



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

In the first six months
of 2021

PETROL

Energy for life



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STATEMENT OF THE MANAGEMENT BOARD

Members of the Management Board of Petrol d.d., Ljubljana, which comprises Nada Drobne Popović, President of the Management Board, Matija Bitenc, Member of the Management Board, Jože Bajuk, Member of the Management Board, Jože Smolič, Member of the Management Board, and Zoran Gračner, Member of the Management Board/Worker Director, declare that to their best knowledge:

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



Nada Drobne Popović
President of the Management Board



Matija Bitenc
Member of the Management Board



Jože Bajuk
Member of the Management Board



Jože Smolič
Member of the Management Board



Zoran Gračner
Member of the Management Board and Worker
Director

Ljubljana, 19 August 2021

INTRODUCTORY NOTES

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

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

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

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

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

The Company's Supervisory Board discussed the report on the operations of the Petrol Group and Petrol d.d., Ljubljana in the first six months of 2021 at its meeting held on 26 August 2021.

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

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

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

Alternative performance measure	Calculation information	Reasons for choosing the measure
Adjusted gross profit	Adjusted gross profit = Revenue from the sale of merchandise and services – Cost of goods sold	The Petrol Group has no direct influence over global energy prices, which makes the adjusted gross profit more appropriate to monitor business performance.
EBITDA	EBITDA = Operating profit without allowances for operating receivables and impairment of goodwill + Depreciation and amortisation charge. Until the end of 2020, the depreciation of environmental fixed assets was excluded because long-term deferred revenue had been created for this purpose which was reallocated each year to other operating revenue at an amount corresponding to the depreciation of environmental fixed assets. In the period from January to June 2020, the depreciation of environmental fixed assets amounted to EUR 7.4 thousand.	EBITDA indicates business performance and is the primary source for ensuring returns to shareholders.
Net debt/EBITDA	Net debt = Current and non-current financial liabilities + Current and non-current lease liabilities – Cash and cash equivalents Ratio = Net debt/EBITDA (annualised)	The ratio expresses the Petrol Group's ability to settle its financial obligations, indicating in how many years financial debt can be settled using existing liquidity and cash flows from operating activities.
Operating costs/Adjusted gross profit	Ratio = Operating costs/Adjusted gross profit	The ratio is relevant because it concerns the cost-effectiveness of operations.
Working capital	Working capital = Operating receivables + Contract assets + Inventories – Current operating liabilities – Contract liabilities	The ratio reflects operational liquidity of the Petrol Group.
Net investments	Net investments = Investments in fixed assets (EUR 19.9 million in the period from January to June 2021) + Non-current investments (EUR 10.4 million in the period from January to June 2021) – Disposal of fixed assets (EUR 4.0 million in the period from January to June 2021)	The information about investments reflects the direction of the Petrol Group's development.

