

# **Report on the operations of the Petrol Group and the company Petrol d.d., Ljubljana in the first three months of 2017**



May 2017

**PETROL**



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## STATEMENT OF THE MANAGEMENT BOARD

Members of the Management Board of Petrol d.d., Ljubljana, which comprises Tomaž Berločnik, President of the Management Board, Rok Vodnik, Member of the Management Board, Igor Stebernak, Member of the Management Board, and Ika Krevzel Panič, Member of the Management Board/Worker Director, declare that to their best knowledge:

- the financial report of the Petrol Group and Petrol d.d., Ljubljana for the first three months of 2017 has been drawn up in accordance with International Financial Reporting Standards 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 2017 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 2017 contains a fair presentation of significant transactions with related entities, which has been prepared in accordance with International Financial Reporting Standards.



**Tomaž Berločnik**

President of the Management Board



**Rok Vodnik**

Member of the Management Board



**Igor Stebernak**

Member of the Management Board



**Ika Krevzel Panič**

Member of the Management Board/Worker Director

## INTRODUCTORY NOTES

The report on the operations of the Petrol Group and the company Petrol, d.d., Ljubljana, Dunajska 50, in the first three months of 2017 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 the company Petrol d.d., Ljubljana for the first three months of 2017 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 the separate financial statements prepared in accordance with IFRS, investments in subsidiaries, jointly controlled entities and associates are carried at historical cost.

The report on the operations in the first three months of 2017 has been published on the website of Petrol d.d., Ljubljana (<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 the company Petrol d.d., Ljubljana in the first three months of 2017 at its meeting held on 18 May 2017.

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

Company name	<b>Petrol, slovenska energetska družba, d.d., Ljubljana</b>
Abbreviated company name	<b>Petrol d.d., Ljubljana</b>
Registered office	<b>Dunajska cesta 50, 1000 Ljubljana</b>
Telephone	<b>(01) 47 14 234</b>
Telefax	<b>(01) 47 14 809</b>
Website	<b><a href="http://www.petrol.si">http://www.petrol.si</a>, <a href="http://www.petrol.eu">http://www.petrol.eu</a></b>
Activity code	<b>47.301</b>
Company registration number	<b>5025796000</b>
Tax number	<b>SI 80267432</b>
Share capital	<b>EUR million 52.24</b>
Number of shares	<b>2,086,301</b>
President of the Management board	<b>Tomaž Berločnik</b>
Members of the Management board	<b>Rok Vodnik, Igor Stebernak, Ika Krevzel Panič (worker director)</b>
President of the Supervisory board	<b>Nada Drobne Popovič (from 20 April 2017), Tomaž Kuntarič (untill 6 April 2017)</b>

**List of acronyms and explanation of financial ratio calculations**

<b>Ratio/acronym</b>	<b>Explanation</b>
SEE	South Eastern Europe
Merchandise	Consists of automotive products, foodstuffs, accessories, tobacco and lottery products, coupons and cards, coffee-to-go, chemical products, wood biomass.
EBITDA	Operating profit or loss + regular depreciation and amortisation
Earnings per share	Net profit or loss for the period / weighted average number of issued ordinary shares, excluding own shares
Book value of share	Equity as at period end / total number of shares

# HIGHLIGHTS

## The Petrol Group's significant performance indicators

The Petrol Group	unit	I-III 2017	I-III 2016	Index 2017 / 2016
Sales revenues	EUR million	1,108.4	827.0	134
Adjusted gross profit <sup>1</sup>	EUR million	92.5	85.8	108
Operating profit	EUR million	21.3	20.7	103
Net profit	EUR million	16.1	14.0	115
EBITDA	EUR million	32.7	31.5	104
Non-current (long-term) assets as at period end	EUR million	808.9	800.1	101
Earnings per share	EUR	7.8	6.8	115
Net debt / Equity		0.7	0.8	88
Net debt / EBITDA <sup>2</sup>		2.8	2.6	105

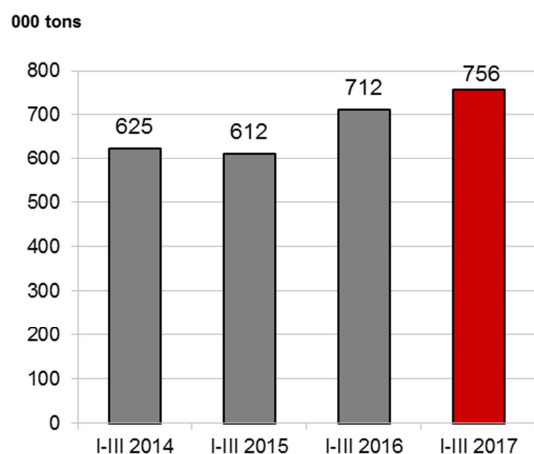
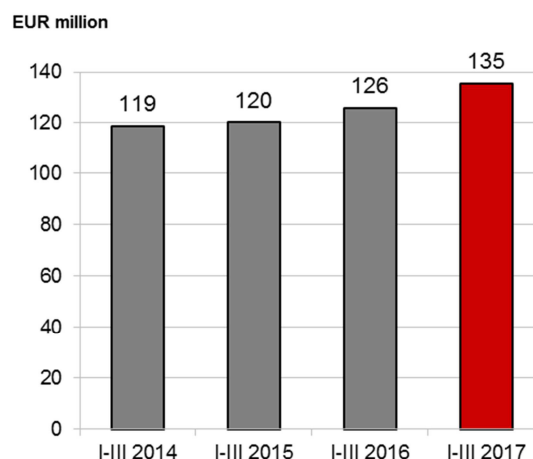
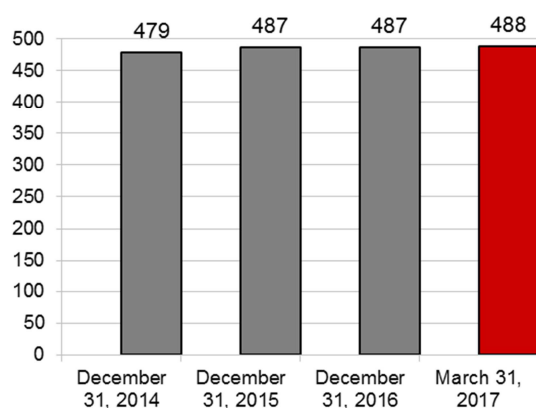
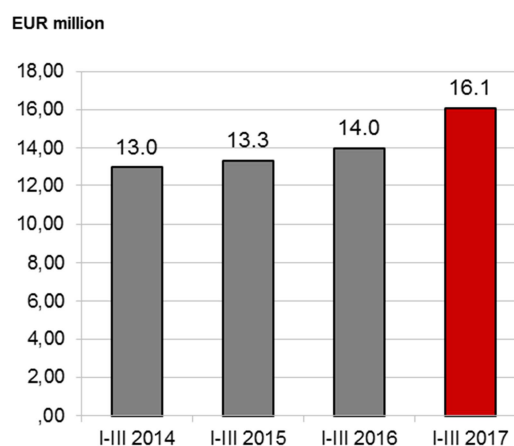
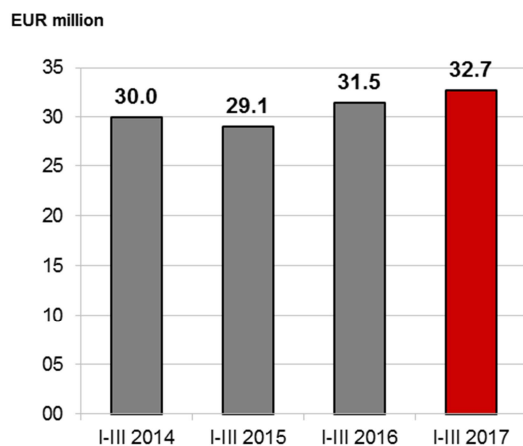
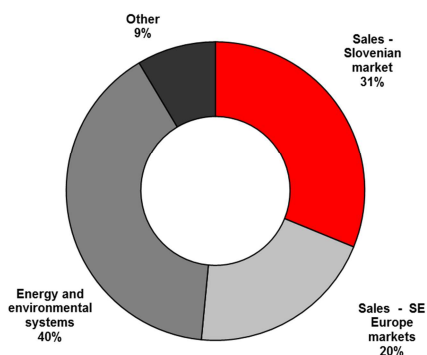
<sup>1</sup>Adjusted gross profit = Sales revenues - Cost of goods sold (this item is not defined in international Financial Reporting Standards)

<sup>2</sup>Calculated on an annual level

The Petrol Group	Unit	I-III 2017	I-III 2016	Index 2017 / 2016
Volume of petroleum products sold	thousand tons	756.1	712.0	106
Volume of liquefied petroleum gas sold	thousand tons	36.9	35.1	105
Volume of natural gas sold	thousand MWh	525.5	546.8	96
Electricity sold	TWh	5.8	3.6	161
Heat sold	thousand MWh	64.2	58.1	110
Revenue from the sale of merchandise	EUR million	135.5	126.0	107
Number of service stations as at period end <sup>1</sup>		488	487	100

<sup>1</sup> Number of service stations for the year 2016 as at 31 December 2016.



**Figure 1: Volume of petroleum products sold by the Petrol Group**

**Figure 2: The Petrol Group's revenue from the sale of merchandise**

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

**Figure 4: Net profit or loss of the Petrol group**

**Figure 5: EBITDA of the Petrol Group**

**Figure 6: Breakdown of the Petrol Group's investments in the first three months of 2017**


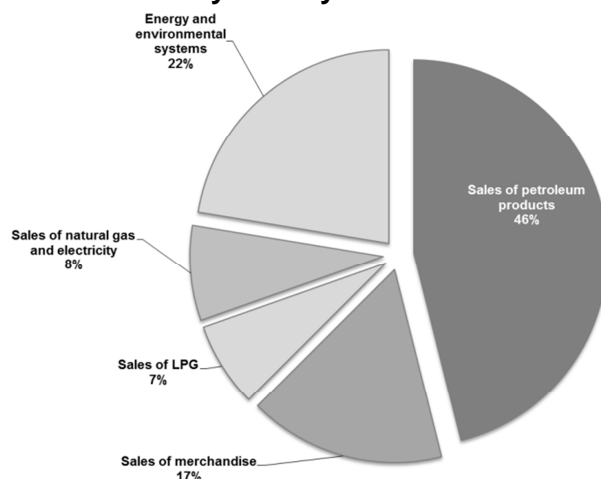
# BUSINESS REPORT

## Operations of the Petrol Group

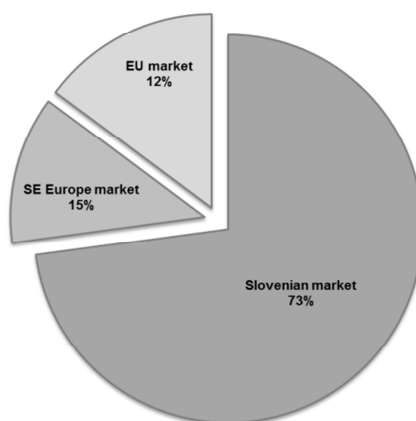
The Petrol Group operates in a competitive environment influenced by oil price fluctuations, US dollar exchange rate, global and domestic economic developments, and national laws governing the pricing of energy products. In Slovenia and Croatia, the economic situation is improving, but other SE Europe countries which also make up Petrol's sales market still face extremely tough economic conditions, low purchasing power and high unemployment. Although in Slovenia, where the Petrol Group sells the greater part of its petroleum products, the prices of petrol and diesel fuel have been liberalised and determined by the market at motorway and expressway service stations, the prices of petrol (less than 98 octane) and diesel fuel at other service stations remain regulated.

The Petrol Group's sales revenue for the first three months of 2017 stood at EUR 1.1 billion, a year-on-year increase of 34 percent, which was mainly due to higher oil prices. Adjusted gross profit totalled EUR 92.5 million or 8 percent more than in the first three months of 2016, with EBITDA amounting to EUR 32.7 million or 4 percent more than in the first three months of 2016.

**Figure 7: EBITDA broken down by activity**



**Figure 8: EBITDA broken down by market**



Pre-tax profit totalled EUR 18.5 million or 12 percent more than in the first three months of 2016, with net profit for the first quarter of 2017 amounting to EUR 16.1 million or 15 percent more than in the first three months of 2016.

In the first three months of 2017, the Petrol Group sold 756.1 thousand tons of petroleum products<sup>1</sup>, up 6 percent from the same period of 2016. In Slovenia, the three-month sales of petroleum products stood at 387.2 thousand tons, accounting for 51 percent of the Petrol Group's total sales. In the same period, the Group sold 159.2 thousand tons of petroleum products in SEE markets, representing 21 percent of the Petrol Group's total sales, and 209.7 thousand tons in EU markets, which represented 28 percent of the Group's total sales.

In the first three months of 2017, the Petrol Group generated 38 percent of petroleum product sales in the retail market and the remaining 62 percent in the wholesale market. At the end of March 2017, the Petrol Group's retail network consisted of 488 service stations, of which 316 were in Slovenia, 105 in Croatia, 36 in Bosnia and Herzegovina, 10 in Serbia, 10 in Montenegro and 11 in Kosovo.

The Petrol Group generated EUR 135.5 million in revenue from the sale of merchandise in the period under review, an increase of 7 percent compared to the same period of the previous year.

In the same period, the Petrol Group sold 36.9 thousand tons of liquefied petroleum gas, a year-on-year increase of 5 percent, and 525.5 thousand MWh of natural gas or 4 percent less than in the same period of the previous year.

In addition, the Petrol Group sold 5.8 TWh of electricity, which was 61 percent more than in the same period of the previous year, and 64.2 thousand MWh of heat, up 10 percent from the same period of the previous year.

What follows is a detailed presentation of the Petrol Group's operations in the first three months of 2017 broken down by type of activity:

- A. Sales consisting of petroleum product sales, liquefied petroleum gas sales, natural gas sales, electricity sales to end users, merchandise sales and sales of services.
- B. Energy and environmental systems consisting of natural gas distribution, energy solutions, environmental solutions, district heating, electricity generation and biomass production.
- C. Electricity trading.

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<sup>1</sup> Petroleum product sales do not include liquefied petroleum gas sales, which are presented separately.

## **A. SALES**

### **Sales of petroleum products**

In the first three months of 2017, the Petrol Group sold 756.1 thousand tons of petroleum products, a year-on-year increase of 6 percent.

In this period, the Petrol Group sold 387.2 thousand tons of petroleum products in Slovenia, which was 2 percent more than in the same period of 2016. Of this quantity, liquid fuels accounted for 377.8 thousand tons and other petroleum products for 9.4 thousand tons. Motor fuel sales (petrol and diesel fuel) were up 9 percent compared to the previous year's figures for this period.

In SEE markets, the Petrol Group sold 159.2 thousand tons of petroleum products in the first three months of 2017, down 5 percent year-on-year. The most important commodities sold in SEE markets are diesel fuel and petrol.

In addition to the above, the jointly controlled entity Petrol - Oti - Slovenija L.L.C. sold 2.5 thousand tons of petroleum products, up 5 percent from the same period of the previous year.

In EU markets, the Petrol Group sold 209.7 thousand tons of petroleum products in the first three months of 2017, which was 26 percent more than in the same period of 2016. The most important commodity sold in EU markets is diesel fuel.

### **Key impacts on operations**

#### **Fuel pricing in Slovenia**

On 7 November 2016, the Government of the Republic of Slovenia adopted a new Decree Setting Prices for Petroleum Products for the period from 9 November 2016 to 30 June 2017, liberalising the prices of petrol and diesel fuel at motorway and expressway service stations while keeping the prices of petrol and diesel fuel at other service stations regulated.

