

Report on the operations of the Petrol Group and Petrol d.d., Ljubljana in the first nine months of 2018



November 2018

PETROL

CONTENTS

INTRODUCTORY NOTES	5
HIGHLIGHTS	7
The Petrol Group's significant performance indicators	8
BUSINESS REPORT	10
Operations of the Petrol Group	11
A. SALES.....	13
Sales of petroleum products	13
Sales of merchandise	16
Sales of services	16
Sales of liquefied petroleum gas	16
Natural gas sales and trading	16
Electricity sales and trading	17
B. ENERGY AND ENVIRONMENTAL SOLUTIONS	17
Energy solutions	17
Environmental solutions	18
Distribution of natural gas	18
C. PRODUCTION OF RENEWABLE ELECTRICITY	18
Sustainable development.....	19
Employees	19
Investments.....	20
The quality management system.....	20
Social responsibility	21
Risk management.....	21
Petrol's shares	24
Contingent increase in share capital	27
Dividends	27
Own shares	27
Regular participation at investors' conferences and external communication	28
General Meeting resolutions	28
Credit rating	28
Events after the end of the accounting period	28
FINANCIAL REPORT	29
Financial performance of the Petrol Group and the company Petrol d.d., Ljubljana	30
Notes to the financial statements	36
Notes to individual items in the financial statements	37
APPENDIX 1: ORGANISATIONAL STRUCTURE OF THE PETROL GROUP	57

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 Panić, Member of the Management Board/Worker Director, declare that to their best knowledge:

- the financial report of the Petrol Group and Petrol d.d., Ljubljana for the first nine months of 2018 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 nine months of 2018 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 nine months of 2018 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 Panić**

Member of the Management Board and Worker Director

INTRODUCTORY NOTES

The report on the operations of the Petrol Group and Petrol, d.d., Ljubljana, Dunajska 50, in the first nine months of 2018 has been published in accordance with the Market in Financial Instruments Act, the Ljubljana Stock Exchange Rules, Guidelines on Disclosure for Listed Companies and other relevant legislation.

The figures and explanation of the operations are based on unaudited consolidated financial statements of the Petrol Group and unaudited financial statements of Petrol d.d., Ljubljana for the first nine months of 2018 prepared in compliance with the Companies Act and IAS 34 – Interim Financial Reporting.

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

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

The report on the operations in the first nine months of 2018 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 Petrol d.d., Ljubljana in the first nine months of 2018 at its meeting held on 15 November 2018.

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

Company name	Petrol, slovenska energetska družba, d.d., Ljubljana
Abbreviated company name	Petrol d.d., Ljubljana
Registered office	Dunajska cesta 50, 1000 Ljubljana
Telephone	(01) 47 14 234
Telefax	(01) 47 14 809
Website	http://www.petrol.si, http://www.petrol.eu
Activity code	47,301
Company registration number	5025796000
Tax number	SI 80267432
Share capital	EUR million 52.24
Number of shares	2,086,301
President of the Management board	Tomaž Berločnik
Members of the Management board	Rok Vodnik, Igor Stebemek, Ika Krevzel Panič (worker director)
President of the Supervisory board	Nada Drobne Popović

List of acronyms and explanation of financial ratio calculations

Ratio/acronym	Explanation
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

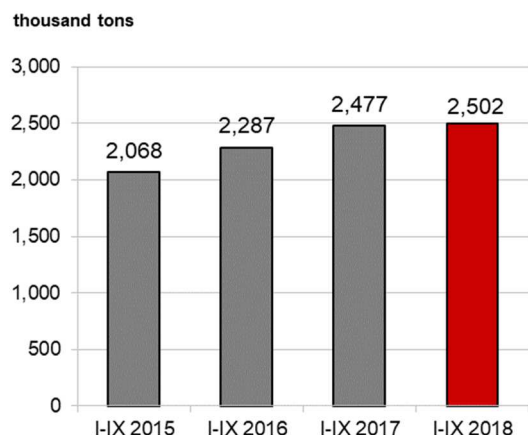
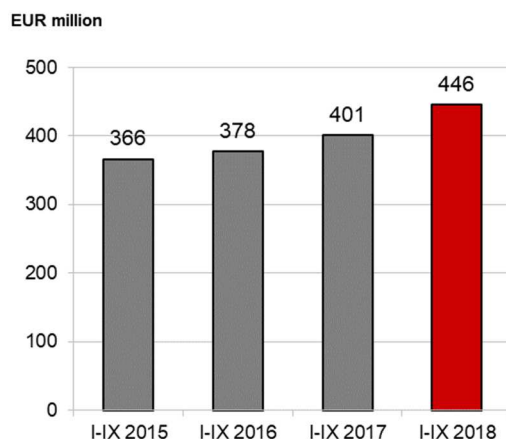
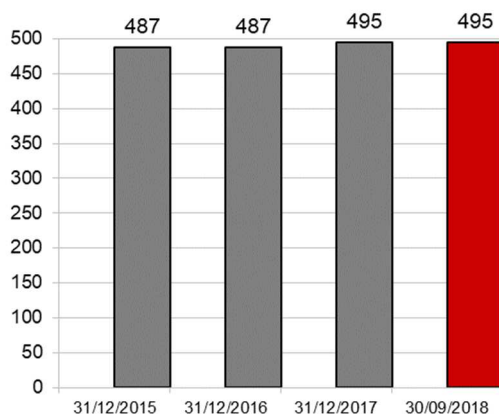
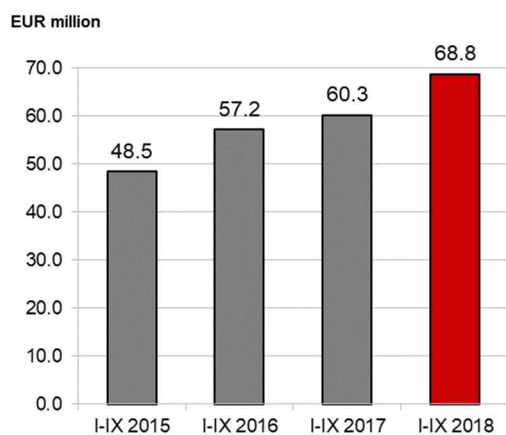
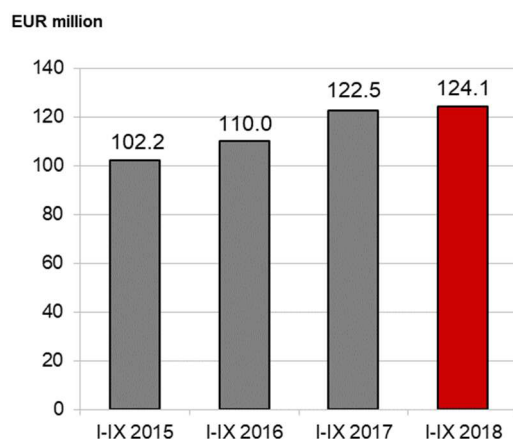
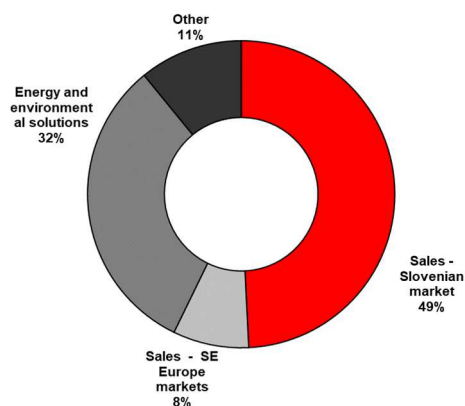
The Petrol Group	Unit	I-X 2018	I-X 2017	Index 2018 / 2017
Sales revenues	EUR million	3,905.7	3,323.6	118
Adjusted gross profit ¹	EUR million	318.8	311.8	102
Operating profit	EUR million	85.5	87.2	98
Net profit	EUR million	68.8	60.3	114
EBITDA	EUR million	124.1	122.5	101
Non-current (long-term) assets as at period end	EUR million	830.1	801.7	104
Earnings per share	EUR	33.5	29.2	114
Net debt / Equity		0.4	0.6	66
Net debt / EBITDA ²		1.6	2.3	72

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

² Calculated on an annual level

The Petrol Group	UNIT	I-X 2018	I-X 2017	Index 2018 / 2017
Volume of petroleum products sold	thousand tons	2,501.9	2,476.7	101
Volume of liquefied petroleum gas sold	thousand tons	119.4	113.4	105
Volume of natural gas sold	TWh	13.2	0.8	-
Heat sold	thousand MWh	89.8	88.4	102
Revenue from the sale of merchandise	EUR million	445.9	401.2	111
Number of service stations as at period end ¹		495	495	100

¹ Number of service stations for the year 2017 as at 31 December 2017.

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 nine months of 2018


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 demanding 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 at motorway and expressway service stations have been liberalised and determined by the market, the prices of petrol (less than 98 octane) and diesel fuel at other service stations remain regulated.

Thanks mostly to higher oil prices, the Petrol Group's sales revenue for the first nine months of 2018 stood at EUR 3.9 billion, a year-on-year increase of 18 percent. Adjusted gross profit totalled EUR 318.8 million or 2 percent more than in the first nine months of 2017, with EBITDA amounting to EUR 124.1 million or 1 percent more than in the first nine months of 2017.

Figure 7: EBITDA broken down by activity

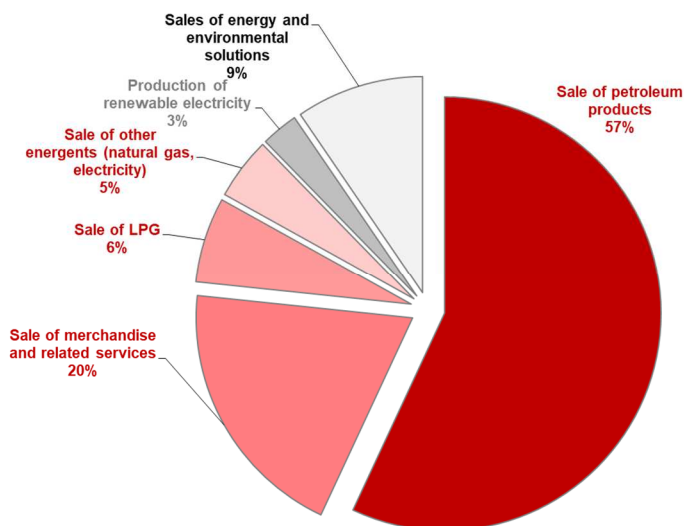
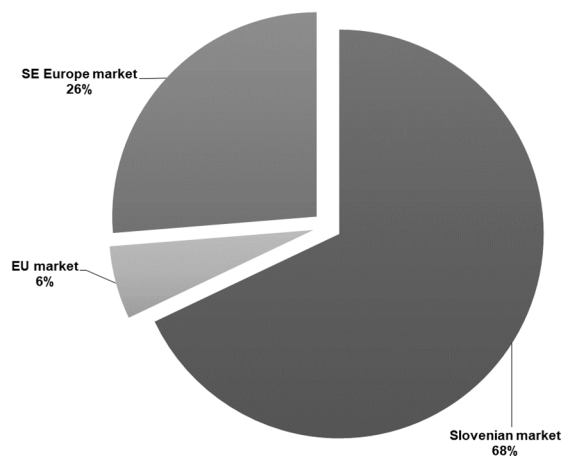


Figure 8: EBITDA broken down by market



Pre-tax profit totalled EUR 84.2 million or 13 percent more than in the first nine months of 2017, with net profit for the period amounting to EUR 68.8 million or 14 percent more than in the first nine months of 2017.

In the period concerned, the Petrol Group sold 2,501.9 thousand tons of petroleum products¹, up 1 percent from the same period of 2017. In Slovenia, the nine-month sales of petroleum products stood at 1,233.5 thousand tons, accounting for 49 percent of the Petrol Group's total sales. In the same period, the Group sold 577.1 thousand tons of petroleum products in SEE markets, representing 23 percent of the Petrol Group's total sales, and 691.4 thousand tons in EU markets, which represented 28 percent of the Group's total sales.

In the first nine months of 2018, 41 percent of petroleum product sales were generated in the retail market and 59 percent in the wholesale market. At the end of September 2018, the Petrol Group's retail network consisted of 495 service stations, of which 317 were in Slovenia, 105 in Croatia, 39 in Bosnia and Herzegovina, 12 in Serbia, 11 in Montenegro and 11 in Kosovo.

During this period, EUR 445.9 million was generated in revenue from the sale of merchandise, an increase of 11 percent compared to the same period of the previous year.

In the first nine months of 2018, the Petrol Group sold 119.4 thousand tons of liquefied petroleum gas, a year-on-year increase of 5 percent, and 13.2 TWh of natural gas.

Good performance was also achieved in electricity and heat sales.

What follows is a detailed presentation of the Petrol Group's operations in the first nine months of 2018 broken down by type of activity:

- A. Sales, consisting of petroleum product sales, liquefied petroleum gas sales, natural gas sales and trading, electricity sales and trading, merchandise sales and sale of services
- B. Energy and environmental solutions
- C. Production of renewable electricity

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

A. SALES

Sales of petroleum products

In the first nine months of 2018, the Petrol Group sold 2,501.9 thousand tons of petroleum products, a year-on-year increase of 1 percent.