HIGHLIGHTS

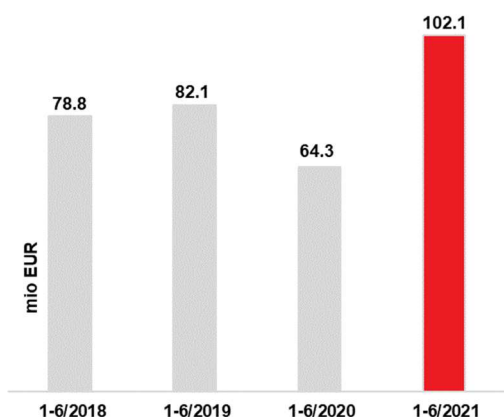
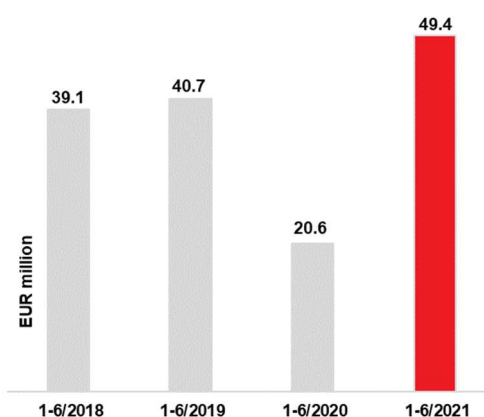
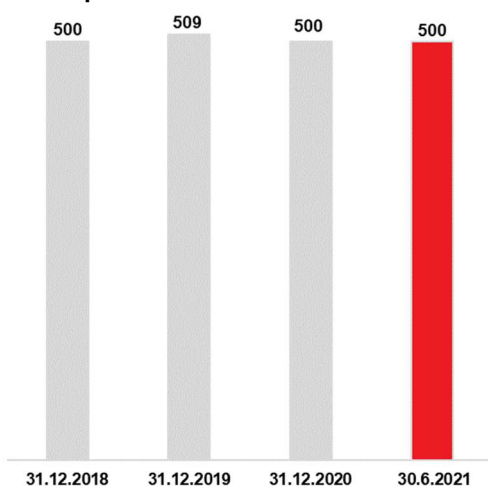
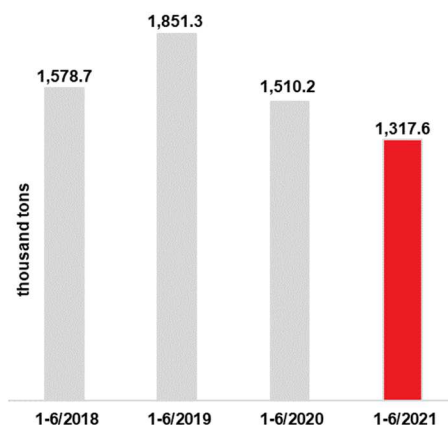
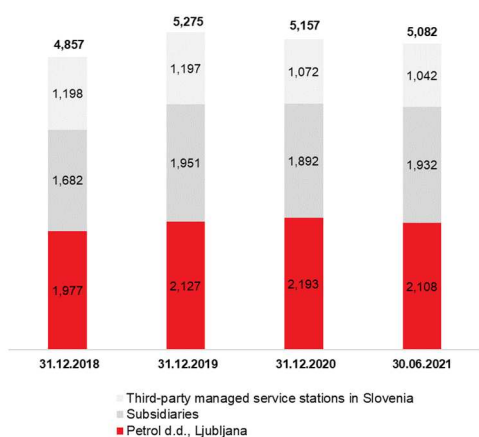
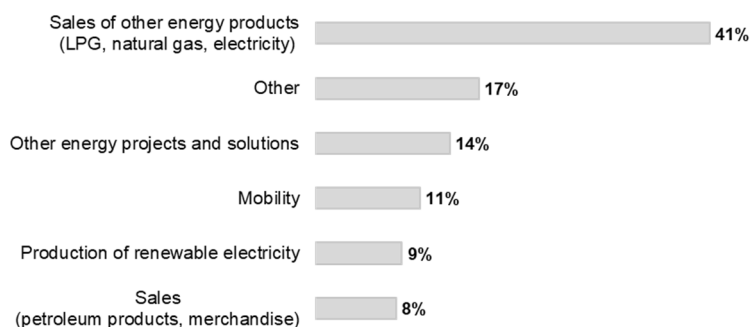
The Petrol Group's significant performance indicators

The Petrol Group	Unit	1-6 2021	1-6 2020	1-6 2019	Index 2021 / 2020	Index 2021 / 2019
Sales revenue	EUR million	1,840.3	1,533.0	2,124.8	120	87
Adjusted gross profit ¹	EUR million	258.1	178.8	218.2	144	118
Operating profit	EUR million	65.0	27.4	49.3	237	132
Net profit	EUR million	49.4	20.6	40.7	240	121
EBITDA ¹	EUR million	102.1	64.3	82.1	159	124
Operating costs/Adjusted gross profit ¹	%	72.9	98.5	76.9	74	95
Earnings per share	EUR	24.0	10.0	19.8	240	121
Net debt/EBITDA ^{1,2}		1.3	2.0	1.8	67	73
Net investments ¹	EUR million	26.3	33.5	30.9	79	85
Volume of petroleum products sold	thousand tons	1,317.6	1,510.2	1,851.3	87	71
Volume of liquefied petroleum gas sold	thousand tons	66.3	76.6	90.1	87	74
Volume of natural gas sold	TWh	19.5	12.3	10.0	158	194
Volume of electricity sold	TWh	7.4	10.8	12.3	68	60
- of which sale of electricity to end customers	TWh	1.8	0.9	0.7	213	259
Revenue from merchandise sales	EUR million	242.1	227.4	233.8	106	104

¹ APM

² EBITDA calculated at annual level

The Petrol Group	Unit	30 June 2021	31 December 2020	Index 2021 / 2020
Number of employees		5,082	5,157	99
Number of service stations		500	500	100
Number of e-charging points operated by the Petrol Group		230	184	125
Number of electricity customers	thousand	226.9	92.1	246
Number of natural gas customers	thousand	50.7	50.1	101