Since 9 April 2016, the prices of the 98-octane and higher-octane petrol and of extra light heating oil have been liberalised and determined by the market.

Slovenia's gross margins for petroleum products, which are, under the model, set at a fixed amount and do not reflect changes in retail prices, are still below European average. In the case of petrol, they amounted to 73 percent of the average gross margin in the EU countries (64 percent if the compulsory stocks membership fee is not taken into account) and in the case of diesel fuel to 57 percent (50 percent if the compulsory stocks membership fee is not taken into account) (own calculations based on Platts and Oil Bulletin data).

#### **Fuel pricing in Croatia**

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

## **Fuel pricing in Bosnia and Herzegovina**

In Bosnia and Herzegovina, the prices of petroleum products are not government-regulated and are set freely and determined by the market. The prices normally change weekly. In the Federation of Bosnia and Herzegovina, retailers notify the Federal Ministry of Commerce of new retail prices four days in advance, whereas in the Republic of Srpska changes in retail prices need not be notified in advance. Due to the free setting of prices, retail fuel prices vary according to the location of a service station.

## **Fuel pricing in Serbia**

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

## **Fuel pricing in Montenegro**

In Montenegro, the prices of petroleum products are set in accordance with the Regulation on the Method of Setting Maximum Retail Prices, which has been in force since 1 January 2011. The prices change fortnightly, provided that prices on the oil market (Platts European Marketscan) and the exchange rates of the euro and the US dollar change by more than 5 percent. In addition to market oil prices and changes in the exchange rates of the euro and the US dollar, the methodology used to calculate selling prices takes into account taxes, the costs of transshipment, handling, bank charges, storage, transport and distribution, as well as (excise) duties and an oil companies' gross margin. The latter amounts to EUR 0.063 per litre of petrol, EUR 0.064 per litre of eurodiesel and EUR 0.076 per litre of extra light heating oil. In addition to these gross margins, liquid fuel traders may factor in all of the above costs at EUR 0.05 per litre of petrol, EUR 0.05 per litre of eurodiesel and EUR 0.026 per litre of extra light heating oil.

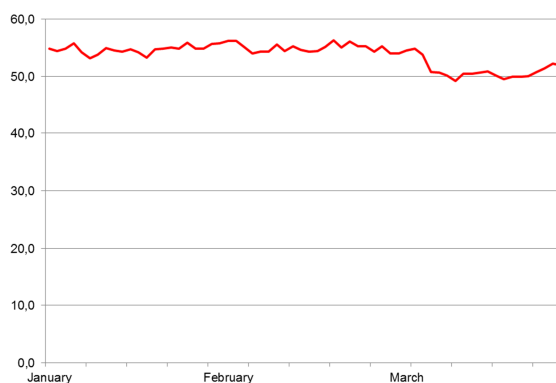
## **Fuel pricing in Kosovo**

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

## **Changes in oil and petroleum product prices in the world market**

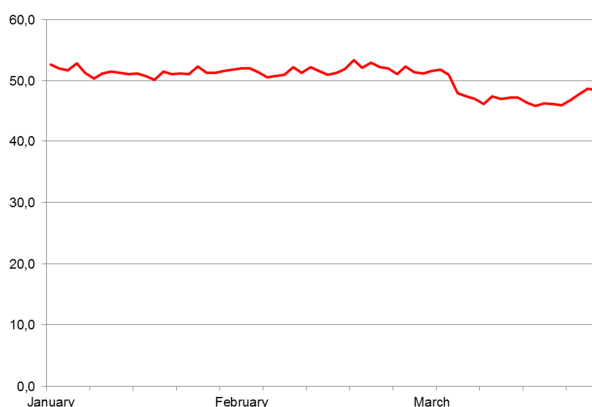
The average price of Brent Dated North Sea crude oil stood at USD 53.69 per barrel in the first three months of 2017, up 58 percent year-on-year. The average price in euros was also up 58 percent. During this period, the price of Brent crude peaked on 21 February 2017, reaching USD 56.30 per barrel. Its lowest price was recorded on 14 March 2017 at USD 49.21 per barrel. The prices of petrol and middle distillates followed the same trends as crude oil prices.

**Figure 9: Changes in Brent Dated High oil price in the first three months of 2017 in USD/barrel**



SOURCE: Petrol, 2017

**Figure 10: Changes in Brent Dated High oil price in the first three months of 2017 in EUR/barrel**



SOURCE: Petrol, 2017

OPEC reached an agreement with non-member oil producing countries to limit oil output in order to stabilise prices. Future oil price movements will continue to depend largely on OPEC's oil output agreements, the situation in the Middle East and Iran, war in Syria, economic growth expectations, US and EU oil stocks figures and demand in China.

### Changes in the US dollar to the euro exchange rate

The US dollar to the euro exchange rate ranged between 1.04 and 1.09 US dollars per euro in the first three months of 2017. The average exchange rate of the US dollar according to the exchange rate of the European Central Bank stood at 1.06 US dollars per euro in the period concerned.

### Sales of merchandise

Merchandise sales consist of sales of automotive products, foodstuffs, accessories, tobacco and lottery products, coupons and cards, coffee-to-go, chemical products and wood biomass. The Petrol Group generated EUR 135.5 million in revenue from the sale of merchandise in

the first three months of 2017, an increase of 7 percent compared to the same period of the previous year.

In Slovenia, the Petrol Group generated EUR 123.0 million in revenue from the sale of merchandise in the period under review, an increase of 7 percent compared to the same period of the previous year. The range at Petrol's points of sale is modified and expanded as we try to accommodate the needs of our service station customers by quickly adapting the range.

In SEE markets, the Petrol Group generated EUR 12.5 million in revenue from the sale of merchandise in the period concerned, a year-on-year increase of 12 percent. The best results were achieved in tobacco and food sales.

### **Sales of services**

Services consist of revenue from storage and petroleum-product handling services, renting of business premises and hospitality facilities, transport, carwash services, revenue from Petrol Club cards, and other services. In the first three months of 2017, the Petrol Group generated EUR 8.8 million in revenue from the services related to oil and merchandise sales in Slovenia.

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

In the first three months of 2017, the Petrol Group sold 36.9 thousand tons of liquefied petroleum gas, a year-on-year increase of 5 percent.

At the end of March 2017, the Petrol Group operated 6 LPG supply concessions in Slovenia. In addition, the company Petrol Plin d.o.o. has LPG supply contracts in the towns of Šibenik and Rijeka. Liquefied petroleum gas is supplied to customers also through LPG storage tanks and at service stations as autogas.

### **Sales of natural gas**

In the first three months of 2017, the Petrol Group sold 525.5 thousand MWh of natural gas, a year-on-year decrease of 4 percent.

### **Sales of electricity**

The Petrol Group has positioned itself as an important electricity market player, which sells electricity to end users in Slovenia (businesses and households) while also expanding to SE Europe. At the end of March 2017, the Petrol Group supplied electricity to over 51 thousand households and 3 thousand businesses.

In the first three months of 2017, the Petrol Group sold 0.4 TWh of electricity to end users.



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

### **Natural gas distribution**

In the first three months of 2017, the Petrol Group distributed 511.4 thousand MWh of natural gas.

At the end of March 2017, the Group operated 24 natural gas supply concessions in Slovenia and, in Serbia, supplied natural gas to the municipalities of Bačka Topola and Pećinci as well as three Belgrade municipalities.

### **Environmental solutions**

In the first three months of 2017, the Petrol Group operated four concessions for the public utility service of municipal wastewater treatment. The capacity of the treatment plant in Murska Sobota is 42,000 population equivalents (PE), in Sežana 6,000 PE, in Ig and Matena 6,000 PE and in Mežica 4,000 PE. Petrol also managed industrial waste treatment plants at Vevče Paper Mill and Paloma. As an important member of the company Aquasystems d.o.o., Petrol d.d., Ljubljana is involved in the treatment of municipal wastewater in the Municipality of Maribor, the capacity of which is 190,000 PE.

At all waste treatment plants, the treatment process and financial performance were in line with the plan in the period concerned.

The Petrol Group also produces energy from waste. At Ihan and Črnomelj biogas plants, organic waste is processed to produce green electricity. For greater efficiency, Petrol built in Ihan a dehydration plant for sludge obtained from treatment plants. Dehydrated sludge is transformed into secondary fuel.

In the first three months of 2017, the Petrol Group generated EUR 1.0 million in revenue from environmental solutions.

### **Energy solutions**

Energy solutions consist of an energy range offered in the following segments:

- development of alternative solutions for supplying heat and other forms of energy (energy packages) to households and small-business customers;
- implementation of more complex comprehensive energy solutions projects;
- production of energy from renewable sources.

Long-term contract-based supply of energy and contractually guaranteed energy and water savings are the most common project implementation models in the public sector, the commercial sector and in industry. In the first three months of 2017, the public economic service of public lighting was performed in several municipalities, accompanied by other energy solutions projects.

During this period, the Petrol Group generated EUR 6.8 million in sales revenue from energy solutions.

### **District heating**

Heat is supplied to customers through district heating systems. In the first three months of 2017, the Petrol Group generated EUR 3.1 million in sales revenue from district heating.

During this period, the Group sold 64.2 thousand MWh of heat (some of it as part of energy solutions) or 10 percent more than in the same period of the previous year.

### **Electricity generation**

At the end of 2015, Petrol d.d., Ljubljana co-founded a Bosnia and Herzegovina based company Petrol Hidroenergija d.o.o. Teslić, which is to produce hydroelectricity. In 2016 the company Vjetroelektrane Glunča d.o.o. (Croatia) was established, which is engaged in the production of wind electricity. At the end of 2016, the wind farm was completed and has been producing electricity since January 2017.

## **C. 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 SEE countries.

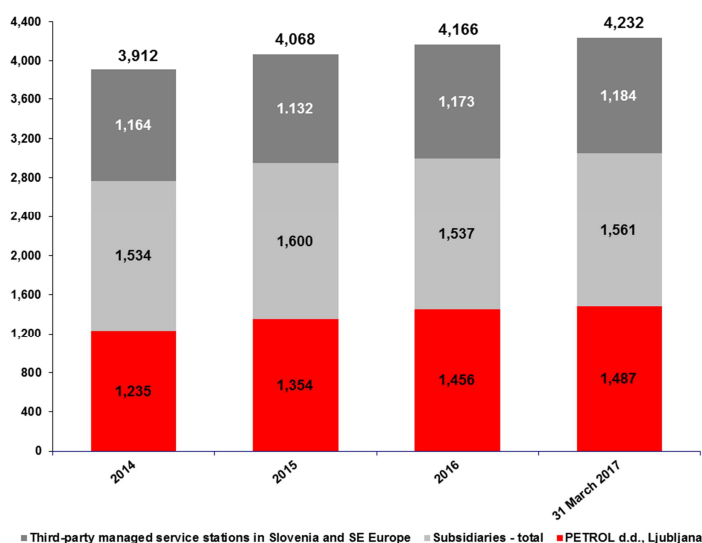
In the first three months of 2017, the Group sold 5.8 TWh of electricity (of which 0.4 TWh to end users, 5.2 TWh as part of trading, and 28.5 thousand MWh as part of energy and environmental systems), up 61 percent from the same period of 2016.

## Sustainable development

### Employees

On 31 March 2017, the Petrol Group had 4,232 employees, of which 33 percent worked for subsidiary companies abroad. The number of employees increased by 66 compared to the end of 2016.

**Figure 11: Changes in the number of employees of the Petrol Group and at third-party managed service stations in the period 2014 – 2017**



### Employee structure

At the end of March 2017, the average age of the Petrol Group employees was 39 years. 64 percent of the employees were male and 36 percent were female.

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

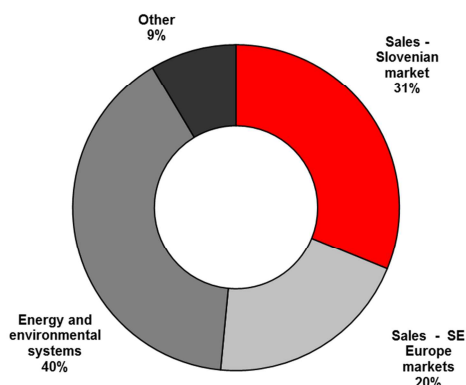
### Training

In the first three months of 2017, more than 4 thousand employees took part in various forms of training. In all, the Petrol Group provided in excess of 22 thousand teaching hours of training, which represented, on average, 5 teaching hours of training per employee in the period concerned. Organised as part of the Petrol Group is Petrol Academy. Its main goal is systematic and comprehensive training of all employees. The Group carried out technical and legally required training in the period under review.

## Investments

In the first three months of 2017, net investments<sup>2</sup> in property, plant and equipment, intangible assets and long-term investments stood at EUR 13.1 million. Out of the above amount, 31 percent was allocated to sales in Slovenia, 20 percent to sales in SE Europe, 40 percent to energy and environmental systems, and 9 percent to the upgrading of information and other infrastructure.

**Figure 12: Breakdown of the Petrol Group's investments in the first three months of 2017**



## The quality management system

The Petrol Group's operations are based on the implementation of strict quality standards. Since 1997, we have been constantly upgrading and expanding the Group's quality management system. In addition to certified quality and environmental management systems, the comprehensive quality management system incorporates the requirements of the ISO 50001 energy management system, of the OHSAS 18001 occupational health and safety system, of the HACCP food safety management system and of the SIST ISO 27001 information security system.

**Table 2: Overview of certificates and laboratory accreditations**

Company	Quality management system	Environmental management system	Energy management system	Laboratory accreditations	Other certificates
Petrol d.d., Ljubljana	ISO 9001:2008	ISO 14001:2004	ISO 50001:2011	SIST EN ISO/IEC 17025:2012 SIST EN ISO/IEC 17020:2012	OHSAS 18001 RC*, FSC**
Petrol Energetika d.o.o.	ISO 9001:2008	ISO 14001:2004	/	/	
Petrol d.o.o.	ISO 9001:2015	ISO 14001:2004	/	/	
Petrol Geoterm d.o.o.	ISO 9001:2008	/	/	/	
Beogas d.o.o.	ISO 9001:2008	/	/	/	

<sup>2</sup> Net investments in fixed assets = investments in fixed assets – disposal of fixed assets.

\* 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.

In March 2017, a first follow-up audit of the ISO 50001 energy management system was conducted, which revealed that the system is suitably maintained and compliant with the standard's requirements.

## **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 by supporting 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, it aims 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.

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

- environment risks and
- performance risks.

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

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

## **Price 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, quantity and foreign exchange risks arising from the purchase and sale of these products.

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

Trading in energy products exposes the Group to price and quantity 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 Group monitors open foreign exchange positions and decides how to manage them on a monthly basis.

With regard to other foreign exchange exposures, we should point out the risk of changes in the EUR/HRK exchange rate. For this purpose, the impact of changes in the EUR/HRK exchange rate on operations of Croatian-based companies is analysed on a regular basis. The spread between the minimum and maximum level of the EUR/HRK exchange rate stood at 2.3 percent in the first three months of 2017. Thanks to a relatively small exposure and the low volatility of the exchange rate, no forward contracts to hedge the foreign exchange risk were concluded in the first quarter of 2017. In Croatia, the foreign exchange risk in procurement was reduced by substantially increasing the volume of procurement done in HRK in Croatia directly and by placing surplus liquidity with the parent company in euros.

Foreign exchange risks are also encountered in Serbia with regard to the EUR/RSD exchange rate. There, the procurement of petroleum products is done mostly in RSD, which enables us to largely avoid the foreign exchange risks. In the first three months of 2017, the EUR/RSD exchange rate ranged between RSD 123.60 and RSD 123.48 per 1 euro, while the average exchange rate stood at RSD 123.54 per 1 euro.

Transactions with derivatives are entered into only to hedge against price and foreign exchange risks and not for reasons of speculative nature.