In this period, 1,233.5 thousand tons of petroleum products were sold in Slovenia, which was 1 percent more than in the same period of 2017. Of this quantity, liquid fuels accounted for 1,168.4 thousand tons and other petroleum products for 65.1 thousand tons. Motor fuel sales (petrol and diesel fuel) were up 3 percent compared to the previous year's figures for this period.

In SEE markets, 577.1 thousand tons of petroleum products were sold in the first nine months of 2018, a year-on-year increase of 1 percent. 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 6.9 thousand tons of petroleum products.

In EU markets, 691.4 thousand tons of petroleum products were sold in the first nine months of 2018, which was on a par with the sales figures for the same period of 2017. The most important commodity sold in EU markets is diesel fuel.

Key impacts on operations

Fuel pricing in Slovenia

The prices of petrol and diesel fuel at motorway and expressway service stations have been liberalised and determined by the market, while the prices of petrol and diesel fuel at other service stations remain regulated.

Until 28 February 2018, the prices of regulated motor fuels were set in accordance with the Decree Setting Prices for Petroleum Products which was in force for a period of four months beginning on 1 November 2017. From January to September 2018, the Government of the Republic of Slovenia adopted new decrees setting prices for petroleum products: on 27 February 2018, the Decree Setting Prices for Petroleum Products was adopted for the period from 1 March 2018 to 31 March 2018, on 29 March 2018, the Decree on Setting Prices for Certain Petroleum Products was adopted for the period from 1 April 2018 to 30 September 2018, on 27 September 2018, a new Decree on Setting Prices for Certain Petroleum Products was adopted for the period from 1 October 2018 to 31 March 2019. The pricing methods under each of the decrees remained unchanged compared to their preceding decrees.

The model-based margin is still government-regulated and stands at EUR 0.08701 per litre of NMB-95 petrol and EUR 0.08158 per litre of diesel fuel.

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 79 percent of the average gross margin in the EU countries (69 percent if the compulsory stocks membership fee is not taken into account) and in the case of diesel fuel to 63 percent (55 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 may change on a daily basis. In the Federation of Bosnia and Herzegovina, retailers notify the Federal Ministry of Commerce of new retail prices three 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 72.14 per barrel in the first nine months of 2018, up 39 percent year-on-year. The average price in euros was up 30 percent. During this period, the price of Brent crude peaked on 28 September 2018, reaching USD 83.63 per barrel. Its lowest price was recorded on 13 February 2018 at USD 61.53 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 nine months of 2018 in USD/barrel



SOURCE: Petrol, 2018

Figure 10: Changes in Brent Dated High oil price in the first nine months of 2018 in EUR/barrel



SOURCE: Petrol, 2018

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 (Syria, Iran), relations between Iran and

the United States, and also on 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 1.13 and 1.25 US dollars per euro in the first nine months of 2018. The average exchange rate of the US dollar according to the exchange rate of the European Central Bank stood at 1.19 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 445.9 million in revenue from the sale of merchandise in the first nine months of 2018, an increase of 11 percent compared to the same period of the previous year.

In Slovenia, EUR 393.2 million was generated in revenue from the sale of merchandise in the period under review, an increase of 12 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, EUR 52.7 million was generated in revenue from the sale of merchandise in the first nine months of 2018, an increase of 9 percent compared to the same period of the previous year. 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 nine months of 2018, the Petrol Group generated EUR 27.1 million in revenue from the services related to oil and merchandise sales.

Sales of liquefied petroleum gas

In the first nine months of 2018, the Petrol Group sold 119.4 thousand tons of liquefied petroleum gas, a year-on-year increase of 5 percent.

At the end of September 2018, 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.

Natural gas sales and trading

In the first nine months of 2018, a considerable increase in the Petrol Group's natural gas sales to end users was recorded relative to the previous year's figure for the same period. This was

the result of fully consolidating Geoplin d.o.o. Ljubljana natural gas sales. Through the acquisition of a majority interest in Geoplin d.o.o. Ljubljana, the Petrol Group also began trading in natural gas in 2018.

In the first nine months of 2018, the Group sold 13.2 TWh of natural gas, of which 8.5 TWh to end users and 4.7 TWh as part of trading.

Electricity sales and trading

The Petrol Group has positioned itself as an important electricity market player. It set up a complete infrastructure for wholesale electricity trading in Slovenia, EU countries and SEE countries. Electricity sales to end users (businesses and households) already existing in Slovenia are now being expanded to SE Europe.

In the first nine months of 2018, the Petrol Group sold 13.7 TWh of electricity: 12.6 TWh as part of trading, 886.7 thousand MWh to end users and 73.1 thousand MWh as part of energy and environmental systems.

B. ENERGY AND ENVIRONMENTAL SOLUTIONS

Energy solutions

As a strategic partner, the Petrol Group offers its customers a partnership to help them improve their energy efficiency. Energy solutions consist of an energy range offered in the following segments:

- energy solutions in the public and commercial sector (systems of energy and environmental management of buildings in the public and commercial sector, district heating and district energy systems, water supply systems, efficient lighting systems),
- energy solutions for industry and apartment buildings.

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

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

Heat is supplied to customers through district heating systems. In the first nine months of 2018, the Group sold 89.8 thousand MWh of heat or 2 percent more than in the same period of 2017.

The companies Megaenergija d.o.o. (in April 2018) and Petrol Energetika d.o.o. (in May 2018) were merged into the parent company Petrol d.d., Ljubljana.

Environmental solutions

In the first nine months of 2018, 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 and 53 small and medium waste treatment plants at its points of sale and storage facilities. 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.

Distribution of natural gas

In the first nine months of 2018, the Petrol Group distributed 761.3 thousand MWh of natural gas.

At the end of September 2018, the Group operated 28 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. The company Rodgas AD was merged into the company Beogas AD.

C. PRODUCTION OF RENEWABLE ELECTRICITY

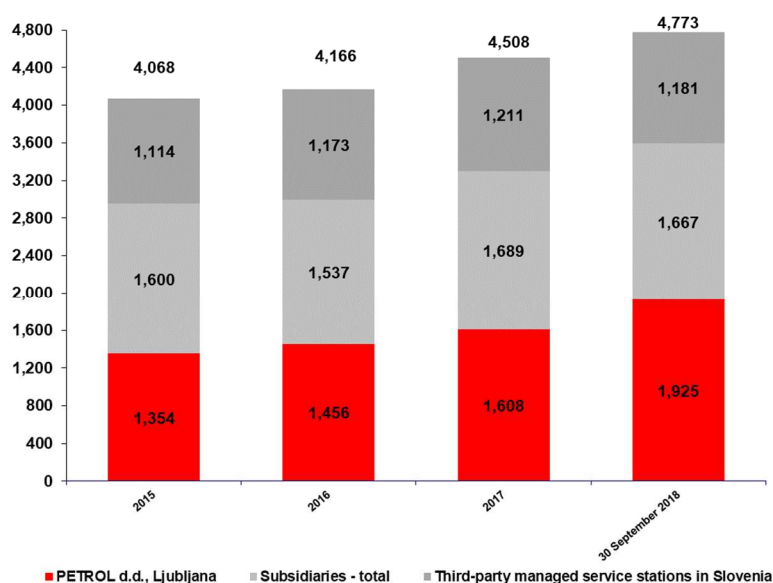
At the end of 2015, Petrol d.d., Ljubljana co-founded a Bosnia and Herzegovina based company Petrol Hidroenergija d.o.o. Teslić, which is to produce hydroelectricity. In 2016 the company Vjetroelektrane Glunča d.o.o. (Croatia) was established, which is engaged in the production of wind electricity. Renewable electricity is produced as planned. The company Petrol Hidroenergija d.o.o. Teslić obtained all the necessary permits and decisions, enabling it to complete the construction of the small hydroelectric plant and begin regular operation.

Sustainable development

Employees

On 30 September 2018, the Petrol Group had 4,773 employees, of which 33 percent worked for subsidiary companies abroad. The number of employees increased by 265 compared to the end of 2017.

Figure 11: Changes in the number of employees of the Petrol Group and at third-party managed service stations in the period 2015 – 2018



Employee structure

At the end of September 2018, the average age of the Petrol Group employees was 39 years. 60 percent of employees were male and 40 percent 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

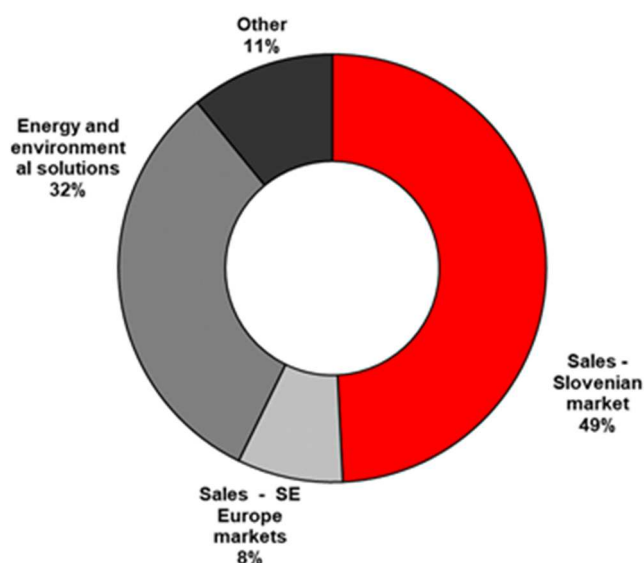
In the first nine months of 2018, more than 16.1 thousand employees took part in various forms of training. In all, the Petrol Group provided 80.1 thousand teaching hours of training, which represented, on average, 17 teaching hours of training per employee in the period concerned. Organised as part of the Petrol Group is Petrol Academy. Its main goal is to provide training to

all employees in a systematic and comprehensive manner. The Group carried out technical and legally required training in the period under review.

Investments

In the first nine months of 2018, net investments² in property, plant and equipment, intangible assets and long-term investments stood at EUR 46.7 million. Out of the above amount, 49 percent was allocated to sales in Slovenia, 8 percent to sales in SE Europe, 32 percent to energy and environmental systems, and 11 percent to the upgrading of information and other infrastructure.

Figure 12: Breakdown of the Petrol Group's investments in the first nine months of 2018



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.

² Net investments in fixed assets = Investments in fixed assets – Disposal of non-current assets.

Table2: Overview of certificates and laboratory accreditations

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

* 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.

Petrol d.d., Ljubljana extended its FSC accreditation until 2023. At the company Petrol d.o.o., Zagreb, a follow-up audit of the quality management systems took place. The company also made a transition to the new edition of the ISO 14001:2015 standard, which sets out requirements for the environmental management system. At the company Beogas d.o.o., a recertification audit of the (ISO 9001) quality management system took place, with the company making the transition to a new edition of the standard. At the company Petrol Geoterm d.o.o., a follow-up audit of the ISO 9001:2015 quality management systems took place. Petrol Laboratory received a monitoring visit by SA in connection with its quality management system certified to the SIST EN ISO/IEC 17025 standard. Currently, Petrol Laboratory has 57 accredited testing methods.

Social responsibility

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

Risk management

The Petrol Group manages risks using a comprehensive risk management system, making sure that the Company's key risks are identified, assessed, managed, utilised and monitored. In doing that, 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 from the previous year, the most relevant and probable risks still comprise the following financial risks: price and volumetric risk, foreign exchange risk, credit risk and liquidity risk.

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

Price and volumetric risk and foreign exchange risk

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

The Petrol Group purchases petroleum products under international market conditions, pays for them mostly in US dollars and sells them in local currencies. 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 volumetric and price risks to the largest extent possible by matching suppliers' terms of procurement with the terms of sale applying to customers. Any remaining open price or foreign exchange positions are closed through the use of 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 volumetric risks. These are managed with an assortment of limits systems defined depending on the business partner, the area of trading and the value at risk, and with appropriate processes in place to monitor and control these risks.

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

Transactions with derivatives are entered into only to hedge against price and volumetric risks and foreign exchange risks rather than for reasons of speculative nature.

Credit risk

The credit risk was assessed in 2017 as the third most relevant financial risk to which the Petrol Group was exposed in connection with the sale of goods and services to natural and legal entities. The risk is managed using the measures outlined below.

The operating receivables management system provides us with an efficient credit risk management. In 2016 we introduced, throughout the Group, certain changes to the process of setting and approving credit limits applicable to legal entities in order to further improve and harmonise the credit risk management system. In the first half of 2017, the new system of limits was also being introduced at the Petrol Group's subsidiaries.

In addition, the upgrading and redesign of the limit system for operations involving natural persons is in the pipeline.

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 centralised control over credit insurance instruments received and centralised the collection process.

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 11 April 2018. 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 nine months of 2018, average petroleum product prices were higher year-on-year, meaning that slightly more working capital might be needed. The Group's long-term and short-term lines of credit provide us with a high level of liquidity. In the first nine months of 2018, we also secured funds to repay the eurobonds falling due in June 2019.

