EUR)	The Petrol Group		Petrol d.d.	
	2021	2020	2021	2020
<b>As at 1 January</b>	<b>4,528,987</b>	<b>4,528,987</b>	<b>2,117,914</b>	<b>2,117,914</b>
New acquisitions	0	1,398,705	0	1,398,705
Total profits of losses recognised in the statement of profit or loss	0	(948,705)	0	(948,705)
<b>As at 31 March</b>	<b>4,528,987</b>	<b>4,978,987</b>	<b>2,117,914</b>	<b>2,567,914</b>

## 29. Related party transactions

(in EUR)	The Petrol Group		Petrol d.d.	
	1-3 2021	1-3 2020	1-3 2021	1-3 2020
<b>Sales revenue:</b>				
Subsidiaries	-	-	57,842,023	59,881,651
Jointly controlled entities	258,028	198,319	5,096	12,964
Associates	9,407	12,265	9,407	12,265
<b>Cost of goods sold:</b>				
Subsidiaries	-	-	16,516,874	19,173,793
Jointly controlled entities	47,991	38,459	0	0
<b>Cost of materials:</b>				
Subsidiaries	-	-	95,657	110,809
Jointly controlled entities	820	794	0	321
<b>Cost of services:</b>				
Subsidiaries	-	-	87,645	125,044
Jointly controlled entities	0	0		
Associates	0	0		
<b>Impairment of goodwill:</b>				
Subsidiaries	870,342	0	0	0
<b>Gain of derivatives:</b>				
Subsidiaries	-	-	0	57,830
<b>Loss on derivatives:</b>				
Subsidiaries	-	-	0	512,014
<b>Finance income from interests in Group companies:</b>				
Jointly controlled entities	103,731	93,526	0	0
Associates	193,406	229,276	0	0
<b>Finance income from interest:</b>				
Subsidiaries	-	-	156,274	162,657
Jointly controlled entities	189	950	189	950
<b>Other finance income:</b>				
Subsidiaries	-	-	12,697	53,479
Jointly controlled entities	122	430	122	430
<b>Finance expenses due to impairment of investments:</b>				
Subsidiaries	0	0	943,000	0
<b>Finance expenses for interest:</b>				
Subsidiaries	-	-	470,216	246,182
Subsidiaries	-	-	0	0
Jointly controlled entities		0		0
Associates	0	0	0	0

(in EUR)	The Petrol Group		Petrol d.d.	
	31 March 2021	31 December 2020	31 March 2021	31 December 2020
<b>Investments in Group companies:</b>				
Subsidiaries	-	-	373,463,627	351,013,627
Jointly controlled entities	665,676	562,016	233,000	233,000
Associates	54,072,645	55,953,391	26,610,477	29,185,477
<b>Non-current financial receivables:</b>				
Subsidiaries	-	-	54,439,635	56,492,385
<b>Contract assets:</b>				
Subsidiaries	-	-	434,855	1,364,744
<b>Current operating receivables:</b>				
Subsidiaries	-	-	25,422,285	16,575,671
Jointly controlled entities	98,911	125,748	907	2,301
Associates	894	1,244	894	1,244
<b>Current financial receivables:</b>				
Subsidiaries	-	-	5,864,168	20,778,358
Jointly controlled entities	68,800	68,800	68,800	68,800
<b>Short-term deposits (up to 3 months):</b>				
Subsidiaries	-	-	309,363	377,677
<b>Non-current financial liabilities:</b>				
Subsidiaries	-	-	28,000,000	29,638,849
<b>Current financial liabilities:</b>				
Subsidiaries	-	-	148,595,076	112,597,148
Jointly controlled entities	300,030	300,025	300,030	300,025
<b>Current operating liabilities:</b>				
Subsidiaries	-	-	4,311,760	6,438,681
Jointly controlled entities	24,064	9,867	0	0
<b>Current accrued costs and expenses:</b>				
Subsidiaries	-	-	1,592,558	424,711
<b>Contract liabilities:</b>				
Subsidiaries	-	-	5,765	5,773