Figure 1: EBITDA of the Petrol Group

Figure 2: Net profit or loss of the Petrol Group

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

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

Figure 5: Number of employees in the Petrol Group

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


Strategic Orientation

Our mission

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

Our promise

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

Our vision

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

Our values

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

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

BUSINESS REPORT

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

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

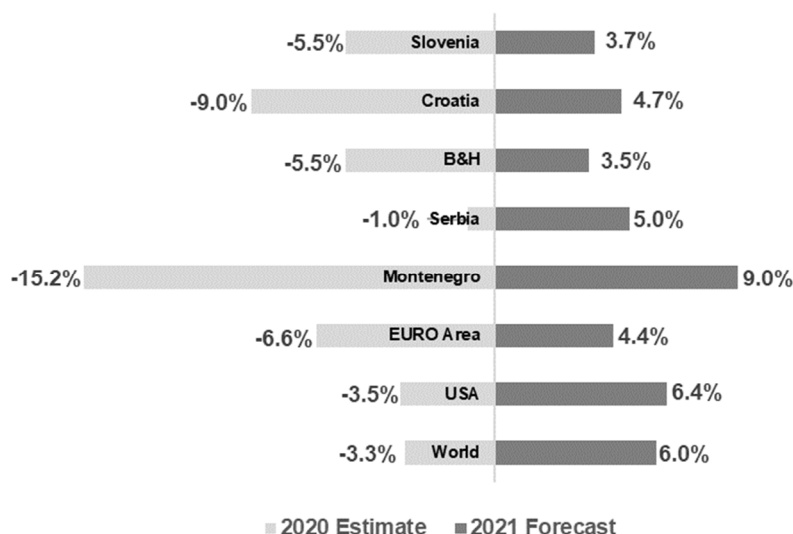
Business environment

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

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

In its projections published in the World Economic Outlook at the beginning of April 2021, the International Monetary Fund assessed the impact of the pandemic on the global economy. Following the significant economic downturn in 2020, the economy is expected to recover in 2021, with considerable uncertainty still existing as regards the course of the pandemic in the future. In its Regional Economic Prospects of 29 June 2021, the European Bank for Reconstruction and Development (EBRD) forecast a higher economic growth for Petrol's main sales markets of Slovenia and Croatia, namely a 5 percent GDP growth and a 6 percent GDP growth, respectively. Likewise, in its half-yearly economic forecast (European Economic Forecast, Summer 2021, July 2021), the European Commission improved its economic growth forecast for Slovenia (a 5.7 percent GDP growth compared to the previous 4.9 percent) and Croatia (5.4 percent GDP growth; previously 5.0 percent).

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

Figure 7: Impact of the pandemic on GDP


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

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

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

Slovenian Government initially declared the Covid-19 epidemic on 19 October 2020; the last 30-day extension was declared on 16 May 2021, meaning that the epidemic ended on 15 June 2021. Depending on the epidemiological situation in the future, the Government will decide on a weekly basis whether or not to extend the measures.

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

The average price of Brent Dated North Sea crude oil stood at USD 65.0 per barrel in the first six months of 2021 and was up 62 percent year-on-year whereas the average price in euros increased by 49 percent year-on-year. In the period concerned, the price of Brent crude peaked on 25 June 2021, reaching USD 76.4 per barrel. Its lowest price was recorded on 4 January 2021 at USD 50.3 per barrel. The prices of petrol and middle distillates followed the same trends as crude oil prices.

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



Source: Petrol, 2021

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



Source: Petrol, 2021

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

In Slovenia, Croatia, Serbia and Bosnia and Herzegovina, the retail prices of petroleum products have been liberalised and determined by the market. Since 3 April 2021, the maximum retail margin in Bosnia and Herzegovina has been EUR 0.128 per litre; prior to this, retail prices of petroleum products were liberalised. In Montenegro, the prices of petroleum products are set in accordance with the Regulation on the Method of Setting Maximum Retail Prices, which has been in force since March 2021. The prices change fortnightly, provided that prices on the oil market change (Platts European Marketscan) and the exchange rate of the euro and the US dollar is rounded. Prior to this, the prices of petroleum products were set