## **Credit risk**

The credit risk was assessed as the third most relevant financial risk, to which the Petrol Group is 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. In 2016 we introduced certain changes to the process of setting and approving credit limits for the entire Petrol Group in order to further improve and harmonise the credit risk management system. The new system of limits continued to be implemented also in the first three months of 2017.

As part of the usual receivables management processes, we keep actively pursuing the collection of receivables. Particular attention is given to individual treatment of major customers or customers in relation to which outstanding receivables balances exceed EUR 250,000. We refine procedures for approving the amount of exposure (limits) to individual buyers and expand the range of first-class credit insurance instruments as a requirement to approve sales (receivables insurance with credit insurance companies, bank guarantees, letters of credit, collaterals, corporate guarantees, securities, mortgages, pledges). A great deal of work is put into the management of receivables from large customers in Slovenia, and significant attention is also devoted to the collection of receivables in SE Europe markets, where the solvency and payment discipline of the business sector differs from that in Slovenia. Receivables are systematically monitored by age, region and organisational unit as well as by quality and individual customer. The exposure of customers in the Petrol Group's portfolio to the credit risk is monitored at a global level. To monitor receivables, 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. Through experience, the application is continuously improved. In addition, we introduced a centralised control over credit insurance instruments received.

We consider that credit risks are adequately managed within the Petrol Group. Our assessment is based on the nature of our products, our market share, our large customer base, the vast range of credit insurance instruments and a higher volume of secured receivables. The Petrol Group too, however, is unable to fully avoid the consequences of bankruptcies, compulsory composition proceedings and personal bankruptcies.

## **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 20 March 2017. This investment-grade rating enables us to tap international financial markets more easily and represents an additional commitment towards successful operations and the deleveraging of the Petrol Group. We are currently introducing relevant S&P's methodology into the management of liquidity risks.

In the first three months of 2017, we organised an EUR 11 million private placement issue of 10-year PET4 bonds. Operations were mainly financed through the already acquired long-term sources and partly through short-term loans. In the period concerned, average



petroleum product prices were higher year-on-year, meaning that slightly more working capital was needed. The acquired long-term and short-term credit lines provide us with a high level of liquidity.

Cash flow management nevertheless requires considerable 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.

The Petrol Group is capable of meeting all of its outstanding liabilities at any given moment. The Group's successful operations in particular are a guarantee for the Group's long-term solvency and boost its equity capital.

### **Interest rate risk**

The Petrol Group regularly monitors its exposure to the interest rate risk. 22.4 percent of the Group's non-current financial liabilities contain a variable interest rate that is linked to EURIBOR. The average EURIBOR rate was lower in the first three months of 2017 than at the end of 2016 and thus remains historically low (negative). In 2017 the Petrol Group's overall borrowing interest rate was, on average, lower than in 2016. This is the result of low EURIBOR rates, interest rate margins, which had been further reduced, and a higher amount of short-term debt.

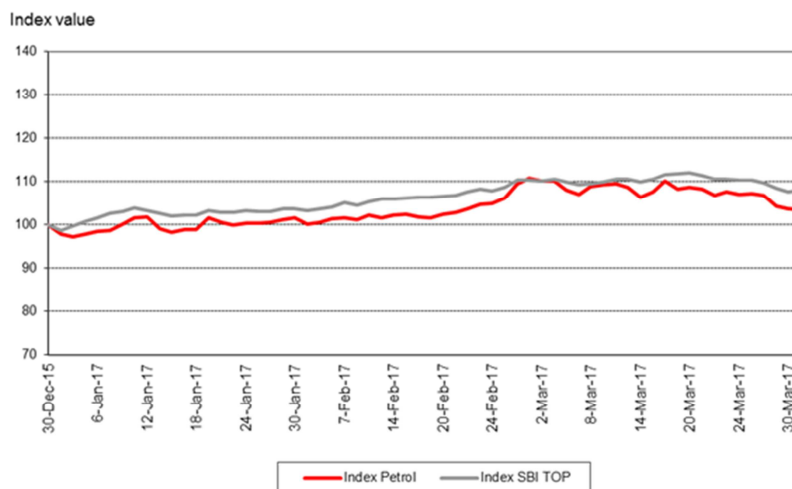
To hedge against exposure to the interest rate risk, a portion of variable interest rates is transformed into a fixed interest rate using derivative financial instruments, thus protecting our net interest position. When deciding whether to pursue additional hedging activities, forecasts regarding interest rate changes are considered. The time of hedging and the type of instruments used to this effect are determined based on market conditions. As the new PET4 bonds with a variable interest rate had been issued, we entered, in the first three months of 2017, into a EUR 10 million interest rate hedging contract which has the same maturity as the bonds.

### **Petrol's shares**

At the end of March 2017, share prices at the Ljubljana Stock Exchange were on average higher than at the end of 2016. 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 774.7 as at the end of March 2017 and was up 8 percent relative to the end of 2016 (717.59). During this period, Petrol's shares gained 3.4 percent in value. In terms of trading volume, which in the case of Petrol's shares amounted to EUR 10.2 million between January and March, the shares were ranked fourth among the shares traded on the Ljubljana Stock Exchange. In terms of market capitalisation, which stood at EUR 701.1 million as at 31 March 2017, the shares were also ranked second and accounted for 13.3 percent of the total Slovene stock market capitalisation on the said date.

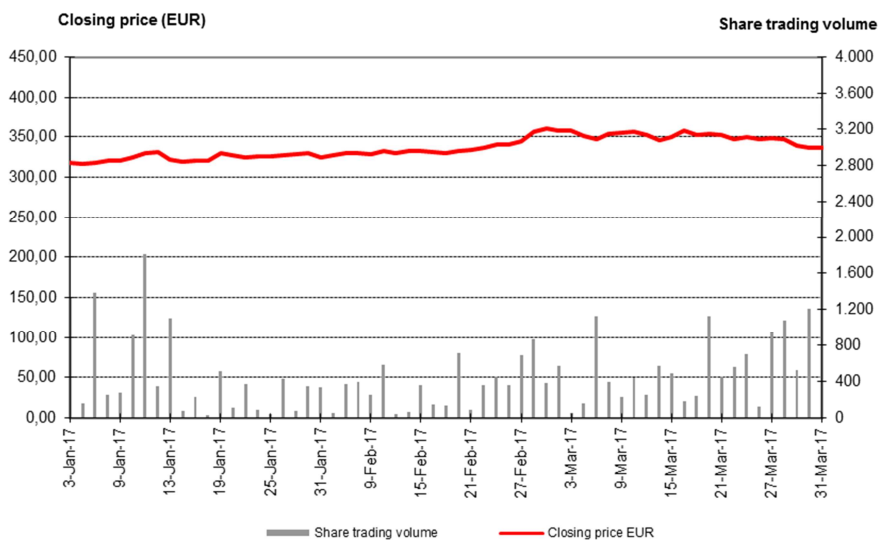


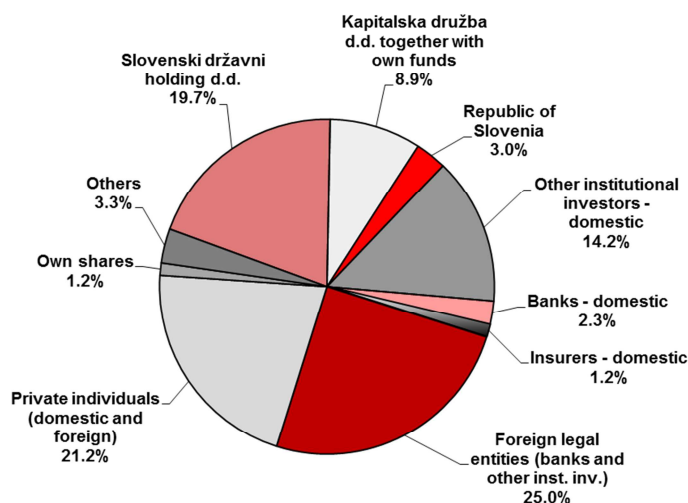
**Figure 13: Base index changes for Petrol d.d., Ljubljana's closing share price and the SBITOP index in the first three months of 2017 compared to the end of 2016**



In the first three months of 2017, the price of Petrol's shares ranged between EUR 316 and EUR 360 per share. Their average price for the period stood at EUR 336.94 and their price as at the end of March 2017 at EUR 336.05. The Petrol Group's earnings per share stood at EUR 7.79, with its book value per share amounting to EUR 294.36. Petrol d.d., Ljubljana had 25,035 shareholders as at 31 March 2017. At the end of March 2017, 525,592 shares or 25.19 percent of all shares were held by foreign legal or natural persons. Compared to the end of 2016, the number of foreign shareholders increased by 0.26 percentage points.

**Figure 14: Closing price and the volume of trading in Petrol's shares in the first three months of 2017**



**Figure 15: Ownership structure of Petrol d.d., Ljubljana as at 31 March 2017**

**Table 3: Changes in the ownership structure of Petrol d.d., Ljubljana (comparison between 31 March 2017 and 31 December 2016)**

	March 31, 2017		December 31, 2016	
	No. of Shares	in %	No. of Shares	in %
Slovenski državni holding d.d.	412,009	19.7%	412,009	19.7%
Kapitalska družba d.d. together with own funds	184,782	8.9%	184,852	8.9%
Republic of Slovenia	63,192	3.0%	-	-
Other institutional investors - domestic	295,949	14.2%	298,452	14.3%
Banks - domestic	47,784	2.3%	108,902	5.2%
Insurers - domestic	25,486	1.2%	25,486	1.2%
Foreign legal entities (banks and other inst. inv.)	521,265	25.0%	516,796	24.8%
Private individuals (domestic and foreign)	442,441	21.2%	445,548	21.4%
Own shares	24,703	1.2%	24,703	1.2%
Others	68,690	3.3%	69,553	3.3%
<b>Total</b>	<b>2,086,301</b>	<b>100.0%</b>	<b>2,086,301</b>	<b>100.0%</b>

**Table 4: 10 largest shareholders of Petrol d.d., Ljubljana as at 31 March 2017**

	Shareholder	Address	No. of Shares	Share in %
1	SLOVENSKI DRŽAVNI HOLDING, D.D.	MALA ULICA 5, 1000 LJUBLJANA	412,009	19.75%
2	ČEŠKOSLOVENSKA OBCHODNI BANK, A.S. - FID	RADLICKA 333/150, 150 57 PRAGA 5, REPUBLIKA ČEŠKA	267,076	12.80%
3	KAPITALSKA DRUŽBA, D.D.	DUNAJSKA CESTA 119, 1000 LJUBLJANA	172,639	8.27%
4	SOCIETE GENERALE - SPLITSKA BANKA D.D.	RUĐERA BOŠKOVIĆA 16, 21000 SPLIT, HRVAŠKA	96,556	4.63%
5	VIZIJA HOLDING, K.D.D.	DUNAJSKA CESTA 156, 1000 LJUBLJANA	71,676	3.44%
6	VIZIJA HOLDING ENA, K.D.D.	DUNAJSKA CESTA 156, 1000 LJUBLJANA	63,620	3.05%
7	REPUBLIKA SLOVENIJA	GREGORČIČEVA ULICA 20, 1000 LJUBLJANA	63,192	3.03%
8	NOVA KBM D.D.	ULICA VITA KRAIGHERJA 4, 2000 MARIBOR	42,985	2.06%
9	PERSPEKTIVA FT D.O.O.	DUNAJSKA CESTA 156, 1000 LJUBLJANA	36,162	1.73%
10	DUTB, D. D.	DAVČNA ULICA 1, 1000 LJUBLJANA	36,000	1.73%

**Table 5: Shares owned by members of the Supervisory and Management Board as at 31 March 2017**

Name and Surname	Position	No. of shares	Share of equity
<b>Supervisory board</b>		<b>0</b>	<b>0.0000%</b>
<b>Internal members</b>		<b>0</b>	<b>0.0000%</b>
1. Zoran Gračner	Supervisory Board Member	0	0.0000%
2. Alen Mihelčič	Supervisory Board Member	0	0.0000%
3. Robert Ravnikar	Supervisory Board Member	0	0.0000%
<b>External members</b>		<b>0</b>	<b>0.0000%</b>
1. Tomaž Kuntarič	Supervisory Board President	0	0.0000%
2. Irena Prijović	Supervisory Board Vice-president	0	0.0000%
3. Igo Gruden	Supervisory Board Member	0	0.0000%
4. Matija Blažič	Supervisory Board Member	0	0.0000%
5. Klemen Ferjančič	Supervisory Board Member	0	0.0000%
6. Mladen Kaliterna	Supervisory Board Member	0	0.0000%
<b>Management Board</b>		<b>220</b>	<b>0.0105%</b>
1. Tomaž Berločnik	Management Board President	0	0.0000%
2. Igor Stebernak	Management Board Member	0	0.0000%
3. Rok Vodnik	Management Board Member	220	0.0105%
4. Ika Krevzel Panič	Management Board Member/Worker Director	0	0.0000%

## Contingent increase in share capital

In the period up to 31 March 2017, 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 27<sup>th</sup> General Meeting held on 10 April 2017, Petrol d.d., Ljubljana shall pay 2016 gross dividends of EUR 14.00 per share in August 2017. The gross dividend per share for 2015, which was paid in 2016, stood at EUR 12.60.

## Own shares

Petrol d.d., Ljubljana did not repurchase its own shares in the first three months of 2017. As at 31 March 2017, the Company held 24,703 own shares, representing 1.2 percent of its registered share capital. Their total cost equalled EUR 2.6 million as at 31 March 2017 and was EUR 5.7 million lower than their market value on that date.

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

In accordance with a resolution of the 27<sup>th</sup> General Meeting held on 10 April 2017, the Company's Management Board is authorised to acquire own shares within 36 months of the

adoption of the resolution. Under this authorisation, a maximum of 208,630 own shares may be acquired, but the total percentage of the shares acquired based on this authorisation may not exceed, together with other own shares already held by the Company (24,703 own shares), 10 percent of the Company's share capital (208,630 shares). The shareholder H12 d.d. announced at the General Meeting that it intends to contest this resolution.

## **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. The Company regularly attends investors' conferences that are organised each year by stock exchanges, banks and brokerage companies. In the first three months of 2017, several individual meetings were held with investors and analysts. In March we took part in investor roadshows in Vienna, Tallinn and Stockholm organised by the investment firm Wood & Company exclusively for Petrol. This was followed by Fima-organised roadshows in the United States and by a London roadshow organised by InterCapital and Goldman Sachs at the end of March.

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

The Workers' Council of Petrol d.d., Ljubljana elected Zoran Gračner, Alen Mihelčič and Robert Ravnikar as Supervisory Board members representing employees for a four-year term of office beginning on 22 February 2017.

At the 27<sup>th</sup> General Meeting of Petrol d.d., Ljubljana held on 10 April 2017, the following Supervisory Board members, shareholder representatives, were appointed: Sašo Berger, Nada Drobne Popovič, Igo Gruden, Sergej Goriup, Metod Podkrižnik, their term of office beginning on 11 April 2017, and Mladen Kaliterna, whose new four-year term of office shall begin on 16 July 2017.

At the Supervisory Board meeting of 20 April 2017, Nada Drobne Popovič was elected as Supervisory Board president and Sašo Berger as her deputy.

## **Credit rating**

On 20 March 2017, Standard & Poor's Ratings Services affirmed Petrol d.d., Ljubljana's "BBB-" long-term credit rating, its "A-3" short-term credit rating and its "stable" credit rating outlook.