### 30. Contingent liabilities

#### Contingent liabilities for guarantees issued

(in EUR)	Petrol d.d.		Petrol d.d.	
	31 March 2021	31 December 2020	31 March 2021	31 December 2020
<b>Guarantee issued to:</b>	<b>Value of guarantee issued</b>		<b>Guarantee amount used</b>	
Petrol d.o.o.	99,030,376	99,171,455	79,505,013	67,990,968
Vjetroelektrarna Ljubac d.o.o.	23,792,130	23,792,130	0	0
Geoplin d.o.o. Ljubljana	13,000,000	13,000,000	9,988,000	8,069,782
Petrol d.o.o. Beograd	5,625,850	7,625,489	122,845	833,397
Petrol BH Oil Company d.o.o. Sarajevo	4,193,616	4,193,616	2,331,035	2,634,186
Petrol Trade Handelsgesellschaft m.b.H.	3,000,000	3,000,000	1,800,000	1,800,000
Petrol Crna Gora MNE d.o.o.	480,000	480,000	125,328	124,856
Aquasystems d.o.o.	373,318	373,318	373,318	373,318
<b>Total</b>	<b>149,495,290</b>	<b>151,636,008</b>	<b>94,245,538</b>	<b>81,826,507</b>
Bills of exchange issued as security	17,952,346	10,471,618	17,952,346	10,471,618
Other guarantees	6,552,769	6,591,277	6,552,769	6,591,277
<b>Total contingent liabilities for guarantees issued</b>	<b>174,000,405</b>	<b>168,698,903</b>	<b>118,750,653</b>	<b>98,889,402</b>

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

#### Contingent liabilities for lawsuits

The total value of lawsuits against the Company as defendant and debtor totals EUR 21,948,571. 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 228,465 as at 31 March 2021.

The total value of lawsuits against the Group as defendant and debtor totals EUR 22,452,859. 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 406,765 as at 31 March 2021.

### 31. Events after the reporting date

There were no events after the reporting date that would significantly affect the financial statements for the first three months of year 2021.

**APPENDIX 1: ORGANISATIONAL STRUCTURE OF THE PETROL GROUP**

The Petrol Group as at 31 March 2021	Sales	Energy and environmental systems	Production of renewable electricity
<b>The parent company</b>			
Petrol d.d., Ljubljana	•	•	•
<b>Subsidiaries</b>			
Petrol d.o.o. (100%)	•	•	
Petrol javna rasvjeta d.o.o. (100%)		•	
Adria-Plin d.o.o. (75%)	•		
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. (100%)		•	
Petrol Crna Gora MNE d.o.o. (100%)	•		
Petrol Trade Handelsges.m.b.H. (100%)	•		
Beogas d.o.o. (100%)	•	•	
Petrol LPG d.o.o. Beograd (100%)	•		
Tigar Petrol d.o.o. (100%)	•		
Petrol LPG HIB d.o.o. (100%)	•		
Petrol Power d.o.o. Sarajevo (99,7518%)			•
Petrol-Energetika DOOEL Skopje (100%)	•		
Petrol Bucharest ROM S.R.L. (100%)	•		
Petrol Praha CZ S.R.O. (100%)	•		
Petrol Trade Slovenija L.L.C. (100%)	•		
Petrol Hidroenergija d.o.o. Teslić (80%)			•
Vjetroelektrane Glunča d.o.o. (100%)			•
IG Energetski Sistemi d.o.o. (100%)	•		
Petrol Geo d.o.o. (100%)		•	
EKOEN d.o.o. (100%)		•	
EKOEN GG d.o.o. (100%)		•	
EKOEN S d.o.o. (100%)		•	
Zagorski metalac d.o.o. (75%)	•	•	
Mbills d.o.o. (100%)	•		
Atet d.o.o. (72.96%; 76% voting rights)		•	
Vjetroelektrana Ljubač d.o.o. (100%)			•
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 (74.28%)	•		
Geocom d.o.o. (100%)	•		
Geoplin d.o.o., Zagreb (100%)	•		
Geoplin d.o.o. Beograd (100%)	•		
Zagorski metalac d.o.o. (25%)	•	•	
<b>Jointly controlled entities</b>			
Geoenergo d.o.o. (50%)		•	
Vjetroelektrana Dazlina d.o.o. (50%)			•
Soenergetika d.o.o. (25%)		•	
<b>Associates</b>			
Plinhold d.o.o. Ljubljana (29.6985%)		•	
Aquasystems d.o.o. (26%)		•	
Knešča d.o.o. (47.27% of the company is owned by E 3 d.o.o.)			•