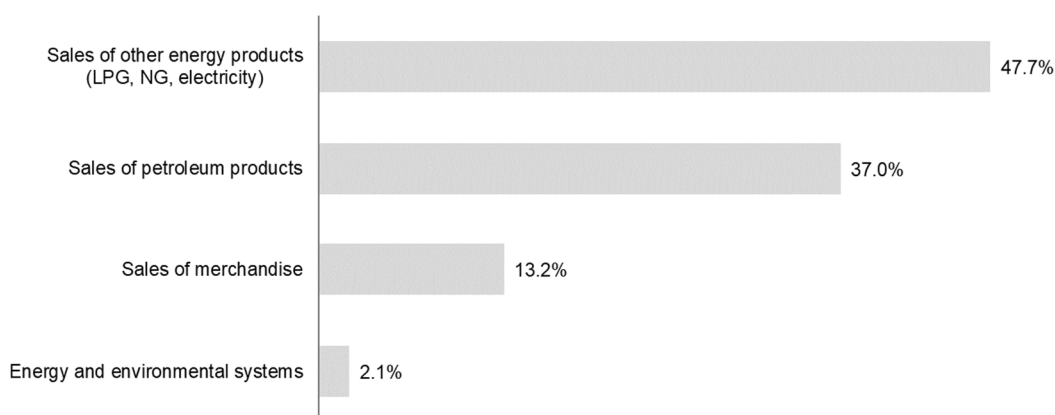
pursuant to the Method of Setting Maximum Retail Prices, which was in force since 1 January 2011.

The US dollar to the euro exchange rate ranged between 1.17 and 1.23 US dollars per euro in the first six months of 2021. The average exchange rate of the US dollar according to the exchange rate of the European Central Bank stood at 1.21 US dollars per euro in the period concerned.

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

The Petrol Group's **sales revenue** for the first six months of 2021 stood at EUR 1.8 billion, a 20 percent increase compared to 2020 and a 13 percent decrease compared to the pre-pandemic period of 2019. In January and February 2020, the Petrol Group operated without any disruption. In March 2020, however, the business environment deteriorated considerably as the Covid-19 pandemic began. In the first six months of 2021, we were still faced with a range of measures taken by countries to curb the epidemic, which restricted movement between local communities as well as countries. Despite the lower volume of petroleum products sold revenue was higher compared to the same period in 2020, attributable mainly to higher oil prices, improved natural gas sales and the incorporation of E 3, d.o.o. into the Petrol Group.

Figure 10: The Petrol Group's sales revenue by activity in the first six months of 2021



In the first six months of 2021, the Petrol Group sold 1,317.6 thousand tons of petroleum products, a year-on-year decrease of 13 percent. 46 percent of sales were generated in retail and 54 percent in wholesale operations. The biggest decrease was recorded in the sale of fuels in the EU markets, especially Italy, where a number of excise warehouses were shut down. This prevented us from increasing imports of petroleum products to the country. Retail sales were affected primarily by the movement restriction measures taken by countries to curb the coronavirus pandemic. In 2020, the lockdown was imposed in mid-March, whereas this year, the major restrictions took place in the first months. Compared to 2020, we sold much less motor fuel, especially in the first two months, whereas in the last months of the half-year period, sales increased year-on-year. Moreover, the sales of extra light fuel oil were much better in the first six months of 2020 compared to this year owing to the very low prices of petroleum products; usually, the highest sales of extra light fuel oil are recorded in autumn. In Slovenia, the sales of petroleum products in the first six months stood at 637.2 thousand tons, accounting for 48 percent of the Petrol Group's total sales. In the period concerned, the Group sold 380.5 thousand tons of petroleum products in SE Europe markets, accounting for 29 percent of the Petrol Group's total sales, and 300.0 thousand tons in EU markets, representing 23 percent of the Group's total sales.

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

In the first six months of 2021, EUR 242.1 million was generated in revenue from the sale of merchandise, an increase of 6 percent compared to the same period of the previous year.

In the period concerned, we sold 66.3 thousand tons of LPG, 19.5 TWh of natural gas, 7.4 TWh of electricity, and 90.6 thousand MWh of heat.

In the first six months of 2021, **EBITDA** stood at EUR 102.1 million, an increase of 59 percent compared to the same period of the previous year and 24 percent compared to 2019. This was achieved by having successfully adapted sales to market conditions and through effective cost management.