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

At the 27<sup>th</sup> General Meeting of Petrol d.d., Ljubljana held on 10 April 2017, the following resolutions were adopted:

- Accumulated profit of EUR 28,862,372.00 as at 31/12/2016 shall be used as follows:
  - EUR 28,862,372.00 shall be used to pay gross dividends of EUR 14.00 per share (own shares excluded). The dividends are to be paid out of the 2016 net profit and

other revenue reserves for 2006. The Company shall pay the dividends on 11/08/2017 to shareholders registered with KDD – the Central Securities Clearing Corporation on 10/08/2017, as laid down in a Management Board decision.

- The Company's Management Board shall be granted discharge from liability for the year 2016.
- The Company's Supervisory Board shall be granted discharge from liability for the year 2016.
- The audit firm ERNST & YOUNG Revizija, poslovno svetovanje, d.o.o., Ljubljana shall be appointed auditor for the year 2017.
- Appointment of Petrol d.d., Ljubljana Supervisory Board members:
  - Sašo Berger shall be appointed as the first Supervisory Board member (shareholder representative) for a four-year term of office beginning on 11 April 2017.
  - Nada Drobne Popovič shall be appointed as the second Supervisory Board member (shareholder representative) for a four-year term of office beginning on 11 April 2017.
  - Igo Gruden shall be appointed as the third Supervisory Board member (shareholder representative) for a four-year term of office beginning on 11 April 2017.
  - Sergej Goriup shall be appointed as the fourth Supervisory Board member (shareholder representative) for a four-year term of office beginning on 11 April 2017.
  - Metod Podkrižnik shall be appointed as the fifth Supervisory Board member (shareholder representative) for a four-year term of office beginning on 11 April 2017.
  - Mladen Kaliterna shall be appointed as the sixth Supervisory Board member (shareholder representative) for a four-year term of office beginning on 16 July 2017.
- The Company's Articles of Association: Changes to point 09.03 and to the first paragraph of point 09.10 of the Company's Articles of Association – in chapter IV. Company Bodies, 09.00 Management Board, point 09.03 and the first paragraph of point 09.10 shall be changed:
  - Point 09.03 shall read as follows: "As a member of the Management Board, the Worker Director shall participate in decision-making only in connection with issues relating to the formulation of personnel and social policy."
  - The first paragraph of point 09.10 shall read as follows: "The President of the Management Board and any other member of the Management Board other than the Worker Director shall represent the Company independently and individually. The Worker Director shall represent the Company together with another member or president of the Management Board."
- The General Meeting authorises the Company's Management Board to acquire own shares within 36 months of the adoption of this resolution. Under this authorisation, a maximum of 208,630 own shares may be acquired, but the total percentage of the shares acquired based on this authorisation may not exceed, together with other own shares already held by the Company (24,703 own shares), 10 percent of the Company's share capital (208,630 shares). The Company may acquire own shares via transactions concluded on a regulated securities market and at a market price applicable at the time. The Company may acquire own shares also outside the regulated securities market.

When acquiring shares on a regulated or unregulated securities market, the purchase price may not be lower than 50% of the share's carrying amount calculated based on the most recent publicly available audited financial statements of the Petrol Group. Similarly, the purchase price of the shares may not exceed the 12-fold value of earnings per share (EPS) calculated based on the most recent publicly available audited financial statements of the Petrol Group. Subject to a prior approval from the Supervisory Board, the Company may dispose of the own shares acquired based on this authorisation by exchanging them for interests in other companies, in line with its takeover strategy. The shareholders' pre-emptive right is excluded when the own shares acquired by the Company under this authorisation are disposed of.

# 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 2017	1-3 2016	1-3 2017	1-3 2016
<b>Sales revenue</b>		<b>1,108,380,674</b>	<b>826,966,502</b>	<b>936,739,356</b>	<b>675,235,191</b>
- of which excise duty		247,702,580	267,545,764	179,425,913	175,313,552
<b>Cost of goods sold</b>		<b>(1,015,881,575)</b>	<b>(741,165,788)</b>	<b>(868,316,733)</b>	<b>(612,941,946)</b>
Costs of materials	3	(9,814,680)	(8,186,583)	(5,166,219)	(4,151,585)
Costs of services	4	(31,450,934)	(29,426,882)	(25,630,231)	(24,705,258)
Labour costs	5	(17,779,956)	(16,873,151)	(12,351,812)	(11,314,616)
Depreciation and amortisation	6	(11,714,391)	(11,114,043)	(7,713,065)	(7,639,295)
Other costs	7	(2,030,323)	(847,358)	(585,984)	(479,089)
<b>Operating costs</b>		<b>(72,790,284)</b>	<b>(66,448,017)</b>	<b>(51,447,311)</b>	<b>(48,289,842)</b>
Other revenue	2	1,598,684	1,578,906	1,228,711	863,713
Other expenses		(16,860)	(238,586)	(5,173)	(26,696)
<b>Operating profit</b>		<b>21,290,639</b>	<b>20,693,017</b>	<b>18,198,851</b>	<b>14,840,418</b>
<b>Share of profit or loss of equity accounted investees</b>		<b>295,495</b>	<b>1,948,151</b>	-	-
<b>Finance income from dividends paid by subsidiaries, associates and jointly controlled entities</b>		-	-	-	-
Other finance income	8	13,272,939	11,899,355	11,231,323	9,966,699
Other finance expenses	8	(16,313,001)	(18,001,067)	(13,825,535)	(15,784,812)
<b>Net finance expense</b>		<b>(3,040,062)</b>	<b>(6,101,712)</b>	<b>(2,594,212)</b>	<b>(5,818,114)</b>
<b>Profit before income tax</b>		<b>18,546,072</b>	<b>16,539,456</b>	<b>15,604,639</b>	<b>9,022,305</b>
Income tax expense		(1,045,312)	(1,850,387)	(1,702,002)	(691,305)
Deferred income tax		(1,434,512)	(718,276)	(1,499,361)	(778,338)
<b>Income tax</b>		<b>(2,479,824)</b>	<b>(2,568,663)</b>	<b>(3,201,364)</b>	<b>(1,469,643)</b>
<b>Net profit for the period</b>		<b>16,066,248</b>	<b>13,970,793</b>	<b>12,403,275</b>	<b>7,552,662</b>
Net profit for the period attributable to:					
Owners of the controlling company		16,055,222	13,948,333	12,403,275	7,552,662
Non-controlling interest		11,026	22,460	-	-
Basic and diluted earnings per share	9	7.79	6.78	6.02	3.66

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 2017	1-3 2016	1-3 2017	1-3 2016
<b>Net profit for the period</b>	<b>16,066,248</b>	<b>13,970,793</b>	<b>12,403,275</b>	<b>7,552,662</b>
Effective portion of changes in the fair value of cash flow variability hedging	40,158	25,384	(95,617)	0
Change in deferred taxes	(6,273)	(5,077)	18,167	0
Foreign exchange differences	2,362,902	1,324,912	-	-
<b>Other comprehensive income to be recognised in the statement of profit or loss in the future</b>	<b>2,396,787</b>	<b>1,345,219</b>	<b>(77,450)</b>	<b>0</b>
Attribution of changes in the equity of associates	0	0	-	-
<b>Total other comprehensive income to be recognised in the statement of profit or loss in the future</b>	<b>2,396,787</b>	<b>1,345,219</b>	<b>(77,450)</b>	<b>0</b>
<b>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>
Attribution of changes in the equity of associates	0	0	-	-
<b>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>2,396,787</b>	<b>1,345,219</b>	<b>(77,450)</b>	<b>0</b>
<b>Total comprehensive income for the period</b>	<b>18,463,035</b>	<b>15,316,012</b>	<b>12,325,826</b>	<b>7,552,662</b>
Total comprehensive income attributable to:				
Owners of the controlling company	18,455,289	15,334,766	12,325,826	7,552,662
Non-controlling interest	7,746	(18,754)	-	-

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 2017	31 December 2016	31 March 2017	31 December 2016
<b>ASSETS</b>					
<b>Non-current (long-term) assets</b>					
Intangible assets	10	180,909,714	181,192,672	147,689,764	147,995,289
Property, plant and equipment	11	609,960,452	605,937,761	305,580,348	306,804,517
Investment property		17,991,166	18,231,523	17,156,880	17,375,331
Investments in subsidiaries	12	0	0	292,081,344	290,581,344
Investments in jointly controlled entities	13	1,759,823	1,652,682	1,196,000	1,196,000
Investments in associates	14	129,874,595	129,686,241	52,852,540	52,852,540
Available-for-sale financial assets	15	2,634,534	2,598,071	2,555,491	2,519,028
Financial receivables		1,034,774	1,079,152	30,802,058	27,421,814
Operating receivables		1,644,334	650,916	1,635,014	643,851
Deferred tax assets		10,497,032	11,921,930	9,954,084	11,435,278
		<b>956,306,424</b>	<b>952,950,948</b>	<b>861,503,523</b>	<b>858,824,991</b>
<b>Current assets</b>					
Inventories	16	125,163,404	116,217,171	98,402,831	95,494,787
Financial receivables	17	6,452,319	6,922,594	17,876,365	18,452,346
Operating receivables	18	301,600,142	382,532,113	237,572,347	317,169,921
Corporate income tax assets		555,722	30,672	0	0
Financial assets at fair value through profit or loss	19	1,574,783	1,836,062	1,457,518	1,787,039
Prepayments and other assets	20	22,613,374	15,314,407	20,075,855	11,170,970
Cash and cash equivalents		25,090,428	26,987,969	9,971,553	12,657,723
		<b>483,050,172</b>	<b>549,840,988</b>	<b>385,356,468</b>	<b>456,732,786</b>
<b>Total assets</b>		<b>1,439,356,596</b>	<b>1,502,791,936</b>	<b>1,246,859,991</b>	<b>1,315,557,777</b>
<b>EQUITY AND LIABILITIES</b>					
<b>Equity attributable to owners of the Petrol Group</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		2,604,670	2,604,670	2,604,670	2,604,670
Own shares		(2,604,670)	(2,604,670)	(2,604,670)	(2,604,670)
Other revenue reserves		191,876,506	191,876,506	191,556,836	191,556,836
Fair value reserve		(585,653)	(585,653)	39,295,125	39,295,125
Hedging reserve		75,794	41,909	(77,450)	0
Foreign exchange differences		(7,929,399)	(10,295,581)	0	0
Retained earnings		236,447,530	220,392,308	34,239,364	21,836,089
		<b>615,105,095</b>	<b>596,649,806</b>	<b>459,996,122</b>	<b>447,670,296</b>
<b>Non-controlling interest</b>		<b>(972,367)</b>	<b>(980,113)</b>	<b>0</b>	<b>0</b>
<b>Total equity</b>		<b>614,132,728</b>	<b>595,669,693</b>	<b>459,996,122</b>	<b>447,670,296</b>
<b>Non-current liabilities</b>					
Provisions for employee benefits		6,448,305	6,445,205	5,524,172	5,524,172
Other provisions		3,703,632	4,318,975	3,488,077	3,488,077
Long-term deferred revenue		4,846,573	4,555,934	4,192,454	4,507,751
Financial liabilities	21	304,608,991	304,928,488	254,673,591	251,865,143
Operating liabilities		1,325,713	1,342,063	907,032	923,382
Deferred tax liabilities		4,262,037	4,168,551	0	0
		<b>325,195,251</b>	<b>325,759,216</b>	<b>268,785,327</b>	<b>266,308,525</b>
<b>Current liabilities</b>					
Financial liabilities	21	140,468,351	102,485,363	231,141,722	188,137,221
Operating liabilities	22	334,349,661	456,216,385	274,160,674	401,409,201
Corporate income tax liabilities		5,431,703	6,595,599	1,855,241	1,093,931
Other liabilities	23	19,778,902	16,065,680	10,920,905	10,938,604
		<b>500,028,617</b>	<b>581,363,027</b>	<b>518,078,543</b>	<b>601,578,956</b>
<b>Total liabilities</b>		<b>825,223,868</b>	<b>907,122,243</b>	<b>786,863,869</b>	<b>867,887,481</b>
<b>Total equity and liabilities</b>		<b>1,439,356,596</b>	<b>1,502,791,936</b>	<b>1,246,859,991</b>	<b>1,315,557,777</b>

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



Report on the operations of the Petrol Group and the company Petrol d.d., Ljubljana in the first three months of 2017

## Statement of changes in equity of the Petrol Group

(in EUR)	Called-up capital	Capital surplus	Revenue reserves				Fair value reserve	Hedging reserve	Foreign exchange differences	Retained earnings	Equity attributable to owners of the controlling company	Non-controlling interest	Total
			Legal reserves	Reserves for own shares	Own shares	Other revenue reserves							
As at 1 January 2016	52,240,977	80,991,385	61,987,955	2,604,670	(2,604,670)	180,794,332	206,914	(743,764)	(10,812,747)	184,604,590	549,269,642	(1,878,984)	547,390,658
Increase/(decrease) in non-controlling interest											0	330,102	330,102
Transactions with owners	0	0	0	0	0	0	0	0	0	0	0	330,102	330,102
Net profit for the period										13,948,333	13,948,333	22,460	13,970,793
Other changes in other comprehensive income								20,307	1,366,126		1,386,433	(41,214)	1,345,219
Total changes in total comprehensive income	0	0	0	0	0	0	0	20,307	1,366,126	13,948,333	15,334,766	(18,754)	15,316,012
As at 31 March 2016	52,240,977	80,991,385	61,987,955	2,604,670	(2,604,670)	180,794,332	206,914	(723,457)	(9,446,621)	198,552,923	564,604,408	(1,567,636)	563,036,772
As at 1 January 2017	52,240,977	80,991,385	61,987,955	2,604,670	(2,604,670)	191,876,506	(585,653)	41,909	(10,295,581)	220,392,308	596,649,806	(980,113)	595,669,693
Net profit for the period										16,055,222	16,055,222	11,026	16,066,248
Other changes in other comprehensive income								33,885	2,366,182		2,400,067	(3,280)	2,396,787
Total changes in total comprehensive income	0	0	0	0	0	0	0	33,885	2,366,182	16,055,222	18,455,289	7,746	18,463,035
As at 31 March 2017	52,240,977	80,991,385	61,987,955	2,604,670	(2,604,670)	191,876,506	(585,653)	75,794	(7,929,399)	236,447,530	615,105,095	(972,367)	614,132,728

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

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

(in EUR)	Called-up capital	Capital surplus	Revenue reserves				Fair value reserve	Hedging reserve	Retained earnings	Total
			Legal reserves	Reserves for own shares	Own shares	Other revenue reserves				
As at 1 January 2016	52,240,977	80,991,385	61,749,884	2,604,670	(2,604,670)	177,892,472	40,187,257	0	15,037,235	428,099,210
Net profit for the period									7,552,662	7,552,662
<b>Total changes in total comprehensive income</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>7,552,662</b>	<b>7,552,662</b>
<b>As at 31 March 2016</b>	<b>52,240,977</b>	<b>80,991,385</b>	<b>61,749,884</b>	<b>2,604,670</b>	<b>(2,604,670)</b>	<b>177,892,472</b>	<b>40,187,257</b>	<b>0</b>	<b>22,589,897</b>	<b>435,651,873</b>
As at 1 January 2017	52,240,977	80,991,385	61,749,884	2,604,670	(2,604,670)	191,556,836	39,295,125	0	21,836,089	447,670,296
Other changes								(77,450)		(77,450)
Net profit for the period									12,403,275	12,403,275
<b>Total changes in total comprehensive income</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(77,450)</b>	<b>12,403,275</b>	<b>12,325,825</b>
<b>As at 31 March 2017</b>	<b>52,240,977</b>	<b>80,991,385</b>	<b>61,749,884</b>	<b>2,604,670</b>	<b>(2,604,670)</b>	<b>191,556,836</b>	<b>39,295,125</b>	<b>(77,450)</b>	<b>34,239,364</b>	<b>459,996,122</b>