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

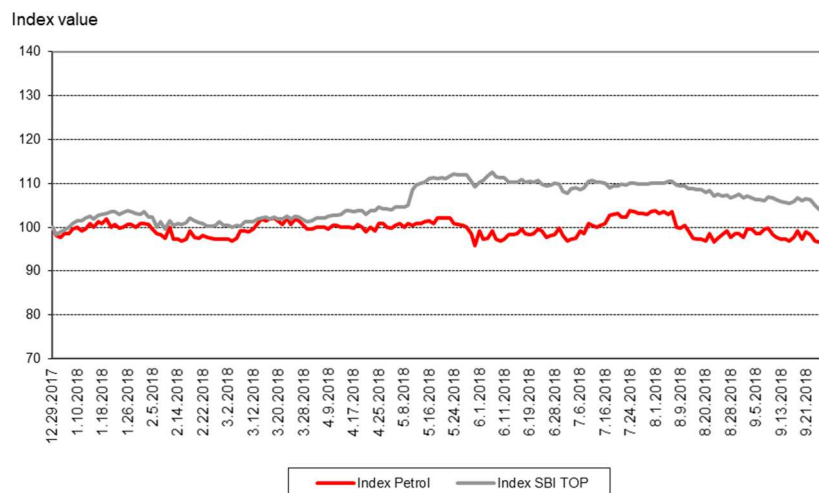
The Petrol Group regularly monitors its exposure to the interest rate risk. Thirty-one percent of the Group's non-current financial liabilities contain a variable interest rate that is linked to EURIBOR. The average EURIBOR rate in the first nine months of 2018 was similar to the one at the end of 2017 and thus remains historically low (negative).

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. In the first nine months of 2018, we entered into two new interest rate hedging contracts totalling EUR 180 million with a maturity that matches two loan agreements with a variable interest rate and deferred drawing until the end of the second quarter of 2019, which had already been signed. All of the Petrol Group's non-current financial liabilities containing a variable interest rate are thus hedged by interest-rate swaps.

Petrol's shares

At the end of September 2018, share prices at the Ljubljana Stock Exchange were on average higher than at the end of 2017. 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 836.99 as at the end of September 2018 and was up 3.77 percent relative to the end of 2017 (806.52). During this period, Petrol's shares lost 3 percent in value. In terms of trading volume, which in the case of Petrol's shares amounted to EUR 32 million between January and September, the shares were ranked second among the shares traded on the Ljubljana Stock Exchange. In terms of market capitalisation, which stood at EUR 707 million as at 30 September 2018, the shares were ranked second and accounted for 13 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 nine months of 2018 compared to the end of 2017



In the first nine months of 2018, the price of Petrol's shares ranged between EUR 335 and EUR 363 per share. Their average price for the period stood at EUR 348.29 and their price as at the end of September 2018 at EUR 339. The Petrol Group's earnings per share stood at EUR 33.45, with its book value per share amounting to EUR 347.06. Petrol d.d., Ljubljana had 23,882 shareholders as at 30 September 2018. At the end of September 2018, 542,633 shares or 26.0 percent of all shares were held by foreign legal or natural persons. Compared to the end of 2017, the number of foreign shareholders increased by 0.1 percentage points.

Figure 14: Closing price and the volume of trading in Petrol's shares in the first nine months of 2018

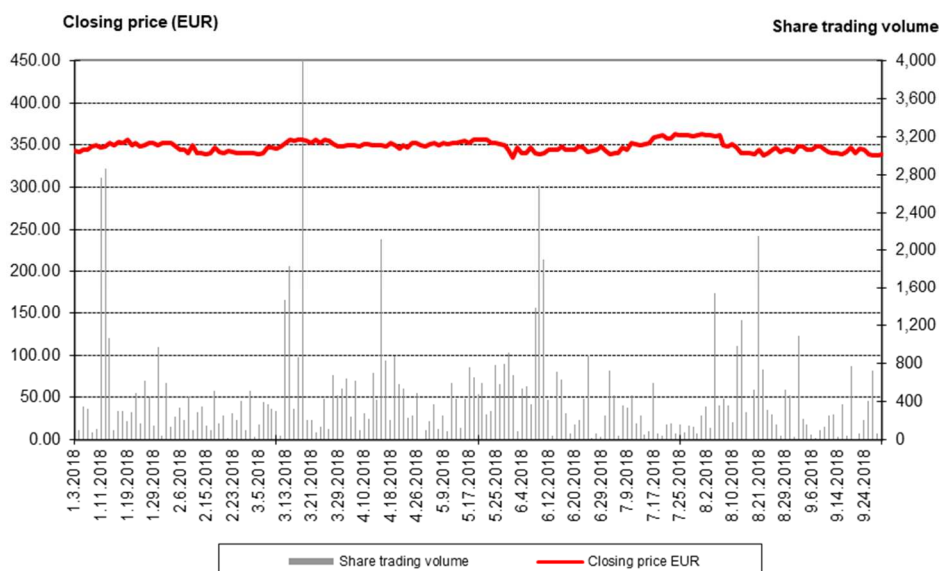
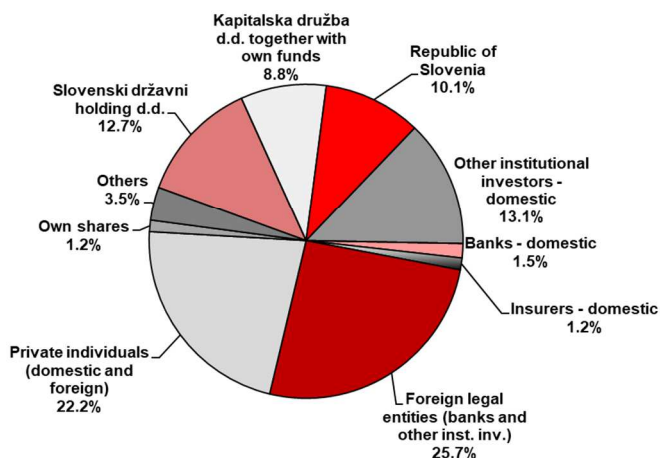


Figure 15: Ownership structure of Petrol d.d., Ljubljana as at 30 September 2018

Table 3: Changes in the ownership structure of Petrol d.d., Ljubljana (comparison between 30 September 2018 and 31 December 2017)

	September 30, 2018		December 31, 2017	
	No. of Shares	in %	No. of Shares	in %
Slovenski državni holding d.d.	264,516	12.7%	264,516	12.7%
Kapitalska družba d.d. together with own funds	184,136	8.8%	184,191	8.8%
Republic of Slovenia	210,685	10.1%	210,685	10.1%
Other institutional investors - domestic	274,142	13.1%	287,248	13.8%
Banks - domestic	30,612	1.5%	44,210	2.1%
Insurers - domestic	25,486	1.2%	25,486	1.2%
Foreign legal entities (banks and other inst. inv.)	537,172	25.7%	535,905	25.7%
Private individuals (domestic and foreign)	462,648	22.2%	441,840	21.2%
Own shares	24,703	1.2%	24,703	1.2%
Others	72,201	3.5%	67,517	3.2%
Total	2,086,301	100.0%	2,086,301	100.0%

Table 4: 10 largest shareholders of Petrol d.d., Ljubljana as at 30 September 2018

	Shareholder	Address	No. of Shares	Share in %
1	ČEŠKOSLOVENSKA OBCHODNI BANK, A.S. - FID	RADLICKA 333/150, 150 57 PRAGA 5, REPUBLIKA ČEŠKA	267,076	12.80%
2	SLOVENSKI DRŽAVNI HOLDING, D.D.	MALA ULICA 5, 1000 LJUBLJANA	264,516	12.68%
3	REPUBLIKA SLOVENIJA	GREGORČIČEVA ULICA 20, 1000 LJUBLJANA	210,685	10.10%
4	KAPITALSKA DRUŽBA, D.D.	DUNAJSKA CESTA 119, 1000 LJUBLJANA	172,639	8.27%
5	SPLITSKA BANKA D.D. - CLIENT ACCOUNT - F	DOMOVINSKOG RATA 61, 21000 SPLIT, HRVAŠKA	100,143	4.80%
6	VIZIJA HOLDING, K.D.D.	DUNAJSKA CESTA 156, 1000 LJUBLJANA	71,676	3.44%
7	VIZIJA HOLDING ENA, K.D.D.	DUNAJSKA CESTA 156, 1000 LJUBLJANA	63,620	3.05%
8	PERSPEKTIVA FT D.O.O.	DUNAJSKA CESTA 156, 1000 LJUBLJANA	36,262	1.74%
9	SOP LJUBLJANA	VOŠNJAKOVA ULICA 6, 1000 LJUBLJANA	34,496	1.65%
10	NOVA KBM D.D.	ULICA VITA KRAIGHERJA 4, 2000 MARIBOR	25,985	1.25%

Table 5: Shares owned by members of the Supervisory and Management Board as at 30 September 2018

Name and Surname	Position	No. of shares	Share of equity
Supervisory board		88	0.0042%
Internal members		0	0.0000%
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%
External members		88	0.0042%
1. Nada Drobne Popović	Supervisory Board President	1	0.0000%
2. Sašo Berger	Supervisory Board Vice-president	0	0.0000%
3. Igo Gruden	Supervisory Board Member	0	0.0000%
4. Sergej Goriup	Supervisory Board Member	5	0.0002%
5. Metod Podkrižnik	Supervisory Board Member	82	0.0039%
6. Mladen Kaliterna	Supervisory Board Member	0	0.0000%
Management Board		220	0.0105%
1. Tomaž Berločnik	Management Board President	0	0.0000%
2. Igor Stebarnak	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 30 September 2018, 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 28th General Meeting held on 26 April 2018, Petrol d.d., Ljubljana paid 2017 gross dividends of EUR 16.00 per share in August 2018. The gross dividend per share for 2016, which was paid in 2017, stood at EUR 14.00.

Own shares

Petrol d.d., Ljubljana did not repurchase its own shares in the first nine months of 2018. As at 30 September 2018, 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 30 September 2018 and was EUR 5.8 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 27th 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 27th General Meeting that it intends to contest this resolution, bringing a lawsuit for its annulment in May 2017. In June 2017, Petrol filed a response to the lawsuit. In April 2018, it received a court decision according to which the procedure is now concluded and final due to the withdrawal of the lawsuit.

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 nine months of 2018, several individual investor and analyst meetings were held. In March, we participated in a Ljubljana Stock Exchange webcast. In April, we were part of an investor roadshow in London organised by Zagreb-based InterCapital and the London Stock Exchange. In May, we attended a joint investors' conference in Zagreb, which was organised by Ljubljana and Zagreb Stock Exchanges, and participated in a Ljubljana Stock Exchange webcast. In September, we took part in another Ljubljana Stock Exchange webcast and in a conference in Bucharest.

General Meeting resolutions

At the 28th General Meeting of Petrol d.d., Ljubljana held on 26 April 2018, the following resolutions were adopted:

- The accumulated profit of EUR 32,985,568.00 as at 31 December 2017 shall be used in its entirety to pay gross dividends of EUR 16.00 per share (own shares excluded). The dividends are to be paid out of the net profit for 2017 and other revenue reserves. The Company shall pay the dividends on 10 August 2018 to shareholders registered with KDD – the Central Securities Clearing Corporation on 9 August 2018, as laid down in a Management Board decision.
- The Company's Management Board shall be granted discharge from liability for the year 2017.
- The Company's Supervisory Board shall be granted discharge from liability for the year 2017.
- The audit firm ERNST & YOUNG Revizija, poslovno svetovanje, d.o.o., Ljubljana shall be appointed auditor for the year 2018.

Credit rating

On 11 April 2018, 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

There were no events after the reporting date that would significantly affect the disclosed operations in the first nine months of 2018.