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

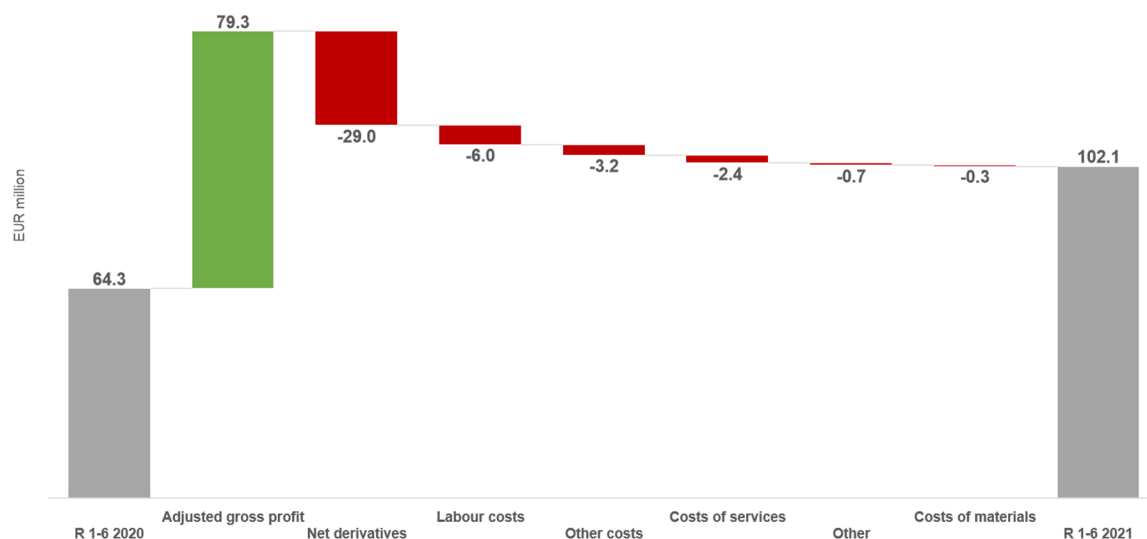


Figure 12: EBITDA in the first six months of 2021 compared to the same period of 2019

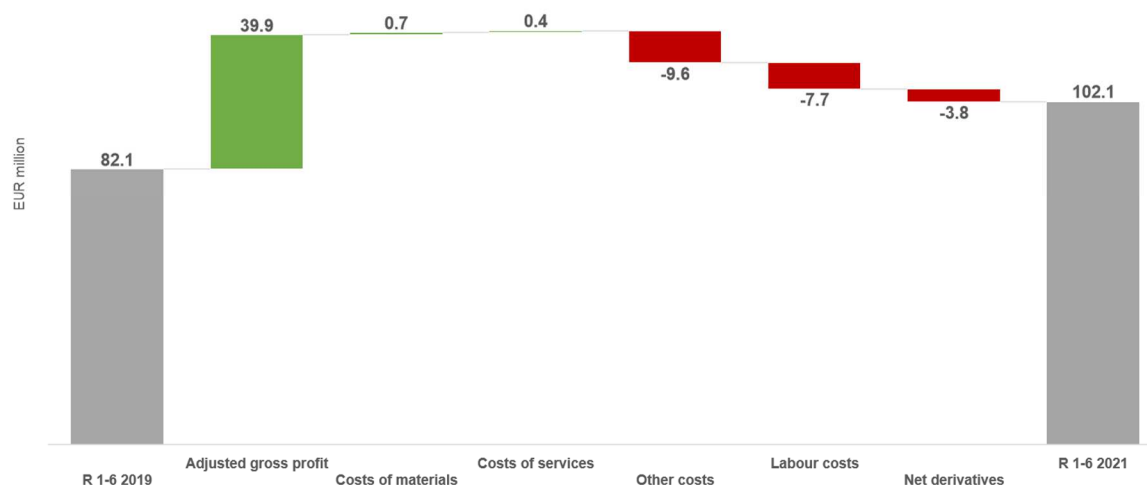
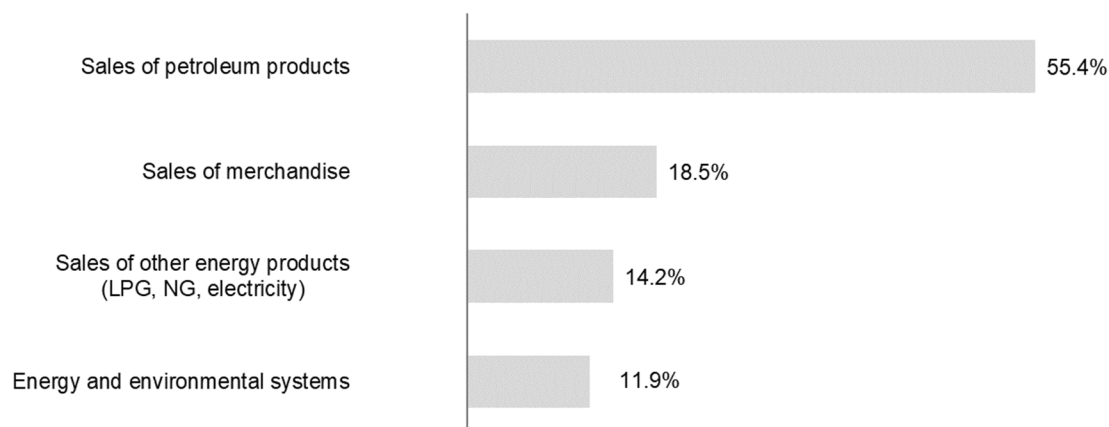
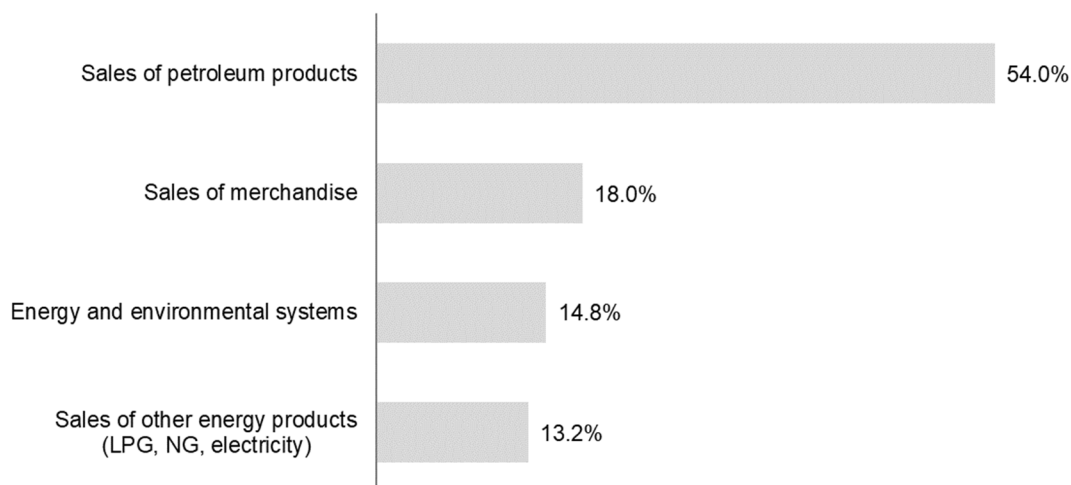