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

		The Petrol Group		Petrol d.d.	
(in EUR)	Note	31 March 2017	31 March 2016	31 March 2017	31 March 2016
<b>Cash flows from operating activities</b>					
<b>Net profit</b>		<b>16,066,248</b>	<b>13,970,793</b>	<b>12,403,275</b>	<b>7,552,662</b>
<b>Adjustment for:</b>					
Corporate income tax		2,479,824	2,568,663	3,201,364	1,469,643
Depreciation of property, plant and equipment and of investment prop	6	10,092,959	9,511,794	6,351,454	6,300,763
Amortisation of intangible assets	6	1,621,432	1,602,249	1,361,611	1,338,532
(Gain)/loss on disposal of property, plant and equipment	2, 7	(61,043)	(102,833)	(171,341)	5,750
Impairment, write-down/(reversed impairment) of assets		795,405	0	0	0
Revenue from assets under management		(16,350)	(16,350)	(16,350)	(16,350)
Net (decrease in)/creation of provisions for long-term employee benefits		0	494,467	0	500,000
Net (decrease in)/creation of other provisions and long-term deferred revenue		(324,478)	(342,856)	(315,297)	(333,308)
Net goods surpluses		(36,529)	34,204	(140,716)	(44,650)
Net (decrease in)/creation of allowance for receivables	8	2,064,602	175,529	1,131,246	(121,376)
Net finance (income)/expense	8	3,086,489	4,647,450	2,930,287	4,284,406
Impairment of goodwill	8	341,093	0	0	0
Share of profit of jointly controlled entities		(107,141)	(486,263)	-	-
Share of profit of associates		(188,354)	(1,461,888)	-	-
<b>Cash flow from operating activities before the changes in working capital</b>		<b>35,814,157</b>	<b>30,594,959</b>	<b>26,735,534</b>	<b>20,936,072</b>
Net (decrease in)/creation of other liabilities	23	3,661,226	(58,576)	(17,699)	(427,229)
Net decrease in/(creation of) other assets	20	(2,451,635)	(1,097,124)	(4,677,179)	(2,189,265)
Change in inventories	16	(8,674,373)	6,964,055	(2,767,327)	6,491,760
Change in operating and other receivables	18	75,261,859	29,138,158	74,437,207	8,744,908
Change in operating and other liabilities	22	(121,579,347)	(31,396,652)	(127,033,405)	(15,474,830)
<b>Cash generated from operating activities</b>		<b>(17,968,113)</b>	<b>34,144,820</b>	<b>(33,322,869)</b>	<b>18,081,416</b>
Interest paid	8	(1,105,009)	(2,501,397)	(1,459,852)	(1,977,185)
Taxes paid		(3,589,471)	(1,058,670)	(940,693)	(800,793)
<b>Net cash from (used in) operating activities</b>		<b>(22,662,593)</b>	<b>30,584,753</b>	<b>(35,723,414)</b>	<b>15,303,438</b>
<b>Cash flows from investing activities</b>					
Payments for investments in subsidiaries	12	(353,344)	0	(1,500,000)	(1,322,616)
Payments for intangible assets	10	(1,059,893)	(661,687)	(1,056,086)	(324,397)
Receipts from property, plant and equipment	11	564,659	2,146,943	424,853	130,373
Payments for property, plant and equipment	11	(13,863,667)	(15,493,463)	(6,227,275)	(10,323,289)
Receipts from financial assets available for sale	15	0	77,646	0	77,646
Payments for financial assets available for sale	15	(36,464)	(149,349)	(36,464)	(149,349)
Receipts from loans granted	17	755,799	1,585,815	5,107,056	1,650,252
Payments for loans granted	17	(74,990)	(355,251)	(7,815,426)	(8,207,449)
Interest received	8	860,708	794,597	787,874	631,347
<b>Net cash from (used in) investing activities</b>		<b>(13,207,192)</b>	<b>(12,054,749)</b>	<b>(10,315,468)</b>	<b>(17,837,482)</b>
<b>Cash flows from financing activities</b>					
Proceeds from bonds issued	21	11,000,000	239,358	11,000,000	239,358
Payments for bonds issued	21	(8,408,000)	(13,853,000)	(8,408,000)	(13,853,000)
Proceeds from borrowings	21	313,945,235	231,290,983	386,024,348	248,402,780
Repayment of borrowings	21	(282,637,859)	(236,514,443)	(345,241,929)	(233,200,587)
Dividends paid to shareholders		(21,706)	(12,774)	(21,706)	(12,774)
<b>Net cash from (used in) financing activities</b>		<b>33,877,670</b>	<b>(18,849,876)</b>	<b>43,352,713</b>	<b>1,575,777</b>
<b>Increase/(decrease) in cash and cash equivalents</b>		<b>(1,992,115)</b>	<b>(319,872)</b>	<b>(2,686,170)</b>	<b>(958,267)</b>
<b>Changes in cash and cash equivalents</b>					
<b>At the beginning of the year</b>		<b>26,987,969</b>	<b>34,350,350</b>	<b>12,657,723</b>	<b>26,994,577</b>
Foreign exchange differences		71,823	(17,106)	-	-
Cash acquired through acquisition of companies		22,751	-	-	-
Increase/(decrease)		(1,992,115)	(319,872)	(2,686,170)	(958,267)
<b>At the end of the period</b>		<b>25,090,428</b>	<b>34,031,372</b>	<b>9,971,553</b>	<b>26,036,310</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 2017 and separate financial statements of the company Petrol d.d., Ljubljana for the period ended 31 March 2017. 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 8 May 2017.

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 2016.

The financial statements for the period from January – March 2017 are prepared based on the same accounting policies used for the preparation of financial statements for the year ended 31 December 2016.

#### b. Basis of measurement

The Group's and the Company's financial statements have been prepared on the historical cost basis except for the following assets and liabilities that are carried at fair value:

- derivative financial instruments,
- financial assets at fair value through profit or loss,
- financial assets available for sale.

#### 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:

- estimating the lives of depreciable assets,
- assets impairment testing,
- estimating of the fair value of assets,
- estimating of the influence in jointly controlled entities,
- estimate of provisions for litigation,
- estimate of provisions for employee post-employment and other long-term benefits,
- assessing the possibility of using deferred tax assets.

## **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:

- retail and wholesale of oil and petroleum products,
- retail and wholesale of merchandise,
- sales of liquefied petroleum gas (LPG),
- sales of natural gas,
- sales of electricity,
- trading with electricity and natural gas.

Energy and environmental systems consist of:

- distribution of natural gas,
- other services (energy solutions, environmental solutions, biomass production, district heating, generation of electricity).

## The Group's operating segments in the period 1-3 2016:

(in EUR)	Sales	Energy and Environmental Systems	Total	Statement of profit or loss/ Statement of financial position
Sales revenue	896,678,592	17,941,078	914,619,670	
Revenue from subsidiaries	(87,127,989)	(525,179)	(87,653,168)	
Sales revenue	809,550,603	17,415,899	826,966,502	826,966,502
Net profit for the year	10,743,184	3,227,609	13,970,793	13,970,793
Interest income*	696,992	171,873	868,865	868,865
Interest expense*	(4,228,211)	(1,042,647)	(5,270,858)	(5,270,858)
Depreciation of property, plant and equipment, depreciation of investment property, amortisation of intangible assets	(8,327,085)	(2,786,958)	(11,114,043)	(11,114,043)
Share of profit or loss of equity accounted investees	1,092,872	855,279	1,948,151	1,948,151
Total assets	1,245,193,268	201,257,446	1,446,450,714	1,446,450,714
Equity accounted investees	120,184,024	49,709,527	169,893,551	169,893,551
Property, plant and equipment, intangible assets and investment property	657,908,749	142,162,769	800,071,518	800,071,518
Other assets	467,100,495	9,385,150	476,485,645	476,485,645
Current and non-current operating and financial liabilities	727,349,134	117,559,605	844,908,739	844,908,739

\*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 1-3 2017:

(in EUR)	Sales	Energy and Environmental Systems	Total	Statement of profit or loss/ Statement of financial position
Sales revenue	1,201,707,661	21,115,996	1,222,823,657	
Revenue from subsidiaries	(113,960,787)	(482,196)	(114,442,983)	
Sales revenue	1,087,746,874	20,633,800	1,108,380,674	1,108,380,674
Net profit for the year	11,767,304	4,298,944	16,066,248	16,066,248
Interest income*	644,951	197,864	842,815	842,815
Interest expense*	(2,775,352)	(851,447)	(3,626,799)	(3,626,799)
Depreciation of property, plant and equipment, depreciation of investment property, amortisation of intangible assets	(8,469,390)	(3,245,001)	(11,714,391)	(11,714,391)
Share of profit or loss of equity accounted investees	0	295,495	295,495	295,495
Total assets	1,209,687,061	229,669,535	1,439,356,596	1,439,356,596
Equity accounted investees	82,254,881	49,379,537	131,634,418	131,634,418
Property, plant and equipment, intangible assets and investment property	637,445,055	171,416,277	808,861,332	808,861,332
Other assets	489,987,126	8,873,720	498,860,846	498,860,846
Current and non-current operating and financial liabilities	656,172,669	124,580,047	780,752,716	780,752,716

\*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 2017	1-3 2016	1-3 2017	1-3 2016
Utilisation of environmental provisions	314,276	334,034	312,974	332,257
Gain on disposal of fixed assets	301,549	167,164	181,090	58,093
Compensation received from insurance companies	20,422	24,819	10,594	7,608
Other revenue	962,437	1,052,889	724,053	465,755
<b>Total other revenue</b>	<b>1,598,684</b>	<b>1,578,906</b>	<b>1,228,711</b>	<b>863,713</b>

## 3. Costs of material

(in EUR)	The Petrol Group		Petrol d.d.	
	1-3 2017	1-3 2016	1-3 2017	1-3 2016
Costs of energy	7,185,061	6,513,572	3,528,210	2,825,508
Costs of consumables	2,437,958	1,469,032	1,533,685	1,216,916
Write-off of small tools	51,939	56,763	15,455	11,597
Other costs of materials	139,722	147,216	88,869	97,564
<b>Total costs of materials</b>	<b>9,814,680</b>	<b>8,186,583</b>	<b>5,166,219</b>	<b>4,151,585</b>

## 4. Costs of services

(in EUR)	The Petrol Group		Petrol d.d.	
	1-3 2017	1-3 2016	1-3 2017	1-3 2016
Costs of service station managers	8,181,697	7,432,552	8,181,697	7,432,552
Costs of transport services	7,042,651	6,840,726	5,953,793	5,963,144
Costs of fixed-asset maintenance services	3,042,369	2,858,266	2,157,353	2,754,792
Lease payments	2,903,384	2,464,880	1,233,721	904,483
Costs of payment transactions and bank services	1,833,755	1,493,179	1,387,988	1,144,393
Costs of fairs, advertising and entertainment	1,470,788	1,447,925	1,131,406	1,187,685
Costs of professional services	1,433,515	1,602,141	1,539,307	1,533,815
Contributions for operations at motorway service areas	1,100,439	1,151,072	916,848	951,113
Costs of insurance premiums	918,138	899,774	589,559	601,198
Costs of fire protection and physical and technical security	463,415	475,083	364,647	366,806
Fees for the building site use	417,761	368,912	387,163	338,539
Property management	381,506	336,588	374,107	346,297
Costs of environmental protection services	319,570	309,646	177,005	194,280
Concession charges	302,525	286,837	207,525	183,990
Outsourcing costs	279,169	408,536	16,343	1,660
Reimbursement of work-related costs to employees	222,608	185,512	123,247	103,676
Membership fees	85,775	77,694	58,460	54,792
Other costs of services	1,051,869	787,559	830,062	642,043
<b>Total costs of services</b>	<b>31,450,934</b>	<b>29,426,882</b>	<b>25,630,231</b>	<b>24,705,258</b>

## 5. Labour costs

(in EUR)	The Petrol Group		Petrol d.d.	
	1-3 2017	1-3 2016	1-3 2017	1-3 2016
Salaries	12,456,909	11,899,143	8,494,685	7,848,868
Costs of pension insurance	1,008,783	1,006,250	826,244	759,254
Costs of other social insurance	1,211,982	1,190,763	676,552	622,177
Transport allowance	632,543	620,615	384,108	361,442
Meal allowance	512,455	503,512	373,746	339,957
Annual leave allowance	430,449	417,947	325,971	297,687
Supplementary pension insurance	250,494	237,467	228,586	208,904
Other allowances and reimbursements	1,276,341	997,454	1,041,920	876,327
<b>Total labour costs</b>	<b>17,779,956</b>	<b>16,873,151</b>	<b>12,351,812</b>	<b>11,314,616</b>

## 6. Depreciation and amortisation

(in EUR)	The Petrol Group		Petrol d.d.	
	1-3 2017	1-3 2016	1-3 2017	1-3 2016
Amortisation of intangible assets	1,621,432	1,602,249	1,361,611	1,338,532
Depreciation of property, plant and equipment	9,822,510	9,244,524	6,091,760	6,025,069
Depreciation of investment property	270,449	267,270	259,694	275,694
<b>Total depreciation and amortisation</b>	<b>11,714,391</b>	<b>11,114,043</b>	<b>7,713,065</b>	<b>7,639,295</b>

## 7. Other costs

(in EUR)	The Petrol Group		Petrol d.d.	
	1-3 2017	1-3 2016	1-3 2017	1-3 2016
Disposals/impairment of assets	1,035,911	64,331	9,749	63,844
Sponsorships and donations	515,379	313,812	493,840	306,001
Environmental charges and charges unrelated to operations	282,014	234,177	37,172	41,923
Other costs	197,019	235,038	45,223	67,321
<b>Total other costs</b>	<b>2,030,323</b>	<b>847,358</b>	<b>585,984</b>	<b>479,089</b>

## 8. Other financial income and expenses

(in EUR)	The Petrol Group		Petrol d.d.	
	1-3 2017	1-3 2016	1-3 2017	1-3 2016
Foreign exchange differences	5,159,327	4,416,741	3,265,365	2,933,292
Gain on derivatives	7,115,006	6,223,568	7,053,965	6,095,482
Interest income	842,815	868,865	864,022	737,567
Allowances for receivables reversed and bad debt recovered	150,380	229,639	9,217	139,819
Other finance income	5,411	160,542	38,754	60,539
<b>Total other finance income</b>	<b>13,272,939</b>	<b>11,899,355</b>	<b>11,231,323</b>	<b>9,966,699</b>
Foreign exchange differences	(2,837,259)	(3,127,217)	(1,632,328)	(2,062,379)
Loss on derivatives	(6,984,952)	(8,936,007)	(7,219,680)	(8,621,478)
Interest expense	(3,626,799)	(5,270,858)	(3,588,604)	(4,828,711)
Allowance for operating receivables	(2,214,982)	(405,167)	(1,140,464)	(19,887)
Impairment of goodwill	(341,093)	0	0	0
Other finance expenses	(307,916)	(261,818)	(244,459)	(252,357)
<b>Total other finance expenses</b>	<b>(16,313,001)</b>	<b>(18,001,067)</b>	<b>(13,825,535)</b>	<b>(15,784,812)</b>
<b>Net finance expense</b>	<b>(3,040,062)</b>	<b>(6,101,712)</b>	<b>(2,594,212)</b>	<b>(5,818,114)</b>

## 9. Earnings per share

(in EUR)	The Petrol Group		Petrol d.d.	
	31 March 2017	31 March 2016	31 March 2017	31 March 2016
Net profit (in EUR)	16,066,248	13,970,793	12,403,275	7,552,662
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	24,703	24,703	24,703	24,703
Number of own shares at the end of the period	24,703	24,703	24,703	24,703
Weighted average number of ordinary shares issued	2,061,598	2,061,598	2,061,598	2,061,598
Diluted average number of ordinary shares	2,061,598	2,061,598	2,061,598	2,061,598
<b>Basic and diluted earnings per share (EUR/share)</b>	<b>7.79</b>	<b>6.78</b>	<b>6.02</b>	<b>3.66</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.