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.	
		1-9 2018	1-9 2017	1-9 2018	1-9 2017
Sales revenue		3,905,725,675	3,323,567,712	3,050,172,370	2,753,464,090
- of which excise duty		845,188,653	831,671,571	566,391,719	577,169,891
Cost of goods sold		(3,586,896,771)	(3,011,750,841)	(2,801,918,050)	(2,522,877,239)
Costs of materials	3	(20,347,323)	(20,377,829)	(17,246,886)	(11,426,845)
Costs of services	4	(107,926,716)	(97,928,923)	(88,086,524)	(77,974,631)
Labour costs	5	(65,609,416)	(55,446,130)	(47,524,704)	(38,114,605)
Depreciation and amortisation	6	(39,133,413)	(36,231,335)	(27,606,370)	(23,737,064)
Other costs	7	(6,523,879)	(17,383,234)	(4,099,082)	(8,830,576)
Operating costs		(239,540,747)	(227,367,451)	(184,563,567)	(160,083,721)
Other revenue	2	6,539,261	2,987,146	1,933,221	2,316,639
Other expenses		(353,539)	(227,932)	(30,454)	(21,257)
Operating profit		85,473,879	87,208,634	65,593,520	72,798,512
Share of profit or loss of equity accounted investees		754,103	698,872	-	-
Finance income from dividends paid by subsidiaries, associates and jointly controlled entities		-	-	3,740,383	3,117,161
Other finance income	8	60,574,037	30,900,549	56,100,605	26,271,127
Other finance expenses	8	(62,650,114)	(44,345,998)	(54,738,673)	(41,221,522)
Net finance expense		(2,076,077)	(13,445,449)	1,361,932	(14,950,395)
Profit before tax		84,151,905	74,462,057	70,695,836	60,965,279
Tax expense		(16,312,973)	(8,380,462)	(12,292,504)	(5,955,493)
Deferred tax		927,908	(5,803,181)	889,501	(5,794,873)
Corporate income tax		(15,385,065)	(14,183,643)	(11,403,003)	(11,750,366)
Net profit for the period		68,766,840	60,278,414	59,292,833	49,214,914
Net profit for the period attributable to:					
Owners of the controlling company		68,708,479	61,605,957	59,292,833	49,214,914
Non-controlling interest		58,361	(1,327,543)	-	-
Basic and diluted earnings per share	9	33.45	29.24	28.76	23.87

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

Other comprehensive income of the Petrol Group and Petrol d.d., Ljubljana

(in EUR)	The Petrol Group		Petrol d.d.	
	1-9 2018	1-9 2017	1-9 2018	1-9 2017
Net profit for the period	68,766,840	60,278,414	59,292,833	49,214,914
Other comprehensive income to be recognised in the statement of profit or loss in the future				
Change due to merger by absorption	-	-	30,873,289	0
Effective portion of changes in the fair value of cash flow variability hedging	(254,221)	(223,163)	(96,472)	(253,793)
Change in deferred taxes	70,524	42,708	42,128	48,221
Foreign exchange differences	219,100	3,069,008	-	-
Total other comprehensive income to be recognised in the statement of profit or loss in the future	35,403	2,888,553	30,818,945	(205,573)
Other comprehensive income not to be recognised in the statement of profit or loss in the future				
Unrealised actuarial gains and losses	0	0	0	0
Attribution of changes in the equity of subsidiaries	0	0	-	-
Attribution of changes in the equity of associates	0	0	-	-
recognised in the statement of profit or loss in the future	0	0	0	0
Total other comprehensive income after tax	35,403	2,888,553	30,818,945	(205,573)
Total comprehensive income for the period	68,802,243	63,166,967	90,111,778	49,009,342
Total comprehensive income attributable to:				
Owners of the controlling company	68,735,703	64,389,954	90,111,778	49,009,342
Non-controlling interest	66,540	(1,222,987)	-	-

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	30 September 2018	31 December 2017	30 September 2018	31 December 2017
ASSETS					
Non-current (long-term) assets					
Intangible assets	10	186,055,710	186,185,049	162,608,280	153,693,903
Property, plant and equipment	11	627,799,544	620,459,508	349,564,052	312,657,480
Investment property		16,293,646	16,750,344	15,781,443	16,211,085
Investments in subsidiaries	12	-	-	332,214,369	329,225,470
Investments in jointly controlled entities	13	1,844,300	1,755,182	1,501,934	1,219,000
Investments in associates	14	49,812,339	62,444,322	21,726,406	21,726,406
Financial assets at fair value through other comprehensive income	15	10,859,066	11,173,565	1,374,993	1,689,491
Financial receivables		17,479,836	32,651,760	14,970,653	6,362,867
Operating receivables		5,580,392	3,275,362	5,570,969	3,239,145
Deferred tax assets		9,948,468	8,977,390	6,663,060	5,468,333
		925,673,301	943,672,482	911,976,159	851,493,180
Current assets					
Inventories	16	136,254,817	159,748,956	94,259,021	117,265,435
Financial receivables	17	6,325,259	29,754,766	7,674,482	15,018,789
Operating receivables	18	475,760,942	441,456,308	360,423,730	293,516,557
Corporate income tax assets		367,822	108,824	0	0
Financial assets at fair value through profit or loss	19	7,562,985	1,661,550	7,562,985	1,661,550
Prepayments and other assets	20	30,626,500	34,377,552	18,308,265	21,218,283
Cash and cash equivalents		86,033,656	45,492,821	37,003,242	23,651,242
		742,931,981	712,600,777	525,231,725	472,331,856
Total assets		1,668,605,282	1,656,273,259	1,437,207,884	1,323,825,036
EQUITY AND LIABILITIES					
Equity attributable to owners of the controlling company					
Called-up capital		52,240,977	52,240,977	52,240,977	52,240,977
Capital surplus		80,991,385	80,991,385	80,991,385	80,991,385
Legal reserves		61,987,955	61,987,955	61,749,884	61,749,884
Reserves for own shares		4,708,359	4,708,359	2,604,670	2,604,670
Own shares		(4,708,359)	(4,708,359)	(2,604,670)	(2,604,670)
Other revenue reserves		220,472,075	214,915,535	246,383,463	216,667,051
Fair value reserve		(746,548)	(832,522)	39,295,125	39,295,125
Hedging reserve		(223,614)	(39,917)	(223,131)	(168,787)
Foreign exchange differences		(5,842,348)	(6,053,269)	-	-
Retained earnings		284,564,606	247,992,625	59,292,833	32,136,498
		693,444,488	651,202,769	539,730,536	482,912,133
Non-controlling interest		30,634,248	50,664,385	-	-
Total equity		724,078,736	701,867,154	539,730,536	482,912,133
Non-current liabilities					
Provisions for employee post-employment and other long-term benefits		7,106,508	7,104,156	6,400,949	6,100,872
Other provisions		34,783,846	38,687,918	14,692,565	14,119,496
Long-term deferred revenue		8,025,492	6,376,773	7,282,923	6,328,758
Financial liabilities	21	144,080,880	357,485,819	121,441,485	306,280,056
Operating liabilities		1,129,389	1,217,562	835,209	923,382
Deferred tax liabilities		3,774,982	3,800,572	0	0
		198,901,097	414,672,800	150,653,130	333,752,564
Current liabilities					
Financial liabilities	21	220,259,086	62,860,637	344,503,683	134,723,206
Operating liabilities	22	486,445,273	450,518,749	379,151,952	356,672,760
Corporate income tax liabilities		6,782,917	3,460,394	6,068,958	3,778,471
Other liabilities	23	32,138,173	22,893,525	17,099,625	11,985,901
		745,625,449	539,733,305	746,824,218	507,160,338
Total liabilities		944,526,546	954,406,105	897,477,348	840,912,903
Total equity and liabilities		1,668,605,282	1,656,273,259	1,437,207,884	1,323,825,036

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

Statement of changes in equity of the Petrol Group

(in EUR)	Called-up capital	Capital surplus	Revenue reserves				Fair value reserve	Hedging reserve	Foreign exchange differences	Retained earnings	Equity attributable to owners of the controlling company	Non-controlling interest	Total
			Legal reserves	Reserves for own shares	Own shares	Other revenue reserves							
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
Dividend payments for 2016						(7,026,283)				(21,836,089)	(28,862,372)		(28,862,372)
Increase/(decrease) in non-controlling interest											0	(7,762)	(7,762)
Transactions with owners	0	0	0	0	0	(7,026,283)	0	0	0	(21,836,089)	(28,862,372)	(7,762)	(28,870,134)
Net profit for the period										61,605,957	61,605,957	(1,327,543)	60,278,414
Other changes in other comprehensive income								(180,455)	2,964,452		2,783,997	104,556	2,888,553
Total changes in total comprehensive income	0	0	0	0	0	0	0	(180,455)	2,964,452	61,605,957	64,389,954	(1,222,987)	63,166,967
As at 30 September 2017	52,240,977	80,991,385	61,987,955	2,604,670	(2,604,670)	184,850,223	(585,653)	(138,546)	(7,331,129)	260,162,176	632,177,388	(2,210,862)	629,966,526
As at 31 December 2017	52,240,977	80,991,385	61,987,955	4,708,359	(4,708,359)	214,915,535	(832,522)	(39,917)	(6,053,269)	247,992,625	651,202,769	50,664,385	701,867,154
Adjustment on adoption of IFRS 15						(307,807)					(307,807)		(307,807)
As at 1 January 2018	52,240,977	80,991,385	61,987,955	4,708,359	(4,708,359)	214,607,728	(832,522)	(39,917)	(6,053,269)	247,992,625	650,894,962	50,664,385	701,559,347
Dividend payments for 2017						(849,070)				(32,136,498)	(32,985,568)	(674,369)	(33,659,937)
Increase/(decrease) in non-controlling interest						6,713,417	85,974				6,799,391	(19,422,308)	(12,622,917)
Transactions with owners	0	0	0	0	0	5,864,347	85,974	0	0	(32,136,498)	(26,186,177)	(20,096,677)	(46,282,854)
Net profit for the period										68,708,479	68,708,479	58,361	68,766,840
Other changes in other comprehensive income								(183,697)	210,921		27,224	8,179	35,403
Total changes in total comprehensive income	0	0	0	0	0	0	0	(183,697)	210,921	68,708,479	68,735,703	66,540	68,802,243
As at 30 September 2018	52,240,977	80,991,385	61,987,955	4,708,359	(4,708,359)	220,472,075	(746,548)	(223,614)	(5,842,348)	284,564,606	693,444,488	30,634,248	724,078,736

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 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
Dividend payments for 2016						(7,026,283)			(21,836,089)	(28,862,372)
Transactions with owners	0	0	0	0	0	(7,026,283)	0	0	(21,836,089)	(28,862,372)
Net profit for the period									49,214,914	49,214,914
Other changes in comprehensive income								(205,573)		(205,573)
Total changes in total comprehensive income	0	0	0	0	0	0	0	(205,573)	49,214,914	49,009,341
As at 30 September 2017	52,240,977	80,991,385	61,749,884	2,604,670	(2,604,670)	184,530,553	39,295,125	(205,573)	49,214,914	467,817,266
As at 31 December 2017	52,240,977	80,991,385	61,749,884	2,604,670	(2,604,670)	216,667,051	39,295,125	(168,787)	32,136,498	482,912,133
Adjustment on adoption of IFRS 15						(307,807)				(307,807)
As at 1 January 2018	52,240,977	80,991,385	61,749,884	2,604,670	(2,604,670)	216,359,244	39,295,125	(168,787)	32,136,498	482,604,326
Dividend payments for 2017						(849,070)			(32,136,498)	(32,985,568)
Transactions with owners	0	0	0	0	0	(849,070)	0	0	(32,136,498)	(32,985,568)
Net profit for the period										0
Other changes in other comprehensive income						30,873,289		(54,344)	59,292,833	90,111,778
Total changes in total comprehensive income	0	0	0	0	0	30,873,289	0	(54,344)	59,292,833	90,111,778
As at 30 September 2018	52,240,977	80,991,385	61,749,884	2,604,670	(2,604,670)	246,383,463	39,295,125	(223,131)	59,292,833	539,730,536