Figure 13: The Petrol Group's EBITDA by activity in the first six months of 2021



Adjusted gross profit stood at EUR 258.1 million in the period concerned, which is 44 percent more than in the first six months of 2020 and 18 percent more than in the same period of 2019. In the first six months of 2021, we secured better procurement conditions both for petroleum products and merchandise. In addition, as the setting of selling prices was liberalised in Slovenia, we were able to include the real costs of the biocomponent, which we are legally required to add to fossil fuels, in the petroleum-product selling prices in the Slovenian market. We were also very successful in selling natural gas. As the situation stabilised in the EU markets, better financial results were achieved despite a decrease in sales in the Italian market. In the last weeks of March 2020, the impact of the Covid-19 pandemic, which led to goods surpluses in the market, could already be felt in these markets. This caused prices in global petroleum-product markets to decline sharply, leading to much weaker financial results in 2020 compared to this year. The effect of the pandemic on the Petrol Group's performance was the largest in the second quarter of 2020 and the first quarter of 2021, as we were still faced with a range of measures taken by countries to curb the epidemic, which restricted movement between local communities as well as countries, thereby depressing the sales of motor fuels, Petrol's sales mainstay.

Figure 14: The Petrol Group's adjusted gross profit by activity in the first six months of 2021



In the first six months of 2021, **operating costs** totalled EUR 188.1 and were up 7 percent compared to 2020 and 12 percent compared to the period concerned in 2019. The share of

these operating costs in the adjusted gross profit for the period concerned stood at 73 percent compared to 98 percent in the same period of 2020 and 77 percent in the same period of 2019.

Table 2: The Petrol Group's operating costs

The Petrol Group (EUR)	1-6 2021	1-6 2020	1-6 2019	Index 21/20	Index 21/19
Costs of materials	14,327,945	14,030,958	15,068,313	102	95
Costs of services	66,955,449	64,556,995	67,384,119	104	99
Labour costs	55,822,369	49,825,061	48,149,575	112	116
Depreciation and amortisation	37,119,405	36,911,597	32,934,751	101	113
Other costs	13,883,159	10,726,577	4,299,537	129	323
Operating costs	188,108,327	176,051,188	167,836,295	107	112

In the first six months of 2021, the costs of materials totalled EUR 14.3 million, which was 2 percent more than in the same period of 2020, owing especially to the higher costs of energy, whereas the costs of consumables were lower. The costs of energy increased mainly at the Geoplin Group and the parent company as a result of higher sales than that achieved in the previous year.