## 10. Intangible assets

### Intangible assets of the Petrol Group

(in EUR)	Software	Right to use concession infrastructure	Goodwill	Ongoing investments	Total
<b>Cost</b>					
<b>As at 1 January 2016</b>	<b>17,558,277</b>	<b>100,766,397</b>	<b>106,364,856</b>	<b>2,784,983</b>	<b>227,474,513</b>
New acquisitions as a result of control obtained	0	0	358,502	176,144	534,646
New acquisitions	0	0	0	661,687	661,687
Disposals/Impairments	0	0	0	(2,153)	(2,153)
Transfer from ongoing investments	208,952	476,161	0	(685,113)	0
Foreign exchange differences	196	120,303	198,700	2,245	321,444
<b>As at 31 March 2016</b>	<b>17,767,425</b>	<b>101,362,861</b>	<b>106,922,058</b>	<b>2,937,793</b>	<b>228,990,137</b>
<b>Accumulated amortisation</b>					
<b>As at 1 January 2016</b>	<b>(10,013,651)</b>	<b>(33,065,916)</b>	<b>0</b>	<b>0</b>	<b>(43,079,567)</b>
Amortisation	(591,582)	(1,010,667)	0	0	(1,602,249)
Foreign exchange differences	(557)	(30,884)	0	0	(31,441)
<b>As at 31 March 2016</b>	<b>(10,605,790)</b>	<b>(34,107,467)</b>	<b>0</b>	<b>0</b>	<b>(44,713,257)</b>
<b>Net carrying amount as at 1 January 2016</b>	<b>7,544,626</b>	<b>67,700,481</b>	<b>106,364,856</b>	<b>2,784,983</b>	<b>184,394,946</b>
<b>Net carrying amount as at 31 March 2016</b>	<b>7,161,635</b>	<b>67,255,394</b>	<b>106,922,058</b>	<b>2,937,793</b>	<b>184,276,880</b>

(in EUR)	Software	Right to use concession infrastructure	Goodwill	Ongoing investments	Total
<b>Cost</b>					
<b>As at 1 January 2017</b>	<b>19,571,272</b>	<b>104,067,778</b>	<b>106,509,484</b>	<b>1,269,770</b>	<b>231,418,304</b>
New acquisitions as a control obtained	0	821	341,093	0	341,914
New acquisitions	0	0	0	1,059,893	1,059,893
Disposals/Impairments	(108,471)	0	(341,093)	0	(449,564)
Transfer from ongoing investments	93,225	68,667	0	(161,892)	0
Foreign exchange differences	1,129	100,125	209,304	2,943	313,501
<b>As at 31 March 2017</b>	<b>19,557,155</b>	<b>104,237,391</b>	<b>106,718,788</b>	<b>2,170,714</b>	<b>232,684,048</b>
<b>Accumulated amortisation</b>					
<b>As at 1 January 2017</b>	<b>(12,253,666)</b>	<b>(37,971,966)</b>	<b>0</b>	<b>0</b>	<b>(50,225,632)</b>
New acquisitions as a control obtained	0	(509)	0	0	(509)
Amortisation	(580,000)	(1,041,432)	0	0	(1,621,432)
Disposals/Impairments	108,471	0	0	0	108,471
Foreign exchange differences	(1,165)	(34,067)	0	0	(35,232)
<b>As at 31 March 2017</b>	<b>(12,726,360)</b>	<b>(39,047,974)</b>	<b>0</b>	<b>0</b>	<b>(51,774,334)</b>
<b>Net carrying amount as at 1 January 2017</b>	<b>7,317,606</b>	<b>66,095,812</b>	<b>106,509,484</b>	<b>1,269,770</b>	<b>181,192,672</b>
<b>Net carrying amount as at 31 March 2017</b>	<b>6,830,795</b>	<b>65,189,417</b>	<b>106,718,788</b>	<b>2,170,714</b>	<b>180,909,714</b>

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

(in EUR)	Software	Right to use concession infrastructure	Goodwill	Ongoing investments	Total
<b>Cost</b>					
<b>As at 1 January 2016</b>	<b>17,195,771</b>	<b>76,884,824</b>	<b>89,487,071</b>	<b>2,777,483</b>	<b>186,345,149</b>
New acquisitions	0	0	0	324,397	324,397
Transfer from ongoing investments	208,952	468,871	0	(677,823)	0
<b>As at 31 March 2016</b>	<b>17,404,723</b>	<b>77,353,695</b>	<b>89,487,071</b>	<b>2,424,057</b>	<b>186,669,547</b>
<b>Accumulated amortisation</b>					
<b>As at 1 January 2016</b>	<b>(9,738,942)</b>	<b>(26,514,722)</b>	<b>0</b>	<b>0</b>	<b>(36,253,664)</b>
Amortisation	(581,893)	(756,639)	0	0	(1,338,532)
<b>As at 31 March 2016</b>	<b>(10,320,835)</b>	<b>(27,271,361)</b>	<b>0</b>	<b>0</b>	<b>(37,592,196)</b>
<b>Net carrying amount as at 1 January 2016</b>	<b>7,456,829</b>	<b>50,370,102</b>	<b>89,487,071</b>	<b>2,777,483</b>	<b>150,091,485</b>
<b>Net carrying amount as at 31 March 2016</b>	<b>7,083,888</b>	<b>50,082,334</b>	<b>89,487,071</b>	<b>2,424,057</b>	<b>149,077,350</b>

(in EUR)	Software	Right to use concession infrastructure	Goodwill	Ongoing investments	Total
<b>Cost</b>					
<b>As at 1 January 2017</b>	<b>18,958,934</b>	<b>81,374,984</b>	<b>89,138,157</b>	<b>1,073,527</b>	<b>190,545,602</b>
New acquisitions	0	0	0	1,056,086	1,056,086
Disposals/Impairments	(107,414)	0	0	0	(107,414)
Transfer from ongoing investments	92,090	68,667	0	(160,757)	0
<b>As at 31 March 2017</b>	<b>18,943,610</b>	<b>81,443,651</b>	<b>89,138,157</b>	<b>1,968,856</b>	<b>191,494,274</b>
<b>Accumulated amortisation</b>					
<b>As at 1 January 2017</b>	<b>(11,952,028)</b>	<b>(30,598,285)</b>	<b>0</b>	<b>0</b>	<b>(42,550,313)</b>
Amortisation	(554,116)	(807,495)	0	0	(1,361,611)
Disposals/Impairments	107,414	0	0	0	107,414
<b>As at 31 March 2017</b>	<b>(12,398,730)</b>	<b>(31,405,780)</b>	<b>0</b>	<b>0</b>	<b>(43,804,510)</b>
<b>Net carrying amount as at 1 January 2017</b>	<b>7,006,906</b>	<b>50,776,699</b>	<b>89,138,157</b>	<b>1,073,527</b>	<b>147,995,289</b>
<b>Net carrying amount as at 31 March 2017</b>	<b>6,544,880</b>	<b>50,037,871</b>	<b>89,138,157</b>	<b>1,968,856</b>	<b>147,689,764</b>

## 11. Property, plant and equipment

### Property, plant and equipment of Petrol Group

(in EUR)	Land	Buildings	Plant	Equipment	Ongoing investments	Total
<b>Cost</b>						
<b>As at 1 January 2016</b>	<b>216,889,113</b>	<b>623,589,973</b>	<b>33,914,127</b>	<b>187,871,229</b>	<b>20,809,482</b>	<b>1,083,073,924</b>
New acquisitions as a result of control obtained	0	0	0	0	988,059	988,059
New acquisitions	0	0	0	0	4,075,351	4,075,351
Disposals/Impairments	(529,916)	(2,286,652)	(15,792)	(1,012,611)	0	(3,844,971)
Transfer from ongoing investments	719,287	1,449,790	280,079	3,228,157	(5,677,313)	0
Transfer to investment property	(117,096)	(9,969,050)	0	0	0	(10,086,146)
Transfer from investment property	275,240	4,802,189	0	0	0	5,077,429
Foreign exchange differences	776,145	1,067,272	(1,584)	349,723	6,772	2,198,328
<b>As at 31 March 2016</b>	<b>218,012,773</b>	<b>618,653,522</b>	<b>34,176,830</b>	<b>190,436,498</b>	<b>20,202,351</b>	<b>1,081,481,974</b>
<b>Accumulated depreciation</b>						
<b>As at 1 January 2016</b>	<b>0</b>	<b>(340,685,347)</b>	<b>(16,767,864)</b>	<b>(121,555,001)</b>	<b>0</b>	<b>(479,008,211)</b>
Depreciation	0	(5,618,221)	(463,474)	(3,162,829)	0	(9,244,524)
Disposals/Impairments	0	869,300	15,792	915,163	0	1,800,255
Transfer to investment property	0	5,159,351	0	0	0	5,159,351
Transfer from investment property	0	(3,146,424)	0	0	0	(3,146,424)
Foreign exchange differences	0	(401,275)	1,452	(255,219)	0	(655,042)
<b>As at 31 March 2016</b>	<b>0</b>	<b>(343,822,616)</b>	<b>(17,214,094)</b>	<b>(124,057,886)</b>	<b>0</b>	<b>(485,094,595)</b>
<b>Net carrying amount as at 1 January 2016</b>	<b>216,889,113</b>	<b>282,904,626</b>	<b>17,146,263</b>	<b>66,316,228</b>	<b>20,809,482</b>	<b>604,065,712</b>
<b>Net carrying amount as at 31 March 2016</b>	<b>218,012,773</b>	<b>274,830,906</b>	<b>16,962,736</b>	<b>66,378,612</b>	<b>20,202,351</b>	<b>596,387,378</b>

(in EUR)	Land	Buildings	Plant	Equipment	Ongoing investments	Total
<b>Cost</b>						
<b>As at 1 January 2017</b>	<b>210,223,392</b>	<b>630,442,717</b>	<b>35,094,760</b>	<b>189,822,550</b>	<b>42,083,400</b>	<b>1,107,666,819</b>
New acquisitions as a result of control obtained	153,813	89,082	0	32,805	0	275,700
New acquisitions	0	0	0	0	12,382,336	12,382,336
Disposals/Impairments	(433,572)	(1,228,756)	(9,377)	(772,360)	(3,597)	(2,447,662)
Transfer from ongoing investments	727,922	2,218,168	822,647	30,213,260	(33,981,997)	0
Transfer to investment property	(392)	(737,830)	0	0	0	(738,222)
Transfer from investment property	0	659,726	0	0	0	659,726
Foreign exchange differences	972,039	1,610,908	(110)	527,772	321,712	3,432,321
<b>As at 31 March 2017</b>	<b>211,643,202</b>	<b>633,054,015</b>	<b>35,907,920</b>	<b>219,824,027</b>	<b>20,801,854</b>	<b>1,121,231,018</b>
<b>Accumulated depreciation</b>						
<b>As at 1 January 2017</b>	<b>0</b>	<b>(358,316,182)</b>	<b>(18,582,112)</b>	<b>(124,830,764)</b>	<b>0</b>	<b>(501,729,058)</b>
New acquisitions as a result of control obtained	0	(4,441)	0	(17,529)	0	(21,970)
Depreciation	0	(5,636,866)	(475,788)	(3,709,856)	0	(9,822,510)
Disposals/Impairments	0	384,835	9,325	754,481	0	1,148,641
Transfer to investment property	0	454,524	0	0	0	454,524
Transfer from investment property	0	(406,120)	0	0	0	(406,120)
Foreign exchange differences	0	(585,187)	95	(308,981)	0	(894,073)
<b>As at 31 March 2017</b>	<b>0</b>	<b>(364,109,437)</b>	<b>(19,048,480)</b>	<b>(128,112,649)</b>	<b>0</b>	<b>(511,270,566)</b>
<b>Net carrying amount as at 1 January 2017</b>	<b>210,223,392</b>	<b>272,126,535</b>	<b>16,512,648</b>	<b>64,991,786</b>	<b>42,083,400</b>	<b>605,937,761</b>
<b>Net carrying amount as at 31 March 2017</b>	<b>211,643,202</b>	<b>268,944,578</b>	<b>16,859,440</b>	<b>91,711,378</b>	<b>20,801,854</b>	<b>609,960,452</b>

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

(in EUR)	Land	Buildings	Equipment	Ongoing investments	Total
<b>Cost</b>					
<b>As at 1 January 2016</b>	<b>112,235,559</b>	<b>471,001,295</b>	<b>169,633,896</b>	<b>15,900,194</b>	<b>768,770,944</b>
New acquisitions	0	0	0	2,999,227	2,999,227
Disposals/Impairments	(52,129)	(40,747)	(478,923)	0	(571,799)
Transfer from ongoing investments	259,648	1,270,205	2,731,929	(4,261,782)	0
Transfer to investment property	(117,096)	(10,128,674)	0	0	(10,245,770)
Transfer from investment property	275,240	4,802,189	0	0	5,077,429
<b>As at 31 March 2016</b>	<b>112,601,222</b>	<b>466,904,268</b>	<b>171,886,902</b>	<b>14,637,639</b>	<b>766,030,031</b>
<b>Accumulated depreciation</b>					
<b>As at 1 January 2016</b>	<b>0</b>	<b>(322,982,864)</b>	<b>(118,839,077)</b>	<b>0</b>	<b>(441,821,941)</b>
Depreciation	0	(3,713,825)	(2,311,244)	0	(6,025,069)
Disposals/Impairments	0	17,385	418,291	0	435,676
Transfer to investment property	0	5,159,351	0	0	5,159,351
Transfer from investment property	0	(3,085,462)	0	0	(3,085,462)
<b>As at 31 March 2016</b>	<b>0</b>	<b>(324,605,415)</b>	<b>(120,732,030)</b>	<b>0</b>	<b>(445,337,445)</b>
<b>Net carrying amount as at 1 January 2016</b>	<b>112,235,559</b>	<b>148,018,431</b>	<b>50,794,819</b>	<b>15,900,194</b>	<b>326,949,002</b>
<b>Net carrying amount as at 31 March 2016</b>	<b>112,601,222</b>	<b>142,298,853</b>	<b>51,154,872</b>	<b>14,637,639</b>	<b>320,692,586</b>

(in EUR)	Land	Buildings	Equipment	Ongoing investments	Total
<b>Cost</b>					
<b>As at 1 January 2017</b>	<b>106,043,536</b>	<b>476,160,386</b>	<b>171,338,303</b>	<b>9,594,422</b>	<b>763,136,647</b>
New acquisitions	0	0	0	5,162,346	5,162,346
Disposals/Impairments	(202,815)	(360,901)	(730,251)	(3,597)	(1,297,564)
Transfer from ongoing investments	727,922	1,992,651	1,775,059	(4,495,632)	0
Transfer to investment property	(392)	(737,830)	0	0	(738,222)
Transfer from investment property	0	640,474	0	0	640,474
<b>As at 31 March 2017</b>	<b>106,568,251</b>	<b>477,694,780</b>	<b>172,383,111</b>	<b>10,257,539</b>	<b>766,903,681</b>
<b>Accumulated depreciation</b>					
<b>As at 1 January 2017</b>	<b>0</b>	<b>(334,960,876)</b>	<b>(121,371,254)</b>	<b>0</b>	<b>(456,332,130)</b>
Depreciation	0	(3,679,278)	(2,412,482)	0	(6,091,760)
Disposals/Impairments	0	327,912	716,140	0	1,044,052
Transfer to investment property	0	454,524	0	0	454,524
Transfer from investment property	0	(398,019)	0	0	(398,019)
<b>As at 31 March 2017</b>	<b>0</b>	<b>(338,255,737)</b>	<b>(123,067,596)</b>	<b>0</b>	<b>(461,323,333)</b>
<b>Net carrying amount as at 1 January 2017</b>	<b>106,043,536</b>	<b>141,199,510</b>	<b>49,967,049</b>	<b>9,594,422</b>	<b>306,804,517</b>
<b>Net carrying amount as at 31 March 2017</b>	<b>106,568,251</b>	<b>139,439,043</b>	<b>49,315,515</b>	<b>10,257,539</b>	<b>305,580,348</b>

