PETROL ADOPTS AN AMBITIOUS 2022 STRATEGY OF THE PETROL GROUP

Ljubljana, 18 June 2018 – At its 16th meeting held today, the Supervisory Board of Petrol d.d., Ljubljana discussed and approved the Strategy of the Petrol Group for the period 2018 – 2022, which lays the foundations for the Petrol Group's business operations in the next four years. In accordance with the strategy, sales revenue will exceed EUR 5 billion by 2022, EBITDA is expected to amount to EUR 233 million and net profit to EUR 116 million, up 33% compared to the 2018 plan. Investments in fixed assets are expected to total EUR 521 million in the period 2018 – 2022, which is an important basis for efficient growth, development and business performance of the Petrol Group over the long term. Ensuring business growth and increasing the profitability of operations while maintaining the commitment to sustainable development are the main principles underpinning the drawing up and implementation of the strategic plan.

The Petrol Group's strategy for the period 2018 – 2022 is a fundamental corporate document defining the business outlook of the Petrol Group in the period 2018 – 2022 based on its mission, vision, values, goals and strategies.

By offering a comprehensive range of solutions, the Petrol Group will be a sustainable provider of first-rate energy for homes, journeys and businesses. Our actions will serve to demonstrate our social responsibility and commitment to sustainable development on a daily basis. The implementation of our mission, which is summed up in our corporate signature Energy for Life, reflects not only our values and core capabilities but also our competitive advantages. Our value proposition, or customer benefits, consists of simple, comprehensive, modern, convenient, accessible, quick, reliable, personalised and fair solutions provided through an active, uniform and multi-channel approach to our customers, which are treated in an all-round and life-long manner.

As a major regional provider of comprehensive and sustainable solutions, we are committed, under Petrol's 2022 vision, to integrating energy, trade, mobility and advanced services into an excellent user experience. Through innovation, digital solutions, cost-effectiveness and partnerships, we will develop successful business models.

Our business model is built on innovativeness and cost effectiveness, and our customers are offered simple, comprehensive, modern and reliable solutions. Risk management is integrated into all aspects of our business, making it possible to create additional value for shareholders and maintain our investment-grade credit rating.

The Petrol Group operates primarily in South Eastern, but also in Central Europe. In addition to a number of bigger and smaller companies with innovative business models already operating there, new and even global players are now joining trade and energy activities in these markets. Globally and locally, we are faced with significant societal and technological changes which can be captured concisely by the notion of "digital globalisation". All of this increases risks while also providing new opportunities.

Our key strategic orientations – or strategic themes – for the period up to 2022 are as follows:

1. Balance between stable operations and development in order to address new challenges (the setting up of a flexible and agile organisation providing suitable and risk-adjusted returns while taking into account sustainable development and social responsibility).
2. More value for the customer thanks to a comprehensive range and excellent user experience (development of existing and acquisition of new markets and customers through innovative business models; focus on a comprehensive and personalised treatment as well as on excellent customer experience throughout the user journey, by pursuing an omni-channel sales and marketing orientation).

3. Process efficiency and risk management (dynamic organisational structure management, advanced risk management systems, cutting-edge IT and business intelligence, efficiency of operations in line with the principle of good management).

Achieving these goals strengthens the 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 Petrol Group, maximising its value for the owners.

Below are the Petrol Group's goals for the period 2018 – 2022.

Sales revenue is expected to amount to EUR 5.3 billion (+17% relative to the 2018 plan).
EBITDA is expected to amount to EUR 233 million (+37% relative to the 2018 plan).

EBITDA broken down by activity

Net profit is expected to total EUR 116 million (+33% relative to the 2018 plan).
The net debt to EBITDA ratio will decrease from 2.0 to 1.6 in 2022.

Investments in fixed assets are expected to total EUR 521 million in the period 2018 – 2022.

The number of service stations is expected to stand at 548 at the end of 2022 which is 50 more compared to the figure expected at the end of 2018.
The volume of petroleum products sold\(^1\) is expected to amount to 3.34 million tons (+10% relative to the 2018 plan).

Revenue from merchandise sales is expected to total EUR 700 million (+27% relative to the 2018 plan).

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\(^1\) Excluding sales to the Agency of the Republic of Slovenia for Commodity Reserves.