The costs of services stood at EUR 67.0 million and were up 4 percent year-on-year. The service station manager costs decreased thanks to the streamlining of business and the fact that the management of some service stations was transferred to the parent company. Furthermore, outsourcing costs and the costs of real estate management and transport services also decreased. Lease payments (computer equipment lease, as planned), fixed asset maintenance costs (service station cleaning – as planned, the dynamic of the incurred costs of utility services is different from that in 2020; these costs are expected to be lower in the next half-year period, the incorporation of E 3, d.o.o. into the Petrol Group), the costs of fairs, advertising and entertainment, the costs of payment transactions and banking services (the incorporation of E 3, d.o.o. into the Petrol Group), the costs of professional services (the incorporation of E 3, d.o.o. into the Petrol Group) and the costs of fire protection and physical and technical security were up.

Labour costs, which stood at EUR 55.8 million, were up 12 percent. At Petrol d.d., labour costs increased in line with good business results and due to a change in the management of certain service stations, which was transferred from the manager to the parent company. Labour costs also increased because of the incorporation of E 3, d.o.o. into the Petrol Group.

In line with the measures taken by countries to contain the Covid-19 pandemic, the Petrol Group made use of measures relating to the reimbursement of labour costs in the total amount of EUR 0.5 million in the first half of 2021 (the first half of 2020: EUR 3.1 million) and recorded the effects as a decrease in labour costs.

The depreciation and amortisation charge, which stood at EUR 37.1 million in the first six months of 2021, increased by 1 percent compared to the same period of 2020, especially because of the incorporation of E 3, d.o.o. into the Petrol Group.

Other costs totalled EUR 13.9 million and were up 29 percent year-on-year.

Other revenue stood at EUR 42.5 million and was EUR 23.9 million lower than in the same period of 2020. Gain on derivatives totalled EUR 40.0 million, EUR 23.6 million less than in 2020. **Other expenses** stood at EUR 47.5 million, an increase of EUR 5.8 million over the same period of 2020. Loss on derivatives totalled EUR 46.9 million or EUR 5.4 million more than in the same period of 2020. The Petrol Group is exposed to price and volumetric risks arising from energy operations (petroleum products, natural gas, electricity, LPG). The Group manages price and volumetric risks primarily by aiming to align purchases and sales of energy products in terms of quantities as well as purchase and sales conditions, thus securing its margin. Depending on the business model for each energy product, limits are in place that restrict exposure to price and volumetric risks. The Group uses mostly derivative financial instruments to hedge petroleum product prices. Partners in this area include global financial institutions and banks or suppliers of goods; therefore, the Group considers the counterparty default risk as minimal. The Group enters into derivative financial instruments also in connection with electricity trading, engaging financial institutions to ensure minimal counterparty default risk and taking into account the adopted market value limits.

In the first six months of 2021, **operating profit** totalled EUR 65.0 million and was up 137 percent compared to 2020 and 32 percent compared to the same period of 2019.

The **share of profit from equity accounted investees** stood at EUR 0.5 million and was down 10 percent compared to 2020 and up 5 compared to the same period of 2019.

Net finance expenses stood at EUR 5.9 million in the first six months of 2021, which was EUR 2.9 million more than in the period concerned of 2020 and EUR 4.6 million more than in the same period of 2019. Net foreign exchange losses were EUR 2.9 million higher in the first six months of 2021 than in the same period of 2020, with net gains on derivatives EUR 0.2 million lower compared to the same period of previous year.

Pre-tax operating profit for the first six months of 2021 amounted to EUR 59.6 million and was up 139 percent compared to the first six months of 2020 and 23 percent compared to the same period of 2019. **Net profit** for the first six months of 2021 totalled EUR 49.4 million or 140 percent more than in the same period of 2020 and 21 percent more than in the same period in 2019.

The Petrol Group's **total assets** stood at EUR 1.8 billion as at 30 June 2021, 2 percent more than at the end of 2020. Non-current assets totalled EUR 1.1 billion, down 2 percent compared to the end of 2020, with current assets amounting to EUR 783.8 million or 8 percent more than at the end of 2020. Current operating receivables were up EUR 45.6 million compared with the end of 2020, primarily due to the incorporation of E 3, d.o.o. into the Petrol Group and higher prices of petroleum products.

The Petrol Group's **equity** stood at EUR 834.1 million as at 30 June 2021, an increase of 1 percent year-on-year.

Net debt totalled EUR 282.9 million or EUR 45.1 million less than at the end of 2020. The annualised **net debt to EBITDA ratio** stood at 1.3 compared to 2.0 at the end of 2020.

As at 30 June 2021, the Petrol Group had EUR 66.2 million in **working capital** or EUR 19.9 million less than at the end of 2020 when it stood at EUR 86.2 million, mainly owing to higher operating receivables.