## 12. Investment in subsidiaries

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

(in EUR)	Petrol d.d.	
	31 March 2017	31 March 2016
<b>As at 1 January</b>	<b>290,581,344</b>	<b>286,097,454</b>
New acquisitions	1,500,000	1,322,616
<b>As at 31 March</b>	<b>292,081,344</b>	<b>287,420,070</b>

## 13. Investments in jointly controlled entities

(in EUR)	The Petrol Group		Petrol d.d.	
	31 March 2017	31 March 2016	31 March 2017	31 March 2016
<b>As at 1 January</b>	<b>1,652,682</b>	<b>50,451,020</b>	<b>1,196,000</b>	<b>2,512,140</b>
Attributed profit/loss	107,141	486,264	0	0
<b>As at 31 March</b>	<b>1,759,823</b>	<b>50,937,284</b>	<b>1,196,000</b>	<b>2,512,140</b>

## 14. Investments in associates

(in EUR)	The Petrol Group		Petrol d.d.	
	31 March 2017	31 March 2016	31 March 2017	31 March 2016
<b>As at 1 January</b>	<b>129,686,241</b>	<b>117,494,379</b>	<b>52,852,540</b>	<b>53,206,341</b>
Attributed profit/loss	188,354	1,461,888	0	0
<b>As at 31 March</b>	<b>129,874,595</b>	<b>118,956,267</b>	<b>52,852,540</b>	<b>53,206,341</b>

## 15. Financial assets available for sale

(in EUR)	The Petrol Group		Petrol d.d.	
	31 March 2017	31 March 2016	31 March 2017	31 March 2016
<b>As at 1 January</b>	<b>2,598,071</b>	<b>1,764,945</b>	<b>2,519,028</b>	<b>1,685,902</b>
New acquisitions	36,464	149,349	36,464	149,349
Disposals	0	(77,512)	0	(77,512)
<b>Balance as at 31 March</b>	<b>2,634,534</b>	<b>1,836,782</b>	<b>2,555,491</b>	<b>1,757,739</b>

## 16. Inventories

(in EUR)	The Petrol Group		Petrol d.d.	
	31 March 2017	31 December 2016	31 March 2017	31 December 2016
Spare parts and materials inventories	2,300,432	2,377,970	1,806,824	1,690,395
Merchandise:	122,862,972	113,839,201	96,596,007	93,804,392
- fuel	90,198,443	79,838,753	69,462,737	65,896,850
- other petroleum products	5,997,217	4,787,441	5,271,912	4,106,104
- other merchandise	26,667,312	29,213,007	21,861,358	23,801,438
<b>Total inventories</b>	<b>125,163,404</b>	<b>116,217,171</b>	<b>98,402,831</b>	<b>95,494,787</b>



## 17. Current financial receivables

(in EUR)	The Petrol Group		Petrol d.d.	
	31 March 2017	31 December 2016	31 March 2017	31 December 2016
Loans granted	11,425,257	11,886,653	21,938,980	22,607,878
Adjustment for loans granted	(5,501,154)	(5,469,993)	(4,476,511)	(4,480,523)
Bank deposits (3 months to 1 year)	80,578	260,192	0	0
Interest receivables	1,075,130	1,009,532	3,861,627	3,702,422
Allowance for interest receivables	(904,383)	(858,505)	(3,538,743)	(3,472,146)
Finance lease receivables	91,012	94,715	91,012	94,715
Bank receivables arising from interest rate swaps	185,879	0	0	0
<b>Total current financial receivables</b>	<b>6,452,319</b>	<b>6,922,594</b>	<b>17,876,365</b>	<b>18,452,346</b>

## 18. Current operating receivables

(in EUR)	The Petrol Group		Petrol d.d.	
	31 March 2017	31 December 2016	31 March 2017	31 December 2016
Trade receivables	348,149,509	426,258,672	263,390,658	341,939,337
Allowance for trade receivables	(52,702,834)	(50,680,784)	(29,475,084)	(28,464,056)
Operating receivables from state and other institutions	3,414,614	4,278,940	373,478	353,131
Operating interest receivables	4,364,956	4,328,195	5,470,342	5,423,304
Allowance for interest receivables	(2,518,764)	(2,445,571)	(2,373,216)	(2,310,446)
Receivables from insurance companies (loss events)	208,577	230,802	131,009	171,681
Other operating receivables	1,068,449	946,224	55,160	56,970
Allowance for other receivables	(384,365)	(384,365)	0	0
<b>Total current operating receivables</b>	<b>301,600,142</b>	<b>382,532,113</b>	<b>237,572,347</b>	<b>317,169,921</b>

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

(in EUR)	The Petrol Group		Petrol d.d.	
	31 March 2017	31 December 2016	31 March 2017	31 December 2016
Assets arising from commodity swaps	1,111,366	1,110,122	994,101	1,110,122
Assets arising from forward contracts	463,417	676,917	463,417	676,917
Other assets	0	49,023	0	0
<b>Total financial assets at fair value through profit or loss</b>	<b>1,574,783</b>	<b>1,836,062</b>	<b>1,457,518</b>	<b>1,787,039</b>

## 20. Prepayments and other assets

(in EUR)	The Petrol Group		Petrol d.d.	
	31 March 2017	31 December 2016	31 March 2017	31 December 2016
Prepayments	15,787,267	10,950,578	12,997,233	8,769,527
Prepaid subscriptions, specialised literature, etc.	1,679,335	1,478,962	918,201	918,964
Prepaid insurance premiums	302,233	756,607	181,372	527,592
Uninvoiced services and goods	1,248,254	636,935	3,335,625	609,507
Other deferred costs and accrued revenue	3,596,285	1,491,325	2,643,424	345,380
<b>Total prepayments and other assets</b>	<b>22,613,374</b>	<b>15,314,407</b>	<b>20,075,855</b>	<b>11,170,970</b>

## 21. Financial liabilities

(in EUR)	The Petrol Group		Petrol d.d.	
	31 March 2017	31 December 2016	31 March 2017	31 December 2016
<b>Current financial liabilities</b>				
Bank loans	86,070,075	58,855,967	85,549,359	55,012,640
Bonds issued	35,193,070	33,013,863	35,193,070	33,013,863
Liabilities to banks arising from interest rate swaps	95,617	0	95,617	0
Liabilities arising from commodity swaps	253,825	94,738	253,825	94,738
Liabilities to banks arising from forward contracts	79,274	24,432	79,274	24,432
Other liabilities from financial instruments	0	0	2,568,846	2,568,846
Other loans and financial liabilities	18,776,490	10,496,363	107,401,731	97,422,702
	<b>140,468,351</b>	<b>102,485,363</b>	<b>231,141,722</b>	<b>188,137,221</b>
<b>Non-current financial liabilities</b>				
Bonds issued	244,715,891	241,915,076	244,715,891	241,915,076
Bank loans	59,893,100	63,013,412	9,957,700	9,950,067
	<b>304,608,991</b>	<b>304,928,488</b>	<b>254,673,591</b>	<b>251,865,143</b>
<b>Total financial liabilities</b>	<b>445,077,342</b>	<b>407,413,851</b>	<b>485,815,313</b>	<b>440,002,364</b>

## 22. Current operating liabilities

(in EUR)	The Petrol Group		Petrol d.d.	
	31 March 2017	31 December 2016	31 March 2017	31 December 2016
Trade liabilities	227,670,734	349,231,923	185,702,100	313,844,825
Excise duty liabilities	64,132,140	64,588,054	56,421,221	57,143,816
Value added tax liabilities	16,946,719	16,569,741	10,653,922	9,877,291
Environment pollution charge liabilities	8,560,227	10,706,855	9,593,425	10,575,247
Liabilities to employees	7,847,415	7,002,140	6,230,733	5,610,535
Liabilities arising from prepayments and collaterals	2,658,130	2,431,640	1,730,725	1,456,672
Import duty liabilities	1,579,846	1,956,618	3,991	7,764
Other liabilities to the state and other state institutions	1,223,842	1,041,033	189,886	199,060
Liabilities associated with the allocation of profit or loss	650,824	667,711	650,824	667,711
Social security contribution liabilities	646,545	563,350	485,095	470,652
Other liabilities	2,433,239	1,457,320	2,498,752	1,555,628
<b>Total current operating and other liabilities</b>	<b>334,349,661</b>	<b>456,216,385</b>	<b>274,160,674</b>	<b>401,409,201</b>

## 23. Other liabilities

(in EUR)	The Petrol Group		Petrol d.d.	
	31 March 2017	31 December 2016	31 March 2017	31 December 2016
Accrued annual leave expenses	1,815,652	1,810,185	1,159,440	1,159,440
Accrued litigation expenses	906,757	926,097	626,321	644,546
Accrued goods shortages	575,763	187,712	375,422	187,712
Accrued costs for uninvoiced goods	435,801	114,531	0	0
Accrued concession fee costs	250,850	253,617	153,686	181,264
Accrued expenses for tanker demurrage	227,436	120,319	227,436	120,319
Accrued motorway site lease payments	113,468	115,987	113,468	115,987
Other accrued costs	11,200,623	8,078,921	4,723,667	4,660,247
Deferred default interest income	1,608,123	1,593,632	1,586,642	1,586,642
Deferred prepaid card revenue	1,231,120	1,968,129	1,142,669	1,878,879
Deferred revenue from rebates granted	838,260	354,372	512,906	125,018
Deferred revenue from heating	87,202	87,202	0	0
Other deferred revenue	487,847	454,976	299,248	278,549
<b>Total other liabilities</b>	<b>19,778,902</b>	<b>16,065,680</b>	<b>10,920,905</b>	<b>10,938,604</b>

## 24. Financial instruments and risks

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

### Credit risk

The Group is exposed to various types of financial risks, which are regularly monitored by relevant departments and responded to in time by taking appropriate measures and using various hedging instruments.

Maximum exposure to credit risk represents the carrying amount of financial assets which was the following as at 31 March 2017:

(in EUR)	The Petrol Group		Petrol d.d.	
	31 March 2017	31 December 2016	31 March 2017	31 December 2016
Financial assets available for sale	2,634,534	2,598,071	2,555,491	2,519,028
Non-current financial receivables	1,034,774	1,079,152	30,802,058	27,421,814
Non-current operating receivables	1,644,334	650,916	1,635,014	643,851
Current financial receivables	6,452,319	6,922,594	17,876,365	18,452,346
Current operating receivables (excluding receivables from the	298,185,528	378,253,173	237,198,869	316,816,790
Financial assets at fair value through profit or loss	1,574,783	1,836,062	1,457,518	1,787,039
Cash and cash equivalents	25,090,428	26,987,969	9,971,553	12,657,723
<b>Total assets</b>	<b>336,616,700</b>	<b>418,327,937</b>	<b>301,496,867</b>	<b>380,298,591</b>

The category that was most exposed to credit risk on the reporting date were short-term 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	329,814,579	30,703,365	6,810,275	1,228,235	7,021,434	375,577,888
Interest receivables	1,630,156	113,632	52,163	30,430	56,243	1,882,624
Other receivables (without receivables from state)	724,863	39,031	16,316	3,247	9,204	792,661
<b>Total as at 31 December 2016</b>	<b>332,169,598</b>	<b>30,856,028</b>	<b>6,878,754</b>	<b>1,261,912</b>	<b>7,086,881</b>	<b>378,253,173</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	259,796,386	21,362,029	6,293,272	909,500	7,085,488	295,446,675
Interest receivables	1,619,156	127,011	29,173	23,058	47,794	1,846,192
Other receivables (without receivables from state)	832,830	47,375	5,941	2,156	4,359	892,661
<b>Total as at 31 March 2017</b>	<b>262,248,372</b>	<b>21,536,415</b>	<b>6,328,386</b>	<b>934,714</b>	<b>7,137,641</b>	<b>298,185,528</b>

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

(in EUR)	Not yet due	Up to 30 days overdue	Breakdown by maturity			Total
			31 to 60 days overdue	61 to 90 days overdue	More than 90 days overdue	
Trade receivables	277,909,877	21,127,205	5,204,968	1,971,169	7,262,062	313,475,281
Interest receivables	2,214	74,029	46,958	55,285	2,934,371	3,112,858
Other receivables (without receivables from state)	228,651	0	0	0	0	228,651
<b>Total as at 31 December 2016</b>	<b>278,140,742</b>	<b>21,201,234</b>	<b>5,251,926</b>	<b>2,026,454</b>	<b>10,196,434</b>	<b>316,816,790</b>

(in EUR)	Not yet due	Up to 30 days overdue	Breakdown by maturity			Total
			31 to 60 days overdue	61 to 90 days overdue	More than 90 days overdue	
Trade receivables	206,106,070	12,167,743	4,812,235	3,292,220	7,537,305	233,915,574
Interest receivables	12,417	96,230	51,086	79,884	2,857,509	3,097,126
Other receivables (without receivables from state)	186,169	0	0	0	0	186,169
<b>Total as at 31 March 2017</b>	<b>206,304,656</b>	<b>12,263,974</b>	<b>4,863,321</b>	<b>0</b>	<b>10,394,814</b>	<b>237,198,869</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 2017	1-12 2016	1-3 2017	1-12 2016
<b>Days sales outstanding</b>				
Contract days	31	30	30	30
Overdue receivables in days	9	12	7	10
<b>Total days sales outstanding</b>	<b>40</b>	<b>42</b>	<b>37</b>	<b>40</b>

### Liquidity risk

The Group/Company successfully manages liquidity risks according to Standard & Poor's guidelines.

The Group/Company manages liquidity risks through:

- deleveraging (measured as the net debt to EBITDA ratio) as laid down in the strategy;
- ensuring adequate structural liquidity in accordance with S&P methodology;
- standardised and centralised treasury management at Group level;
- annual funding for the Petrol Group as well as monthly and daily planning;
- approach to banks in Slovenia and abroad is handled by the headquarters;
- cash flow planning IT application for the parent company and all subsidiaries;
- cash pooling.

Half of the Group's/Company's total revenue is generated through its retail network in which cash and payment cards are used as the means of payment. This ensures regular daily inflows and mitigates liquidity risks.

In addition, the Group/Company has credit lines available in Slovenia and abroad. The volume enables the Group to meet all its due liabilities at any given moment.

Also in 2017, the Group/Company carefully plans their cash flows, which enables optimal liquidity management of both, surpluses or shortages. In the first three months of 2017, we issued 10-year bond bearing PET4 to limited circle of investors (private placement) in the value of EUR 11 million.

The majority of financial liabilities arising from long-term and short-term loans are held by the parent company, where the majority of revenue is generated.