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	30 September 2018	30 September 2017	30 September 2018	30 September 2017
Cash flows from operating activities					
Net profit		68,766,840	60,278,414	59,292,833	49,214,914
Adjustment for:					
Corporate income tax		15,385,065	14,183,643	11,403,003	11,750,366
Depreciation of property, plant and equipment and of investment property	6	32,267,322	30,952,165	21,549,359	19,240,157
Amortisation of intangible assets	6	6,866,091	5,279,170	6,057,011	4,496,907
(Gain)/loss on disposal of property, plant and equipment	2, 7	(317,642)	108,947	(416,284)	(19,705)
Impairment, write-down/(reversed impairment) of assets		576,604	13,658,088	0	6,732,004
Revenue from assets under management		(49,050)	(49,050)	(49,050)	(49,050)
Net (decrease in)/creation of provisions for long-term employee benefits		2,080	0	0	0
Net (decrease in)/creation of other provisions and long-term deferred revenue		(2,562,909)	(1,130,253)	1,040,979	(924,000)
Net goods surpluses		(1,011,771)	(1,008,406)	(1,120,433)	(630,346)
Net (decrease in)/creation of allowance for receivables	8	6,162,796	5,176,541	2,953,331	6,992,599
Net finance (income)/expense	8	4,751,538	8,858,001	5,853,925	8,581,177
Impairment of goodwill	8	252,596	491,684	252,596	0
Share of profit of jointly controlled entities		(193,861)	(148,407)	-	-
Share of profit of associates		(560,242)	(550,465)	-	-
Finance income from dividends received from subsidiaries		-	-	(1,715,262)	(60,595)
Finance income from dividends received from joint controlled entities		-	-	(387,654)	(150,000)
Finance income from dividends received from associates		-	-	(1,637,467)	(2,906,566)
Cash flow from operating activities before the changes in working capital					
		130,335,457	136,100,072	103,076,887	102,267,862
Net (decrease in)/creation of other liabilities	23	9,249,365	10,445,543	4,422,477	4,343,672
Net decrease in/(creation of) other assets	20	(1,610,314)	(2,282,413)	(2,670,099)	(4,834,378)
Change in inventories	16	24,556,693	15,477,518	24,490,350	15,817,685
Change in operating and other receivables	18	(38,397,285)	18,578,813	(46,858,191)	23,617,840
Change in operating and other liabilities	22	39,903,003	(77,385,114)	7,020,625	(88,125,611)
Cash generated from operating activities					
		164,036,919	100,934,419	89,482,049	53,087,071
Interest paid	8	(8,393,409)	(10,292,366)	(8,196,254)	(10,312,569)
Taxes paid		(12,766,262)	(13,318,423)	(10,175,050)	(4,969,354)
Net cash from (used in) operating activities					
		142,877,248	77,323,630	71,110,745	37,805,148
Cash flows from investing activities					
Payments for investments in subsidiaries	12	(18,741,748)	(411,106)	(20,261,748)	(3,200,000)
Receipts from investments in subsidiaries	12	480,000	50,000	0	0
Payments for investments in jointly controlled entities	13	(282,934)	0	(282,934)	0
Receipts from investments in associates	14	11,650,598	0	0	0
Receipts from intangible assets	10	49,227	30,362	17,866	0
Payments for intangible assets	10	(5,171,446)	(11,037,459)	(4,150,025)	(10,994,102)
Receipts from property, plant and equipment	11	1,216,191	1,348,062	1,198,998	969,288
Payments for property, plant and equipment	11	(48,042,504)	(33,831,623)	(39,604,081)	(16,393,990)
Receipts from financial assets at fair value through other comprehensive income	15	428,103	3,648	428,103	3,648
Payments for financial assets at fair value through other comprehensive income	15	0	(36,464)	0	(36,464)
Receipts from loans granted	17	61,512,840	4,639,541	10,477,561	22,422,988
Payments for loans granted	17	(23,522,597)	(2,730,060)	(10,828,456)	(20,052,117)
Interest received	8	3,051,743	2,650,071	2,245,985	2,438,451
Dividends received from subsidiaries		-	-	1,715,262	60,595
Dividends received from jointly controlled entities		361,753	150,000	361,753	150,000
Dividends received from associates		1,914,725	3,387,146	1,637,467	2,906,566
Dividends received from others		94,516	22,032	94,516	22,032
Net cash from (used in) investing activities					
		(15,001,533)	(35,765,850)	(56,949,733)	(21,703,105)
Cash flows from financing activities					
Proceeds from bonds issued	21	0	43,828,000	0	43,828,000
Payments for bonds issued	21	0	(18,860,000)	0	(18,860,000)
Proceeds from borrowings	21	205,237,141	540,169,414	466,736,532	741,979,506
Repayment of borrowings	21	(260,610,529)	(571,414,438)	(441,512,500)	(752,136,668)
Dividends paid to shareholders		(33,670,814)	(28,900,937)	(32,996,445)	(28,900,937)
Net cash from (used in) financing activities					
		(89,044,202)	(35,177,961)	(7,772,413)	(14,090,099)
Increase/(decrease) in cash and cash equivalents					
		38,831,513	6,379,819	6,388,599	2,011,944
Changes in cash and cash equivalents					
At the beginning of the year					
Foreign exchange differences		45,492,821	26,987,969	23,651,242	12,657,723
		(56,126)	121,694	-	-
Cash acquired through mergers by absorption		-	-	6,963,407	0
Cash acquired through acquisition of companies		1,765,448	22,751	-	-
Increase/(decrease)		38,831,513	6,379,819	6,388,599	2,011,944
At the end of the period					
		86,033,656	33,512,233	37,003,248	14,669,667

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 30 September 2018 and separate financial statements of the company Petrol d.d., Ljubljana for the period ended 30 September 2018. 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 7 November 2018.

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 2017.

The financial statements for the period from January – September 2018 are prepared based on the same accounting policies used for the preparation of financial statements for the year ended 31 December 2017, considering the implementation of the new standards IFRS 9 and IFRS 15.

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 at fair value through other comprehensive income.

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 solutions and production.

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 solutions 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 1-9 2017:

(in EUR)	Sales	Energy and Environmental Solutions and Production	Total	Statement of profit or loss/ Statement of financial position
Sales revenue	3,620,437,807	45,047,146	3,665,484,953	
Revenue from subsidiaries	(340,542,265)	(1,374,976)	(341,917,241)	
Sales revenue	3,279,895,542	43,672,170	3,323,567,712	3,323,567,712
Net profit for the year	58,898,235	1,380,179	60,278,414	60,278,414
Interest income*	1,882,592	617,317	2,499,909	2,499,909
Interest expense*	(7,929,547)	(2,600,162)	(10,529,709)	(10,529,709)
Depreciation of property, plant and equipment, depreciation of investment property, amortisation of intangible assets	(26,051,991)	(10,179,344)	(36,231,335)	(36,231,335)
Share of profit or loss of equity accounted investees	0	698,872	698,872	698,872
Total assets	1,227,456,028	236,479,962	1,463,935,990	1,463,935,990
Equity accounted investees	80,666,865	47,833,783	128,500,648	128,500,648
Property, plant and equipment, intangible assets and investment property	619,800,780	181,855,116	801,655,896	801,655,896
Other assets	526,988,383	6,791,063	533,779,446	533,779,446
Current and non-current operating and financial liabilities	660,211,627	127,195,450	787,407,077	787,407,077

*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 1-9 2018:

(in EUR)	Sales	Energy and Environmental Solutions and Production	Total	Statement of profit or loss/ Statement of financial position
Sales revenue	4,242,780,160	44,069,290	4,286,849,450	
Revenue from subsidiaries	(381,002,710)	(121,065)	(381,123,775)	
Sales revenue	3,861,777,450	43,948,225	3,905,725,675	3,905,725,675
Net profit for the year	64,032,056	4,734,784	68,766,840	68,766,840
Interest income*	2,204,531	812,673	3,017,204	3,017,204
Interest expense*	(5,284,129)	(1,947,928)	(7,232,057)	(7,232,057)
Depreciation of property, plant and equipment, depreciation of investment property, amortisation of intangible assets	(27,824,367)	(11,309,046)	(39,133,413)	(39,133,413)
Share of profit or loss of equity accounted investees	0	754,103	754,103	754,103
Total assets	1,422,827,973	245,777,309	1,668,605,282	1,668,605,282
Equity accounted investees	1,232,391	50,424,248	51,656,639	51,656,639
Property, plant and equipment, intangible assets and investment property	643,062,018	187,086,882	830,148,900	830,148,900
Other assets	778,533,564	8,266,179	786,799,743	786,799,743
Current and non-current operating and financial liabilities	726,431,815	125,482,813	851,914,628	851,914,628

*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.	
	1-9 2018	1-9 2017	1-9 2018	1-9 2017
Compensation received from insurance companies	159,304	56,395	77,583	17,868
Utilisation of environmental provisions	461,480	937,728	461,480	933,822
Gain on disposal of fixed assets	501,487	486,928	465,231	313,841
Compensation, litigation proceeds and contractual penalties	613,842	601,698	309,637	529,425
Other revenue	4,803,148	904,397	619,290	521,683
Total other revenue	6,539,261	2,987,146	1,933,221	2,316,639

3. Costs of material

(in EUR)	The Petrol Group		Petrol d.d.	
	1-9 2018	1-9 2017	1-9 2018	1-9 2017
Costs of energy	13,890,134	13,771,268	12,104,607	6,779,275
Costs of consumables	5,844,202	5,984,039	4,858,121	4,339,689
Write-off of small tools	195,606	195,221	55,977	41,727
Other costs of materials	417,381	427,301	228,181	266,154
Total costs of materials	20,347,323	20,377,829	17,246,886	11,426,845

4. Costs of services

(in EUR)	The Petrol Group		Petrol d.d.	
	1-9 2018	1-9 2017	1-9 2018	1-9 2017
Costs of service station managers	25,142,501	24,143,805	25,142,501	24,143,805
Costs of transport services	23,026,883	21,998,656	19,436,953	18,606,853
Costs of fixed-asset maintenance services	13,105,155	10,922,057	10,138,080	7,236,224
Lease payments	8,979,929	7,977,406	4,402,338	3,104,590
Costs of professional services	7,121,646	5,537,053	6,749,336	5,164,105
Costs of payment transactions and bank services	6,673,464	5,535,262	4,941,327	4,009,460
Costs of fairs, advertising and entertainment	5,384,060	4,355,363	3,679,460	3,368,409
Contributions for operations at motorway service areas	4,662,912	4,007,121	3,663,591	3,008,573
Costs of insurance premiums	2,987,039	2,679,744	1,915,305	1,730,294
Outsourcing costs	1,580,279	1,053,096	1,371,483	196,860
Costs of fire protection and physical and technical security	1,352,101	1,364,901	1,163,143	1,113,304
Costs of environmental protection services	1,264,502	922,285	604,136	494,451
Property management	1,083,180	1,160,135	1,014,649	1,144,595
Reimbursement of work-related costs to employees	827,374	753,755	530,722	432,805
Concession charges	708,266	649,380	465,484	398,992
Membership fees	400,971	255,904	194,751	167,682
Other costs of services	3,626,454	4,613,000	2,673,265	3,653,629
Total costs of services	107,926,716	97,928,923	88,086,524	77,974,631

5. Labour costs

(in EUR)	The Petrol Group		Petrol d.d.	
	1-9 2018	1-9 2017	1-9 2018	1-9 2017
Salaries	47,563,278	39,969,737	34,358,148	27,254,973
Costs of pension insurance	4,078,016	3,767,660	3,248,127	2,926,095
Costs of other social insurance	4,367,032	3,882,757	2,611,816	2,198,582
Transport allowance	2,186,069	1,905,983	1,383,535	1,133,654
Annual leave allowance	1,864,478	1,524,922	1,482,613	1,127,307
Meal allowance	1,759,129	1,519,278	1,382,573	1,101,832
Supplementary pension insurance	897,905	764,406	849,751	696,789
Other allowances and reimbursements	2,893,509	2,111,387	2,208,141	1,675,373
Total labour costs	65,609,416	55,446,130	47,524,704	38,114,605

6. Depreciation and amortisation

(in EUR)	The Petrol Group		Petrol d.d.	
	1-9 2018	1-9 2017	1-9 2018	1-9 2017
Amortisation of intangible assets	6,866,091	5,279,170	6,057,011	4,496,907
Depreciation of property, plant and equipment	31,467,691	30,105,302	20,776,783	18,425,558
Depreciation of investment property	799,631	846,863	772,576	814,599
Total depreciation and amortisation	39,133,413	36,231,335	27,606,370	23,737,064

7. Other costs

(in EUR)	The Petrol Group		Petrol d.d.	
	1-9 2018	1-9 2017	1-9 2018	1-9 2017
Environmental charges and charges unrelated to operations	2,323,886	893,555	1,342,195	94,887
Sponsorships and donations	1,877,857	1,535,140	1,801,575	1,431,682
Disposals/impairment of assets	760,853	14,253,963	48,947	7,026,140
Other costs	1,561,283	700,576	906,365	277,867
Total other costs	6,523,879	17,383,234	4,099,082	8,830,576

8. Other financial income and expenses

(in EUR)	The Petrol Group		Petrol d.d.	
	1-9 2018	1-9 2017	1-9 2018	1-9 2017
Gain on derivatives	44,661,873	14,318,421	45,099,904	14,981,175
Foreign exchange differences	11,217,129	13,016,682	7,440,820	8,594,769
Interest income	3,017,204	2,499,909	2,319,849	2,543,398
Allowances for receivables reversed and bad debt recovered	772,856	1,026,928	629,055	15,218
Other finance income	904,975	38,609	610,977	136,567
Total other finance income	60,574,037	30,900,549	56,100,605	26,271,127
Loss on derivatives	(34,687,670)	(18,560,397)	(33,227,454)	(18,961,314)
Foreign exchange differences	(12,100,479)	(7,693,927)	(8,891,486)	(3,991,249)
Interest expense	(7,232,057)	(10,529,709)	(7,302,724)	(10,478,678)
Allowance for operating receivables	(6,935,652)	(6,203,469)	(3,582,386)	(3,707,816)
Allowances for financial receivables	0	0	0	(3,300,000)
Impairment of goodwill	(252,596)	(491,686)	(252,596)	0
Other finance expenses	(1,441,660)	(866,810)	(1,482,027)	(782,465)
Total other finance expenses	(62,650,114)	(44,345,998)	(54,738,673)	(41,221,522)
Net finance expense	(2,076,077)	(13,445,449)	1,361,932	(14,950,395)

9. Earnings per share

(in EUR)	The Petrol Group		Petrol d.d.	
	30 September 2018	30 September 2017	30 September 2018	30 September 2017
Net profit (in EUR)	68,766,840	60,278,414	59,292,833	49,214,914
Number of shares issued	2,086,301	2,086,301	2,086,301	2,086,301
Number of own shares at the beginning of the period	30,723	24,703	24,703	24,703
Number of own shares at the end of the period	30,723	24,703	24,703	24,703
Weighted average number of ordinary shares issued	2,055,578	2,061,598	2,061,598	2,061,598
Diluted average number of ordinary shares	2,055,578	2,061,598	2,061,598	2,061,598
Basic and diluted earnings per share (EUR/share)	33.45	29.24	28.76	23.87