The Group's liabilities as at 31 December 2016 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	304,928,488	323,487,074	0	0	323,487,074	0
Non-current operating liabilities (without other liabilities)	24,000	24,000	0	0	24,000	0
Current financial liabilities	102,485,363	111,113,099	75,544,574	35,568,525	0	0
Current operating liabilities (without liabilities to state, employees and advances)	351,356,954	351,356,954	350,514,241	842,713	0	0
<b>As at 31 December 2016</b>	<b>758,794,805</b>	<b>785,981,127</b>	<b>426,058,815</b>	<b>36,411,238</b>	<b>323,511,074</b>	<b>0</b>

The Group's liabilities as at 31 March 2017 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	304,608,991	324,037,306	0	0	314,051,415	9,985,891
Non-current operating liabilities (without other liabilities)	24,000	24,000	0	0	24,000	0
Current financial liabilities	140,468,351	145,845,798	104,805,628	41,040,170	0	0
Current operating liabilities (without liabilities to state, employees and advances)	230,754,797	230,754,797	229,807,748	947,049	0	0
<b>As at 31 March 2017</b>	<b>675,856,139</b>	<b>700,661,901</b>	<b>334,613,376</b>	<b>41,987,219</b>	<b>314,075,415</b>	<b>9,985,891</b>

The Company's liabilities as at 31 December 2016 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	251,865,143	267,846,687	0	0	267,846,687	0
Non-current operating liabilities (without other liabilities)	24,000	24,000	0	0	24,000	0
Current financial liabilities	188,137,221	196,385,051	120,556,098	75,828,953	0	0
Current operating liabilities (without liabilities to state, employees and advances)	316,068,164	316,068,164	314,614,470	1,453,694	0	0
<b>As at 31 December 2016</b>	<b>756,094,528</b>	<b>780,323,902</b>	<b>435,170,568</b>	<b>77,282,647</b>	<b>267,870,687</b>	<b>0</b>

The Company's liabilities as at 31 March 2017 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	254,673,591	271,849,420	0	0	261,863,529	9,985,891
Non-current operating liabilities (without other liabilities)	24,000	24,000	0	0	24,000	0
Current financial liabilities	231,141,722	235,887,198	148,775,772	87,111,426	0	0
Current operating liabilities (without liabilities to state, employees and advances)	188,851,678	188,851,678	188,620,755	230,923	0	0
<b>As at 31 March 2017</b>	<b>674,690,992</b>	<b>696,612,296</b>	<b>337,396,527</b>	<b>87,342,349</b>	<b>261,887,529</b>	<b>9,985,891</b>

## Foreign exchange risk

As far as foreign exchange risks are concerned, the Group/Company is mostly exposed to the risk of changes in the EUR/USD exchange rate. Petroleum products are generally purchased in US dollars and sold in local currencies. For government-regulated fuels, hedging is performed in accordance with the Group's price and foreign exchange risk management policies prepared on the basis of the Decree Setting Prices for Petroleum Products, whereas for fuels with market-determined prices, internal Rules on the Pricing of Mineral Fuels are used.

Foreign exchange hedging is used to hedge against the exposure to changes in the EUR/USD exchange rate. The EUR/USD exchange rate is fixed at the rate recognised under the Decree Setting Prices for Petroleum Products and the internal rules, and the margin is thus secured. The Group/Company predominantly uses forward contracts to hedge the EUR/USD risk.

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 Southeastern 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 2017, the Group/Company was also exposed to certain other currencies (RON, HUF), which were hedged using derivative financial instruments.

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

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.

### **Price risk**

The Group/Company hedges petroleum product prices primarily by using commodity swaps (variable to fixed price swap). Partners in this area include global financial institutions, 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 2017, the Group/Company continued to monitor the limit corresponding to changes in net interest expense.

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

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

The Group/Company applies hedge accounting where the effects of the interest rate risk are recognized directly in equity.

Partners are first-class Slovene banks, therefore the Group/Company estimates that the counterparty default risk is minimal.

## 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.

In June 2014 Petrol was rated investment grade (BBB-) by S&P followed by successful inaugural Eurobond issuance in the amount of EUR 265 million. On 20 March 2017, 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, and the “stable” credit rating outlook was also reaffirmed.

Petrol Group in the first three months of 2017 continued to implement the strategic directions retention indebtedness to levels in line with the strategic plan.

## Carrying amount and fair value of financial instruments

(in EUR)	The Petrol Group			
	31 March 2017 Carrying amount	Fair value	31 December 2016 Carrying amount	Fair value
<b>Non-derivative financial assets at fair value</b>				
Available-for-sale financial assets	2,634,534	2,634,534	2,598,071	2,598,071
<b>Non-derivative financial assets at amortised cost</b>				
Financial receivables	7,487,093	7,487,093	8,001,746	8,001,746
Operating receivables (without receivables from state)	299,829,862	299,829,862	378,904,089	378,904,089
Cash and cash equivalents	25,090,428	25,090,428	26,987,969	26,987,969
<b>Total non-derivative financial assets</b>	<b>335,041,917</b>	<b>335,041,917</b>	<b>416,491,875</b>	<b>416,491,875</b>
<b>Non-derivative financial liabilities at amortised cost</b>				
Bank loans and other financial liabilities (without derivative fin.instr.),	(444,648,626)	(444,648,626)	(407,294,681)	(407,294,681)
Operating liabilities (without other long term liabilities, short term liabilities to state, employees and advances)	(230,778,797)	(230,778,797)	(351,380,954)	(351,380,954)
<b>Total non-derivative financial liabilities</b>	<b>(675,427,423)</b>	<b>(675,427,423)</b>	<b>(758,675,635)</b>	<b>(758,675,635)</b>
<b>Derivative financial instruments at fair value</b>				
Derivative financial instruments (assets)	1,760,662	1,760,662	1,836,062	1,836,062
Derivative financial instruments (liabilities)	(428,716)	(428,716)	(119,170)	(119,170)
<b>Total derivative financial instruments</b>	<b>1,331,946</b>	<b>1,331,946</b>	<b>1,716,892</b>	<b>1,716,892</b>
<b>Petrol d.d.</b>				
(in EUR)	31 March 2017 Carrying amount	Fair value	31 December 2016 Carrying amount	Fair value
<b>Non-derivative financial assets at fair value</b>				
Available-for-sale financial assets	2,555,491	2,555,491	2,519,028	2,519,028
<b>Non-derivative financial assets at amortised cost</b>				
Financial receivables	48,678,422	48,678,422	45,874,160	45,874,160
Operating receivables (without receivables from state and long term receiv)	237,198,869	237,198,869	317,460,641	317,460,641
Cash and cash equivalents	9,971,553	9,971,553	12,657,723	12,657,723
<b>Total non-derivative financial assets</b>	<b>298,404,335</b>	<b>298,404,335</b>	<b>378,511,552</b>	<b>378,511,552</b>
<b>Non-derivative financial liabilities at amortised cost</b>				
Bank loans and other financial liabilities (without derivative fin.instr.),	(482,817,752)	(482,817,752)	(437,314,348)	(437,314,348)
Operating liabilities (without other long term liabilities, short term liabilities to state, employees and advances)	(188,875,678)	(188,875,678)	(316,092,164)	(316,092,164)
<b>Total non-derivative financial liabilities</b>	<b>(671,693,430)</b>	<b>(671,693,430)</b>	<b>(753,406,512)</b>	<b>(753,406,512)</b>
<b>Derivative financial instruments at fair value</b>				
Derivative financial instruments (assets)	1,457,518	1,457,518	1,787,039	1,787,039
Derivative financial instruments (liabilities)	(2,997,561)	(2,997,561)	(2,688,016)	(2,688,016)
<b>Total derivative financial instruments</b>	<b>(1,540,043)</b>	<b>(1,540,043)</b>	<b>(900,977)</b>	<b>(900,977)</b>



## 25. Related party transactions

(in EUR)	The Petrol Group		Petrol d.d.	
	1-3 2017	1-3 2016	1-3 2017	1-3 2016
<b>Sales revenue:</b>				
Subsidiaries	-	-	70,827,695	52,875,456
Jointly controlled entities	309,230	4,268,707	26,889	4,058,761
Associates	26,828	368,502	26,828	368,502
<b>Cost of goods sold:</b>				
Subsidiaries	-	-	13,119,634	8,341,391
Jointly controlled entities	46,145	11,502,300	0	3,843,582
Associates	8,555,261	9,595,865	14,362	24,139
<b>Cost of materials:</b>				
Subsidiaries	-	-	377,571	623,164
Jointly controlled entities	1,823	71,997	328	71,063
Associates	162,750	93,399	0	25,397
<b>Cost of services:</b>				
Subsidiaries	-	-	515,740	938,210
Jointly controlled entities	0	0	0	0
Associates	0	1,063	0	1,063
<b>Other costs:</b>				
Subsidiaries	-	-	9	47,252
Jointly controlled entities	253	6	0	0
Associates	0	0	0	0
<b>Finance income from interests in Group companies:</b>				
Subsidiaries	-	-	0	0
Jointly controlled entities	107,141	571,047	0	0
Associates	188,354	1,552,006	0	0
<b>Finance expenses for interests in Group companies:</b>				
Subsidiaries	-	-	0	0
Jointly controlled entities	0	84,785	0	0
Associates	0	90,118	0	0
<b>Finance income from interest:</b>				
Subsidiaries	-	-	130,699	9,114
Jointly controlled entities	44,551	48,438	44,551	48,438
Associates	0	0	0	0
<b>Gain of derivatives:</b>				
Subsidiaries	-	-	55,927	0
Jointly controlled entities	0	0	0	0
Associates	0	0	0	0
<b>Other finance income:</b>				
Subsidiaries	-	-	33,343	0
Jointly controlled entities	0	0	0	0
Associates	688	0	688	0
<b>Finance expenses due to impairment of goodwill:</b>				
Subsidiaries	341,093	0	0	0
Jointly controlled entities	0	0	0	0
Associates	0	0	0	0
<b>Finance expenses for interest:</b>				
Subsidiaries	-	-	163,247	264,817
Jointly controlled entities	0	0	0	0
Associates	0	15,293	0	12,746
<b>Loss on derivatives:</b>				
Subsidiaries	-	-	266,144	0
Jointly controlled entities	0	0	0	0
Associates	0	0	0	0



(in EUR)	The Petrol Group		Petrol d.d.	
	31 March 2017	31 December 2016	31 March 2017	31 December 2016
<b>Investments in Group companies:</b>				
Subsidiaries	-	-	292,081,344	290,581,344
Jointly controlled entities	1,759,823	1,652,682	1,196,000	1,196,000
Associates	129,874,595	129,686,241	52,852,540	52,852,540
<b>Non-current financial receivables:</b>				
Subsidiaries	-	-	29,770,716	26,345,830
Jointly controlled entities	0	0	0	0
Associates	0	0	0	0
<b>Current operating receivables:</b>				
Subsidiaries	-	-	30,942,026	33,536,819
Jointly controlled entities	415,647	484,760	323,079	363,359
Associates	9,967	12,555	9,967	12,555
<b>Current financial receivables:</b>				
Subsidiaries	-	-	12,742,500	13,034,171
Jointly controlled entities	1,070,000	1,070,000	1,070,000	1,070,000
Associates	0	0	0	0
<b>Short-term deposits (up to 3 months):</b>				
Subsidiaries	-	-	784,102	1,047,644
Jointly controlled entities	0	0	0	0
Associates	0	0	0	0
<b>Current accrued revenue:</b>				
Subsidiaries	-	-	2,109,385	0
Jointly controlled entities	0	0	0	0
Associates	0	0	0	0
<b>Current financial liabilities:</b>				
Subsidiaries	-	-	91,307,696	89,607,113
Jointly controlled entities	0	1,271,910	0	1,271,910
Associates	17,003,584	9,000,164	17,003,584	9,000,164
<b>Current operating liabilities:</b>				
Subsidiaries	-	-	5,453,218	7,980,150
Jointly controlled entities	10,743	13,727	316	1,215
Associates	2,583,306	4,728,836	6,002	38,165
<b>Current accrued costs and expenses:</b>				
Subsidiaries	-	-	221,639	0
Jointly controlled entities	0	0	0	0
Associates	0	0	0	0

## 26. Contingent liabilities

### Contingent liabilities for guarantees issued

(in EUR)	Petrol d.d.		Petrol d.d.	
	31 March 2017	31 December 2016	31 March 2017	31 December 2016
Guarantee issued to:	<b>Value of guarantee issued</b>		<b>Guarantee amount used</b>	
Petrol d.o.o.	107,753,964	126,966,937	68,274,455	67,725,299
Petrol d.o.o. Beograd	13,188,081	14,493,528	1,249,000	1,500,000
Petrol Plin d.o.o.	4,593,073	4,525,207	415,014	337,579
Petrol Bucharest Rom SRL	4,500,000	4,000,000	0	885,936
Petrol BH Oil Company d.o.o.	4,458,378	7,270,484	3,010,400	2,844,647
Petrol-Trade Handelsges.m.b.H.	3,000,000	3,000,000	2,250,000	2,250,000
Petrol Crna Gora MNE d.o.o.	1,720,000	1,720,000	136,083	106,509
Aquasystems d.o.o.	911,309	911,309	911,309	911,309
Eltec Petrol d.o.o., Beograd	160,000	360,000	0	3,915
Petrol Geoterm d.o.o.	132,490	132,490	132,490	132,490
Petrol Energetika d.o.o.	0	8,250,000	0	0
<b>Total</b>	<b>140,417,295</b>	<b>171,629,955</b>	<b>76,378,751</b>	<b>76,697,684</b>
Other guarantees	6,912,673	7,311,126	6,912,673	7,311,126
Bills of exchange issued as security	2,647,976	2,483,522	2,647,976	2,483,522
<b>Total contingent liabilities for guarantees issued</b>	<b>149,977,944</b>	<b>181,424,603</b>	<b>85,939,400</b>	<b>86,492,332</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 35,012,666. 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 short-term provisions, which stood at EUR 626,321 as at 31 March 2017.

The total value of lawsuits against the Group as defendant and debtor totals EUR 40,236,212. 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 short-term provisions, which stood at EUR 906,757 as at 31 March 2017.

## 27. 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 2017.

## Appendix 1: Organisational structure of the Petrol Group

The Petrol Group as at 31 March 2017	Sales	Energy and environmental systems	Trading
<b>The parent company</b>			
PETROL d.d., LJUBLJANA	✓	✓	✓
<b>Subsidiaries</b>			
PETROL d.o.o. (100%)	✓	✓	✓
PETROL BH OIL COMPANY d.o.o. Sarajevo (100%)	✓	✓	✓
PETROL d.o.o. BEOGRAD (100%)	✓		✓
PETROL CRNA GORA MNE d.o.o. (100%)	✓		✓
PETROL TRADE HANDELSGES.m.b.H. (100%)	✓		
PETROL PLIN d.o.o. (100%)	✓		
DUBROVNIK PLIN d.o.o. (100%)	✓		
PETROL ENERGETIKA, d.o.o. (99.38%)	✓	✓	
RODGAS AD Bačka Topola (100%)	✓	✓	
PETROL GEOTERM d.o.o. (100%)	✓	✓	
BEOGAS INVEST d.o.o. Beograd (100%)	✓	✓	
BEOGAS AD Beograd (100%)	✓	✓	
DOMINGAS d.o.o. (100%)	✓	✓	
PETROL LPG d.o.o. Beograd (51%)	✓		
TIGAR PETROL d.o.o. (100%)	✓		
PETROL LPG HIB d.o.o. (100%)	✓		
ELTEC PETROL d.o.o. Beograd (100%)		✓	
INTRADE ENERGIJA d.o.o. Sarajevo (51%)		✓	
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%)			✓
GEN-EL d.o.o. (25%) (Associate)			✓
EKOPUR d.o.o. (100%)	✓	✓	
GEOPLIN d.o.o., Ljubljana (7.39%) (Associate)	✓	✓	
<b>Jointly controlled entities</b>			
PETROL OTI SLOVENIJA L.L.C. (51%)	✓		
GEOENERGO d.o.o. (50%)		✓	
SOENERGETIKA d.o.o. (25%)		✓	
<b>Associates</b>			
GEOPLIN d.o.o. Ljubljana (33.32%)	✓	✓	
AQUASYSTEMS d.o.o. (26%)		✓	