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	Long-term deferred expenses	Total
Cost						
As at 1 January 2017	19,571,272	104,067,778	106,509,484	1,269,770	0	231,418,304
New acquisitions as a result of control obtained	0	821	342,255	0	0	343,076
New acquisitions	0	0	0	11,037,459	0	11,037,459
Disposals/Impairments	(1,673,888)	(40,046)	(491,686)	0	0	(2,205,620)
Transfer from ongoing investments	1,114,554	260,041	0	(1,374,595)	0	0
Foreign exchange differences	4,491	57,772	121,872	1,722	0	185,857
As at 30 September 2017	19,016,429	104,346,366	106,481,925	10,934,356	0	240,779,076
Accumulated amortisation						
As at 1 January 2017	(12,253,666)	(37,971,966)	0	0	0	(50,225,632)
New acquisitions as a result of control obtained	0	(509)	0	0	0	(509)
Amortisation	(2,149,458)	(3,129,712)	0	0	0	(5,279,170)
Disposals/Impairments	129,001	10,387	0	0	0	139,388
Foreign exchange differences	(3,095)	(17,394)	0	0	0	(20,489)
As at 30 September 2017	(14,277,218)	(41,109,194)	0	0	0	(55,386,412)
Net carrying amount as at 1 January 2017	7,317,606	66,095,812	106,509,484	1,269,770	0	181,192,672
Net carrying amount as at 30 September 2017	4,739,211	63,237,172	106,481,925	10,934,356	0	185,392,664

(in EUR)	Software	Right to use concession infrastructure	Goodwill	Ongoing investments	Long-term deferred expenses	Total
Cost						
As at 1 January 2018	26,746,392	105,938,314	105,882,081	5,014,512	0	243,581,299
New acquisitions as a control obtained	1,290,791	430,428	0	0	1,115	1,722,334
New acquisitions	0	76,347	0	4,947,851	147,248	5,171,446
Disposals/Impairments	(70,376)	(55,427)	0	(6,455)	0	(132,258)
Transfer from ongoing investments	2,413,893	1,589,301	0	(4,003,194)	0	0
Foreign exchange differences	275	4,511	10,243	53	0	15,082
As at 30 September 2018	30,380,975	107,983,474	105,892,324	5,952,767	148,363	250,357,903
Accumulated amortisation						
As at 1 January 2018	(14,393,544)	(43,002,706)	0	0	0	(57,396,250)
New acquisitions as a control obtained	0	(121,499)	0	0	0	(121,499)
Amortisation	(3,500,798)	(3,365,293)	0	0	0	(6,866,091)
Disposals/Impairments	70,376	12,655	0	0	0	83,031
Foreign exchange differences	(198)	(1,186)	0	0	0	(1,384)
As at 30 September 2018	(17,824,164)	(46,478,029)	0	0	0	(64,302,193)
Net carrying amount as at 1 January 2018	12,352,848	62,935,608	105,882,081	5,014,512	0	186,185,049
Net carrying amount as at 30 September 2018	12,556,811	61,505,445	105,892,324	5,952,767	148,363	186,055,710

Intangible assets of Petrol d.d., Ljubljana

(in EUR)	Software	Right to use concession infrastructure	Goodwill	Ongoing investments	Long-term deferred expenses	Total
Cost						
As at 1 January 2017	18,958,934	81,374,984	89,138,157	1,073,527	0	190,545,602
New acquisitions	0	0	0	10,994,102	0	10,994,102
Disposals/Impairments	(1,665,326)	0	0	0	0	(1,665,326)
Transfer from ongoing investments	1,097,780	233,918	0	(1,331,698)	0	0
As at 30 September 2017	18,391,388	81,608,902	89,138,157	10,735,931	0	199,874,378
Accumulated amortisation						
As at 1 January 2017	(11,952,028)	(30,598,285)	0	0	0	(42,550,313)
Amortisation	(2,074,697)	(2,422,210)	0	0	0	(4,496,907)
Disposals/Impairments	121,141	0	0	0	0	121,141
As at 30 September 2017	(13,905,584)	(33,020,495)	0	0	0	(46,926,079)
Net carrying amount as at 1 January 2017	7,006,906	50,776,699	89,138,157	1,073,527	0	147,995,289
Net carrying amount as at 30 September 2017	4,485,804	48,588,407	89,138,157	10,735,931	0	152,948,299

(in EUR)	Software	Right to use concession infrastructure	Goodwill	Ongoing investments	Long-term deferred expenses	Total
Cost						
As at 1 January 2018	26,013,629	81,744,724	89,138,157	4,678,547	0	201,575,057
New acquisitions as a result of merger by absorption	696,272	16,387,437	0	60,653	1,115	17,145,477
New acquisitions	0	6,660	0	3,996,117	147,248	4,150,025
Disposals/Impairments	(70,124)	(10,776)	0	(6,455)	0	(87,355)
Transfer from ongoing investments	2,410,806	1,183,725	0	(3,594,531)	0	0
As at 30 September 2018	29,050,583	99,311,770	89,138,157	5,134,331	148,363	222,783,204
Accumulated amortisation						
As at 1 January 2018	(14,057,563)	(33,823,591)	0	0	0	(47,881,154)
New acquisitions as a result of merger by absorption	(333,970)	(5,972,912)	0	0	0	(6,306,882)
Amortisation	(3,190,281)	(2,866,730)	0	0	0	(6,057,011)
Disposals/Impairments	70,123	0	0	0	0	70,123
As at 30 September 2018	(17,511,691)	(42,663,233)	0	0	0	(60,174,924)
Net carrying amount as at 1 January 2018	11,956,066	47,921,133	89,138,157	4,678,547	0	153,693,903
Net carrying amount as at 30 September 2018	11,538,892	56,648,537	89,138,157	5,134,331	148,363	162,608,280

11. Property, plant and equipment

Property, plant and equipment of the Petrol Group

(in EUR)	Land	Buildings	Plant	Equipment	Ongoing investments	Total
Cost						
As at 1 January 2017	210,223,392	630,442,717	35,094,760	189,822,550	42,083,400	1,107,666,819
New acquisitions as a result of control obtained	153,813	89,082	0	32,805	0	275,700
New acquisitions	0	0	0	0	33,311,207	33,311,207
Disposals/Impairments	(2,923,804)	(10,926,371)	(659,913)	(2,911,434)	(40,929)	(17,462,451)
Transfer from ongoing investments	2,489,619	11,667,803	956,976	36,218,142	(51,332,540)	0
Transfer to investment property	(392)	(2,708,058)	0	0	0	(2,708,450)
Transfer from investment property	477,897	1,240,859	0	0	0	1,718,756
Foreign exchange differences	904,661	2,272,770	1,020	263,297	526,168	3,967,916
As at 30 September 2017	211,325,186	632,078,802	35,392,843	223,425,360	24,547,306	1,126,769,497
Accumulated depreciation						
As at 1 January 2017	0	(358,316,182)	(18,582,112)	(124,830,764)	0	(501,729,058)
New acquisitions as a result of control obtained	0	(4,441)	0	(17,529)	0	(21,970)
Depreciation	0	(16,953,488)	(1,409,247)	(11,742,567)	0	(30,105,302)
Disposals/Impairments	0	452,287	659,203	2,779,442	0	3,890,932
Transfer to investment property	0	974,167	0	0	0	974,167
Transfer from investment property	0	(760,572)	0	0	0	(760,572)
Foreign exchange differences	0	(670,649)	(947)	(243,628)	0	(915,224)
As at 30 September 2017	0	(375,278,878)	(19,333,103)	(134,055,046)	0	(528,667,027)
Net carrying amount as at 1 January 2017	210,223,392	272,126,535	16,512,648	64,991,786	42,083,400	605,937,761
Net carrying amount as at 30 September 2017	211,325,186	256,799,924	16,059,740	89,370,314	24,547,306	598,102,470

(in EUR)	Land	Buildings	Plant	Equipment	Ongoing investments	Total
Cost						
As at 1 January 2018	212,380,212	639,874,317	36,457,138	230,848,417	34,743,016	1,154,303,100
New acquisitions as a result of control obtained	0	0	2,022,626	1,365,926	0	3,388,552
New acquisitions	0	0	0	0	38,098,154	38,098,154
Disposals/Impairments	(829,223)	(948,948)	(1,181)	(2,849,178)	(18,483)	(4,647,013)
Transfer between assets categories	0	0	(36,264,668)	36,264,668	0	0
Transfer from ongoing investments	595,783	16,366,603	1,775	15,775,441	(32,739,602)	0
Transfer to investment property	(603,129)	(71,044)	0	0	0	(674,173)
Transfer from investment property	0	724,882	0	0	0	724,882
Foreign exchange differences	73,907	167,367	0	55,264	9,334	305,872
As at 30 September 2018	211,617,550	656,113,177	2,215,690	281,460,538	40,092,419	1,191,499,374
Accumulated depreciation						
As at 1 January 2018	0	(378,484,490)	(19,618,389)	(135,740,713)	0	(533,843,592)
New acquisitions as a result of control obtained	0	0	(1,054,159)	(30,973)	0	(1,085,132)
Depreciation	0	(16,531,217)	(54,996)	(14,881,478)	0	(31,467,691)
Disposals/Impairments	0	498,181	0	2,660,144	0	3,158,325
Transfer between assets categories	0	0	19,669,723	(19,669,723)	0	0
Transfer to investment property	0	2,323	0	0	0	2,323
Transfer from investment property	0	(395,965)	0	0	0	(395,965)
Foreign exchange differences	0	(50,706)	0	(17,392)	0	(68,098)
As at 30 September 2018	0	(394,961,874)	(1,057,821)	(167,680,135)	0	(563,699,830)
Net carrying amount as at 1 January 2018	212,380,212	261,389,827	16,838,749	95,107,704	34,743,016	620,459,508
Net carrying amount as at 30 September 2018	211,617,550	261,151,303	1,157,869	113,780,403	40,092,419	627,799,544

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

(in EUR)	Land	Buildings	Plant	Equipment	Ongoing investments	Total
Cost						
New acquisitions	0	0	0	0	13,909,090	13,909,090
Disposals/Impairments	(1,515,273)	(4,935,439)	0	(2,426,114)	(40,929)	(8,917,755)
Transfer from ongoing investments	892,818	7,949,828	0	6,058,223	(14,900,869)	0
Transfer to investment property	(392)	(2,708,058)	0	0	0	(2,708,450)
Transfer from investment property	477,897	1,221,607	0	0	0	1,699,504
As at 30 September 2017	105,898,586	477,688,324	0	174,970,412	8,561,714	767,119,036
Accumulated depreciation						
As at 1 January 2017	0	(334,960,876)	0	(121,371,254)	0	(456,332,130)
Depreciation	0	(11,030,353)	0	(7,395,205)	0	(18,425,558)
Disposals/Impairments	0	399,397	0	2,380,955	0	2,780,352
Transfer to investment property	0	974,166	0	0	0	974,166
Transfer from investment property	0	(752,471)	0	0	0	(752,471)
As at 30 September 2017	0	(345,370,137)	0	(126,385,504)	0	(471,755,641)
Net carrying amount as at 1 January 2017	106,043,536	141,199,510	0	49,967,049	9,594,422	306,804,517
Net carrying amount as at 30 September 2017	105,898,586	132,318,187	0	48,584,908	8,561,714	295,363,395

(in EUR)	Land	Buildings	Plant	Equipment	Ongoing investments	Total
Cost						
As at 1 January 2018	104,270,519	479,686,715	0	176,240,824	23,106,434	783,304,492
New acquisitions as a result of merger by absorption	485,433	20,055,806	38,044,843	1,327,531	1,121,632	61,035,245
New acquisitions	0	0	0	0	32,125,076	32,125,076
Disposals/Impairments	(239,536)	(862,520)	0	(2,346,148)	(18,483)	(3,466,687)
Transfer between asset categories	0	0	(38,044,843)	38,044,843	0	0
Transfer from ongoing investments	145,835	9,843,498	0	12,056,348	(22,045,681)	0
Transfer to investment property	(603,129)	(71,044)	0	0	0	(674,173)
Transfer from investment property	0	724,882	0	0	0	724,882
As at 30 September 2018	104,059,122	509,377,337	0	225,323,398	34,288,978	873,048,835
Accumulated depreciation						
As at 1 January 2018	0	(345,512,369)	0	(125,134,643)	0	(470,647,012)
New acquisitions as a result of merger by absorption	0	(12,933,776)	(21,399,901)	(17,642)	0	(34,351,319)
Depreciation	0	(10,908,620)	0	(9,868,163)	0	(20,776,783)
Disposals/Impairments	0	498,434	0	2,185,539	0	2,683,973
Transfer between asset categories	0	0	21,399,901	(21,399,901)	0	0
Transfer to investment property	0	2,323	0	0	0	2,323
Transfer from investment property	0	(395,965)	0	0	0	(395,965)
As at 30 September 2018	0	(369,249,973)	0	(154,234,810)	0	(523,484,783)
Net carrying amount as at 1 January 2018	104,270,519	134,174,346	0	51,106,181	23,106,434	312,657,480
Net carrying amount as at 30 September 2018	104,059,122	140,127,364	0	71,088,588	34,288,978	349,564,052

12. Investment in subsidiaries

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

(in EUR)	Petrol d.d.	
	30 September 2018	30 September 2017
As at 1 January	329,225,470	290,581,344
New acquisitions	20,041,749	3,200,000
Merger by absorption	(17,052,850)	0
As at 30 September	332,214,369	293,781,344

13. Investments in jointly controlled entities

(in EUR)	The Petrol Group		Petrol d.d.	
	30 September 2018	30 September 2017	30 September 2018	30 September 2017
As at 1 January	1,755,182	1,652,682	1,219,000	1,196,000
Attributed profit/loss	193,861	148,407	0	0
Dividends received	(387,654)	(150,000)	0	0
New acquisitions	282,934	0	282,934	0
Foreign exchange differences	(23)	0	0	0
As at 30 September	1,844,300	1,651,089	1,501,934	1,196,000

14. Investments in associates

(in EUR)	The Petrol Group		Petrol d.d.	
	30 September 2018	30 September 2017	30 September 2018	30 September 2017
As at 1 January	62,444,322	129,686,241	21,726,406	52,852,540
Attributed profit/loss	560,242	550,465	0	0
Dividends received	(1,914,725)	(3,387,147)	0	0
Disposals	(11,277,500)	0	0	0
As at 30 September	49,812,339	126,849,559	21,726,406	52,852,540

15. Financial assets at fair value through comprehensive income

(in EUR)	The Petrol Group		Petrol d.d.	
	30 September 2018	30 September 2017	30 September 2018	30 September 2017
As at 1 January	11,173,565	2,598,071	1,689,491	2,519,028
New acquisitions	418,065	36,463	418,065	36,464
Disposals	(314,497)	(2,903)	(314,497)	(2,903)
Impairment	(418,065)	0	(418,065)	0
As at 30 September	10,859,066	2,631,632	1,374,993	2,552,588

16. Inventories

(in EUR)	The Petrol Group		Petrol d.d.	
	30 September 2018	31 December 2017	30 September 2018	31 December 2017
Spare parts and materials inventories	3,044,933	2,362,733	2,304,255	1,896,790
Merchandise:	133,209,884	157,386,223	91,954,766	115,368,645
- fuel	71,438,949	100,594,442	58,241,453	86,478,396
- other petroleum products	5,377,288	5,357,876	4,713,661	4,303,093
- other merchandise	56,393,647	51,433,905	28,999,652	24,587,156
Total inventories	136,254,817	159,748,956	94,259,021	117,265,435

17. Current financial receivables

(in EUR)	The Petrol Group		Petrol d.d.	
	30 September 2018	31 December 2017	30 September 2018	31 December 2017
Loans granted	9,043,225	22,025,288	13,175,101	20,004,800
Adjustment to the value of loans granted	(2,948,004)	(3,095,684)	(5,921,086)	(5,430,283)
Time deposits with banks (3 months to 1 year)	194,677	10,541,500	0	0
Interest receivables	1,261,898	1,157,199	4,921,323	4,397,792
Allowance for interest receivables	(1,236,746)	(1,105,221)	(4,511,065)	(4,029,003)
Finance lease receivables	10,209	75,482	10,209	75,482
Bank receivables arising from interest rate swaps	0	156,202	0	0
Total current financial receivables	6,325,259	29,754,766	7,674,482	15,018,789

18. Current operating receivables

(in EUR)	The Petrol Group		Petrol d.d.	
	30 September 2018	31 December 2017	30 September 2018	31 December 2017
Trade receivables	521,840,559	481,578,064	389,626,623	318,916,206
Allowance for trade receivables	(56,307,367)	(50,602,952)	(35,835,374)	(32,059,730)
Operating receivables from state and other institutions	3,278,250	3,962,504	111,562	376,081
Operating interest receivables	5,618,160	5,505,191	6,633,783	6,288,440
Allowance for interest receivables	(3,003,547)	(2,849,598)	(2,985,178)	(2,676,168)
Receivables from insurance companies (loss events)	563,554	371,155	217,526	198,302
Other operating receivables	4,155,698	3,876,309	2,654,788	2,473,426
Allowance for other receivables	(384,365)	(384,365)	0	0
Total current operating receivables	475,760,942	441,456,308	360,423,730	293,516,557

19. Financial assets at fair value through profit or loss

(in EUR)	The Petrol Group		Petrol d.d.	
	30 September 2018	31 December 2017	30 September 2018	31 December 2017
Assets arising from commodity swaps	6,644,393	1,661,550	6,644,393	1,661,550
Assets arising from forward contracts	918,592	0	918,592	0
Total financial assets at fair value through profit or loss	7,562,985	1,661,550	7,562,985	1,661,550

20. Prepayments and other assets

(in EUR)	The Petrol Group		Petrol d.d.	
	30 September 2018	31 December 2017	30 September 2018	31 December 2017
Prepayments	21,782,924	27,188,684	11,515,585	17,209,798
Prepaid subscriptions, specialised literature, etc.	2,058,121	1,432,884	2,009,999	1,248,633
Uninvoiced services and goods	1,012,257	1,226,748	1,578,773	982,477
Prepaid insurance premiums	775,691	832,266	472,902	565,048
Other deferred costs and accrued revenue	4,997,507	3,696,970	2,731,006	1,212,327
Total prepayments and other assets	30,626,500	34,377,552	18,308,265	21,218,283

21. Financial liabilities

(in EUR)	The Petrol Group		Petrol d.d.	
	30 September 2018	31 December 2017	30 September 2018	31 December 2017
Current financial liabilities				
Bonds issued	215,305,662	3,878,327	215,305,662	3,878,327
Liabilities to banks arising from commodity swaps	1,869,881	1,729,801	1,869,881	1,635,792
Liabilities to banks arising from interest rate swaps	698,949	178,999	697,868	178,999
Bank loans	531,288	54,455,711	341,916	54,092,750
Liabilities to banks arising from forward contracts	209,574	845,458	209,574	845,458
Other liabilities arising from financial instruments	0	0	2,568,846	2,568,846
Other loans and financial liabilities	1,643,732	1,772,341	123,509,936	71,523,033
	220,259,086	62,860,637	344,503,683	134,723,206
Non-current financial liabilities				
Bank loans	100,295,987	100,958,089	49,656,592	49,752,326
Bonds issued	43,784,893	256,527,730	43,784,893	256,527,730
Loans obtained from other companies	0	0	28,000,000	0
	144,080,880	357,485,819	121,441,485	306,280,056
Total financial liabilities	364,339,966	420,346,456	465,945,168	441,003,262

22. Current operating liabilities

(in EUR)	The Petrol Group		Petrol d.d.	
	30 September 2018	31 December 2017	30 September 2018	31 December 2017
Trade liabilities	356,033,963	338,710,484	275,351,994	269,513,648
Excise duty liabilities	62,033,168	60,837,074	54,476,436	53,207,020
Value added tax liabilities	34,728,782	22,062,303	24,691,405	11,792,071
Environment pollution charge liabilities	11,012,882	10,140,301	10,818,885	9,638,883
Liabilities to employees	10,086,346	8,834,803	8,348,420	7,179,922
Liabilities arising from prepayments and collaterals	3,978,315	2,331,190	1,783,866	1,681,815
Import duty liabilities	2,460,726	2,240,607	1,143	7,701
Other liabilities to the state and other state institutions	1,773,782	1,908,983	174,526	194,538
Social security contribution liabilities	802,429	669,887	626,023	536,744
Liabilities associated with the allocation of profit or loss	626,389	634,630	626,389	634,630
Liabilities arising from interests acquired	0	220,000	0	220,000
Other liabilities	2,908,491	1,928,487	2,252,865	2,065,788
Total current operating and other liabilities	486,445,273	450,518,749	379,151,952	356,672,760

23. Other liabilities

(in EUR)	The Petrol Group		Petrol d.d.	
	30 September 2018	31 December 2017	30 September 2018	31 December 2017
Accrued annual leave expenses	2,040,199	2,003,527	1,340,100	1,211,614
Accrued expenses for tanker demurrage	771,449	194,800	624,504	194,800
Accrued motorway site lease payments	145,129	115,869	145,129	115,869
Accrued concession fee costs	87,535	194,857	87,535	186,871
Other accrued costs	21,971,525	14,939,585	8,383,488	5,513,531
Deferred revenue from rebates granted	2,788,213	598,611	2,470,830	282,016
Deferred default interest income	2,114,977	2,114,977	2,114,977	2,114,977
Deferred prepaid card revenue	1,340,587	1,406,305	1,180,836	1,280,609
Other deferred revenue	878,559	1,324,994	752,226	1,085,614
Total other liabilities	32,138,173	22,893,525	17,099,625	11,985,901

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*.

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.

Credit risk

Maximum exposure to credit risk represents the carrying amount of financial assets which was the following as at 30 September 2018:

(in EUR)	The Petrol Group		Petrol d.d.	
	30 September 2018	31 December 2017	30 September 2018	31 December 2017
Financial assets at fair value through other comprehensive income	10,859,066	11,173,565	1,374,993	1,689,491
Non-current financial receivables	17,479,836	32,651,760	14,970,653	6,362,867
Non-current operating receivables	5,580,392	3,275,362	5,570,969	3,239,145
Current financial receivables	6,325,259	29,754,766	7,674,482	15,018,789
Current operating receivables (excluding receivables from the state)	472,482,692	437,493,804	360,312,168	293,140,476
Financial assets at fair value through profit or loss	7,562,985	1,661,550	7,562,985	1,661,550
Cash and cash equivalents	86,033,656	45,492,821	37,003,242	23,651,242
Total assets	606,323,886	561,503,628	434,469,492	344,763,560

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				
	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	373,747,330	47,319,698	6,003,575	673,908	3,230,601
Interest receivables	2,433,590	130,230	32,415	4,048	55,310
Other receivables (excluding receivables from the state)	3,827,842	23,467	10,521	767	502
Total as at 31 December 2017	380,008,762	47,473,395	6,046,511	678,723	3,286,413
(in EUR)	Breakdown by maturity				
	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	432,230,196	21,937,634	6,345,962	1,243,011	3,776,389
Interest receivables	2,341,170	170,914	25,182	20,106	57,241
Other receivables (excluding receivables from the state)	4,259,187	57,839	7,710	4,821	5,330
Total as at 30 September 2018	438,830,553	22,166,387	6,378,854	1,267,938	3,838,960

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

(in EUR)	Breakdown by maturity					Total
	Not yet due	Up to 30 days overdue	31 to 60 days overdue	61 to 90 days overdue	More than 90 days overdue	
Trade receivables	249,618,785	25,959,059	3,578,435	829,530	6,870,666	286,856,476
Interest receivables	12,700	85,487	17,302	0	3,496,783	3,612,272
Other receivables (excluding receivables from the state)	2,671,728	0	0	0	0	2,671,728
Total as at 31 December 2017	252,303,213	26,044,546	3,595,737	829,531	10,367,449	293,140,476

(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	325,502,832	13,429,812	4,569,248	782,895	9,506,462	353,791,249
Interest receivables	9,243	142,690	0	27	3,496,645	3,648,605
Other receivables (excluding receivables from the state)	2,872,314	0	0	0	0	2,872,314
Total as at 30 September 2018	328,384,389	13,572,502	4,569,248	782,922	13,003,107	360,312,168

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

(in days)	The Petrol Group		Petrol d.d.	
	1-9 2018	1-12 2017	1-9 2018	1-12 2017
Days sales outstanding				
Contract days	31	30	29	28
Overdue receivables in days	8	9	7	8
Total days sales outstanding	39	39	36	36

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;
- unified 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.

Almost half of the Group's/Company's total inflows 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.

The Group/Company carefully plans their cash flows also in 2018, which enables optimal liquidity management of both, surpluses or shortages.

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 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	357,485,819	371,470,330	0	0	325,407,925	46,062,405
Non-current operating liabilities (excluding other liabilities)	24,000	24,000	0	0	24,000	0
Current financial liabilities	62,860,637	72,001,674	71,641,369	360,305	0	0
Current operating liabilities (excluding liabilities to the state, employees and arising from advance payments)	341,493,601	341,493,601	340,514,158	979,443	0	0
As at 31 December 2017	761,864,057	784,989,605	412,155,527	1,339,748	325,431,925	46,062,405

The Group's liabilities as at 30 September 2018 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	144,080,880	149,703,104	0	0	115,235,430	34,467,674
Non-current operating liabilities (excluding other liabilities)	24,000	24,000	0	0	24,000	0
Current financial liabilities	220,259,086	229,675,492	5,667,111	224,008,381	0	0
Current operating liabilities (excluding liabilities to the state, employees and arising from advance payments)	359,568,843	359,568,843	359,055,935	512,908	0	0
As at 30 September 2018	723,932,809	738,971,439	364,723,046	224,521,289	115,259,430	34,467,674

The Company's liabilities as at 31 December 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	306,280,056	318,331,345	0	0	272,979,607	45,351,738
Non-current operating liabilities (excluding other liabilities)	24,000	24,000	0	0	24,000	0
Current financial liabilities	134,723,206	143,544,979	113,671,723	29,873,256	0	0
Current operating liabilities (excluding liabilities to the state, employees and arising from advance payments)	272,434,066	272,434,066	271,642,539	791,527	0	0
As at 31 December 2017	713,461,328	734,334,390	385,314,262	30,664,783	273,003,607	45,351,738

The Company's liabilities as at 30 June 2018 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	121,441,485	125,774,306	0	0	92,360,707	33,413,599
Non-current operating liabilities (excluding other liabilities)	24,000	24,000	0	0	24,000	0
Current financial liabilities	344,503,683	353,225,117	100,979,037	252,246,080	0	0
Current operating liabilities (excluding liabilities to the state, employees and arising from advance payments)	278,231,248	278,231,248	277,998,990	232,258	0	0
As at 30 September 2018	744,200,416	757,254,671	378,978,027	252,478,338	92,384,707	33,413,599

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 certain 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 certain 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 South-eastern markets and the relatively low exposure, the Group/Company believes it is not exposed to significant risks in this area. To control these risks, we rely on natural hedging to the largest possible extent.

In the first nine months of 2018, 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 and volumetric risk

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

The Group/Company hedges energy commodity prices primarily by using commodity swaps (variable to fixed price swap). Partners in this area include global financial institutions and banks or suppliers of goods. The Group/Company considers the counterparty default risk as minimal.

Interest rate risk

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

In the first nine months of 2018, 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" for interest rate swaps, where hedged items and hedging derivatives form effective hedge relationship, therefore the effects of interest rate swaps are recognized directly in equity. In the case of interest rate swaps where the effective hedge relationship is not formed, the effect of interest rate swaps is recognized in the income statement.

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 11 April 2018 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.

The Petrol Group continued to implement the strategic directions in the first nine months of 2018 to lower indebtedness in line with the strategic plan.

Carrying amount and fair value of financial instruments

(in EUR)	The Petrol Group			
	30 September 2018		31 December 2017	
	Carrying amount	Fair value	Carrying amount	Fair value
Non-derivative financial assets at fair value				
Financial assets at fair value through other comprehensive income	10,859,066	10,859,066	11,173,565	11,173,565
Non-derivative financial assets at amortised cost				
Financial receivables (excluding derivative financial instruments)	23,805,095	23,805,095	62,250,324	62,250,324
Operating receivables (excluding receivables from the state)	478,063,084	478,063,084	440,769,166	440,769,166
Cash and cash equivalents	86,033,656	86,033,656	45,492,821	45,492,821
Total non-derivative financial assets	598,760,901	598,760,901	559,685,876	559,685,876
Non-derivative financial liabilities at amortised cost				
Bank loans and other financial liabilities (excluding derivative fin.instr.)	(361,561,562)	(361,561,562)	(417,592,198)	(417,592,198)
Operating liabilities (excluding other non-current liabilities and current liabilities to the state, employees and arising from advance payments)	(359,592,843)	(359,592,843)	(341,517,601)	(341,517,601)
Total non-derivative financial liabilities	(721,154,405)	(721,154,405)	(759,109,799)	(759,109,799)
Derivative financial instruments at fair value				
Derivative financial instruments (assets)	7,562,985	7,562,985	1,817,752	1,817,752
Derivative financial instruments (liabilities)	(2,778,404)	(2,778,404)	(2,754,258)	(2,754,258)
Total derivative financial instruments	4,784,581	4,784,581	(936,506)	(936,506)

(in EUR)	Petrol d.d.			
	30 September 2018		31 December 2017	
	Carrying amount	Fair value	Carrying amount	Fair value
Non-derivative financial assets at fair value				
Financial assets at fair value through other comprehensive income	1,374,993	1,374,993	1,689,491	1,689,491
Non-derivative financial assets at amortised cost				
Financial receivables (excluding derivative financial instruments)	22,645,135	22,645,135	21,381,656	21,381,656
Operating receivables (excluding receivables from the state)	365,883,137	365,883,137	296,379,621	296,379,621
Cash and cash equivalents	37,003,242	37,003,242	23,651,242	23,651,242
Total non-derivative financial assets	426,906,507	426,906,507	343,102,010	343,102,010
Non-derivative financial liabilities at amortised cost				
Bank loans and other financial liabilities (excluding derivative fin.instr.)	(460,598,999)	(460,598,999)	(435,774,167)	(435,774,167)
Operating liabilities (excluding other non-current liabilities and current liabilities to the state, employees and arising from advance payments)	(278,255,248)	(278,255,248)	(272,458,066)	(272,458,066)
Total non-derivative financial liabilities	(738,854,247)	(738,854,247)	(708,232,233)	(708,232,233)
Derivative financial instruments at fair value				
Derivative financial instruments (assets)	7,562,985	7,562,985	1,661,550	1,661,550
Derivative financial instruments (liabilities)	(5,346,169)	(5,346,169)	(5,229,095)	(5,229,095)
Total derivative financial instruments	2,216,816	2,216,816	(3,567,545)	(3,567,545)

25. Related party transactions

(in EUR)	The Petrol Group		Petrol d.d.	
	1-9 2018	1-9 2017	1-9 2018	1-9 2017
Sales revenue:				
Subsidiaries	-	-	245,456,114	211,355,077
Jointly controlled entities	954,108	745,319	66,082	61,523
Associates	228,642	40,654	228,642	40,654
Cost of goods sold:				
Subsidiaries	-	-	53,852,104	33,683,526
Jointly controlled entities	271,310	97,532	0	0
Associates	0	13,420,401	0	40,086
Cost of materials:				
Subsidiaries	-	-	532,883	1,069,591
Jointly controlled entities	3,041	3,527	1,306	1,564
Associates	0	227,529	0	0
Cost of services:				
Subsidiaries	-	-	1,172,544	873,230
Jointly controlled entities	0	0	0	0
Associates	0	40	0	40
Other costs:				
Subsidiaries	-	-	5,001	21
Jointly controlled entities	0	253	0	0
Associates	0	0	0	0
Finance income from interests in Group companies:				
Subsidiaries	-	-	1,715,262	60,595
Jointly controlled entities	193,861	148,407	387,654	150,000
Associates	560,242	550,465	1,637,467	2,906,566
Finance income from interest:				
Subsidiaries	-	-	357,839	640,962
Jointly controlled entities	0	0	0	0
Associates	0	0	0	0
Gain of derivatives:				
Subsidiaries	-	-	694,568	753,053
Jointly controlled entities	0	0	0	0
Associates	0	0	0	0
Other finance income:				
Subsidiaries	-	-	139,469	97,959
Jointly controlled entities	0	0	0	0
Associates	2,267	2,706	2,267	2,706
Finance expenses due to impairment of goodwill:				
Subsidiaries	0	491,686	0	0
Jointly controlled entities	0	0	0	0
Associates	0	0	0	0
Finance expenses for interest:				
Subsidiaries	-	-	542,616	512,363
Jointly controlled entities	236	244	236	244
Associates	0	8,848	0	8,848
Loss on derivatives:				
Subsidiaries	-	-	126,032	677,262
Jointly controlled entities	0	0	0	0
Associates	0	0	0	0
Allowance for financial receivables:				
Subsidiaries	-	-	0	3,300,000
Jointly controlled entities	0	0	0	0
Associates	0	0	0	0

(in EUR)	The Petrol Group		Petrol d.d.	
	30 September 2018	31 December 2017	30 September 2018	31 December 2017
Investments in Group companies:				
Subsidiaries	-	-	332,214,369	329,225,470
Jointly controlled entities	1,844,300	1,755,182	1,501,934	1,219,000
Associates	49,812,339	62,444,322	21,726,406	21,726,406
Non-current financial receivables:				
Subsidiaries	-	-	13,425,918	4,805,918
Jointly controlled entities	428,994	428,994	583,994	583,994
Associates	0	0	0	0
Current operating receivables:				
Subsidiaries	-	-	34,967,859	21,351,402
Jointly controlled entities	509,441	438,342	357,831	313,222
Associates	29,118	654	29,118	654
Current financial receivables:				
Subsidiaries	-	-	6,682,856	12,037,946
Jointly controlled entities	688,273	486,006	688,273	486,006
Associates	0	0	0	0
Short-term deposits (up to 3 months):				
Subsidiaries	-	-	190,509	219,533
Jointly controlled entities	0	0	0	0
Associates	0	0	0	0
Non-current financial liabilities:				
Subsidiaries	-	-	28,000,000	0
Jointly controlled entities	0	0	0	0
Associates	0	0	0	0
Current financial liabilities:				
Subsidiaries	-	-	124,574,001	72,432,083
Jointly controlled entities	1,416,924	0	1,416,924	0
Associates	0	0	0	0
Current operating liabilities:				
Subsidiaries	-	-	7,888,183	9,305,163
Jointly controlled entities	27,418	46,505	388	1,513
Associates	0	0	0	0

26. Contingent liabilities

Contingent liabilities for guarantees issued

(in EUR)	Petrol d.d.		Petrol d.d.	
	30 September 2018	31 December 2017	30 September 2018	31 December 2017
Guarantee issued to:	Value of guarantee issued		Guarantee amount used	
Petrol d.o.o.	113,141,877	116,685,484	75,140,229	68,065,716
Geoplin d.o.o. Ljubljana	28,000,000	28,000,000	15,587,083	0
Petrol d.o.o. Beograd	8,508,238	8,504,298	934,591	1,500,000
Petrol BH Oil Company d.o.o. Sarajevo	7,613,560	10,681,312	453,653	36,646
Petrol Trade Handelsgesellschaft m.b.H.	3,000,000	3,000,000	1,800,000	2,250,000
Petrol Crna Gora MNE d.o.o.	1,790,000	790,000	481,962	161,299
Petrol Bucharest ROM S.R.L.	1,000,000	4,500,000	0	0
Petrol - Energetika Dooel Skopje	1,000,000	1,000,000	0	0
Aquasystems d.o.o.	911,309	911,309	911,309	911,309
Petrol Oti Slovenia LLC	500,000	0	115,320	0
Petrol Geoterm d.o.o.	0	132,490	0	132,490
Petrol Energetika, d.o.o.	0	50,000	0	0
Total	165,464,984	174,254,893	95,424,147	73,057,460
Other guarantees	13,472,217	15,183,739	13,472,217	15,183,739
Bills of exchange issued as security	4,381,925	4,693,627	4,381,925	4,693,627
Total contingent liabilities for guarantees issued	183,319,126	194,132,259	113,278,289	92,934,826

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 31,462,821. 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 9,918,877 as at 30 September 2018.

The total value of lawsuits against the Group as defendant and debtor totals EUR 35,413,633. 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 10,128,218 as at 30 September 2018.

27. Events after the reporting date

There were no events after the reporting date that would significantly affect the financial statements for the first nine months of year 2018.

APPENDIX 1: ORGANISATIONAL STRUCTURE OF THE PETROL GROUP

The Petrol Group as at 30 September 2018	Sales	Energy and environmental solutions	Electricity generation from renewable sources
The parent company			
PETROL d.d., LJUBLJANA	✓	✓	✓
Subsidiaries			
PETROL d.o.o. (100%)	✓	✓	
DUBROVNIK PLIN d.o.o. (100%)	✓		
PETROL JAVNA RASVJETA 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 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%)	✓		
INTRADE ENERGIJA d.o.o. Sarajevo (51%)			✓
PETROL-ENERGETIKA DOEL Skopje (100%)	✓		
PETROL BUCHAREST ROM S.R.L. (100%)	✓		
PETROL PRAHA CZ S.R.O. (100%)	✓		
PETROL TRADE SLOVENIJA L.L.C. (100%)	✓		
PETROL HIDROENERGIJA d.o.o. Teslić (80%)			✓
VJETROELEKTRANE GLUNČA d.o.o. (100%)			✓
IG ENERGETSKI SISTEMI d.o.o. (100%)	✓		
PETROL GEO, proizvodnja ogljikovodikov d.o.o. (100%)		✓	
MBILLS d.o.o. (76%)	✓		
GEOPLIN d.o.o. Ljubljana (66.1207%)	✓		
GEOCOM d.o.o. (100%)	✓		
GEOPLIN D.O.O., Zagreb (100%)	✓		
GEOPLIN D.O.O. Beograd (100%)	✓		
EKOPUR d.o.o. (100%)	✓	✓	
GEOPLIN d.o.o., Ljubljana (7.39%) (Associate)	✓		
PLINHOLD d.o.o., Ljubljana (7.39%) (Associate)		✓	
Jointly controlled entities			
PETROL OTI SLOVENIJA L.L.C. (51%)	✓		
GEOENERGO d.o.o. (50%)		✓	
VJETROELEKTRANA DAZLINA d.o.o. (50%)			✓
VJETROELEKTRANA LJUBAČ d.o.o. (50%)			✓
SOENERGETIKA d.o.o. (25%)		✓	
Associates			
PLINHOLD d.o.o. Ljubljana (22.31%)		✓	
AQUASYSTEMS d.o.o. (26%)		✓	