Having responded quickly to changed market conditions, both by adjusting and diversifying its product range and by streamlining and optimising costs, the Petrol Group managed to mitigate the negative impact of the pandemic on its operations already in 2020. The efforts and activities aimed at optimising costs and streamlining business operations had a positive impact also on the business results for the first six months of 2021. The Petrol Group will continue to keep a close eye on the behaviour of its customers, all the while adapting its range of products and services to market situation.

Below is a detailed presentation of the Petrol Group's operations in the first six months of 2021 broken down by activity:

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

A. SALES

In the first six months of 2021, the Petrol Group recorded a sales revenue of EUR 1.8 billion in this segment.

Sales of petroleum products

In the first six months of 2021, the Petrol Group sold 1,317.6 thousand tons of petroleum products, a year-on-year decrease of 13 percent. The biggest decrease was recorded in relation to the sale of fuels in the EU markets, especially Italy, where a number of excise warehouses were shut down. This prevented us from increasing imports of petroleum products to the country. Retail sales were affected primarily by the movement restriction measures taken by countries to curb the coronavirus epidemic. In 2020, the lockdown was imposed in mid-March, whereas in 2021, the major restrictions took place in the first three months. Compared to 2020, the sales of motor fuel decreased, especially in the first two months, whereas in the last months of the half-year period, sales increased year-on-year. Moreover, the sales of extra light fuel oil were much better in the first six months of 2020 compared to this year owing to the very low prices of petroleum products; usually, the highest sales of extra light fuel oil are recorded in autumn.

In Slovenia, the six-month sales of petroleum products stood at 637.2 thousand tons, down 1 percent compared to the same period of 2020. Good results were achieved in diesel fuel sales.

In SE Europe markets, 380.5 thousand tons of petroleum products were sold in the first six months of 2021, which was on a par with the comparable period of the previous year.

In EU markets, 300.0 thousand tons of petroleum products were sold in the first six months of 2021, a year-on-year decrease of 39 percent. This was mainly the result of the changed selling conditions in Italy.

The Petrol Group with new, even more powerful Q Max fuels

The Petrol Group launched a new generation of Q Max fuels in May 2021, tailoring the quality of motor fuels to the requirements and challenges of state-of-the-art motor technologies and new development solutions in the field of fuel additives. New generations of petrol and diesel engines require state-of-the-art fuels, which must pursue particularly the following goals:

- lower consumption and even better energy efficiency;
- keep the engine in a stable operating condition;
- lower emissions and negative effects of fuel consumption on the environment.

The new generation of Q Max fuels has remained the mainstay of Petrol's fuel quality even with the diversified range of energy products and other merchandise on the market. By continuously developing fuels, we play an active role in reducing emissions and transitioning to a low-carbon society. The Petrol Group will continue to supply fuels of the highest quality that will meet state-of-the-art technological requirements as well as the highest environmental standards.

Sales of merchandise

Merchandise sales includes sales of automotive products, foodstuffs, accessories, tobacco and lottery products, coupons and cards, coffee-to-go, and other merchandise. The Petrol Group generated EUR 242.1 million in revenue from the sale of merchandise in the first six months of 2021, an increase of 6 percent compared to the same period of the previous year.

In Slovenia, EUR 204.4 million was generated in revenue from the sale of merchandise in the first six months of 2021, an increase of 8 percent year-on-year. The best results were achieved in the sales of tobacco, hot beverages (coffee to go) and products from the Fresh range. The range of merchandise sold at Petrol's points of sale is quickly adjusted to meet the needs of our service station customers.

In SE Europe markets, EUR 37.7 million was generated in revenue from the sale of merchandise in the first six months of 2021, a decrease of 2 percent compared to the same period of the previous year. The best results were achieved in tobacco, hot beverage, food, and automotive product sales.

Sales of services

Services include revenue from petroleum-product storage and handling services, business premise and hospitality facility lease, transport, carwash services, revenue from Petrol Club cards, and other services. In the first six months of 2021, the Petrol Group generated EUR 20.8 million in revenue from the services related to oil and merchandise sales, up 2 percent compared to the same period of 2020.

Sales of liquefied petroleum gas

In the first six months of 2021, the Petrol Group sold 66.3 thousand tons of liquefied petroleum gas, a year-on-year decrease of 13 percent. The drop in LPG sales in the first half year compared to the same period of the previous year was primarily due to lower sales by Petrol LPG d.o.o., which had to deliver goods using railway tankers instead of barges at the Smederevo terminal because of logistical problems, thereby diminishing our competitiveness in the market. Decreased mobility stemming from the Covid-19 containment measures both in Slovenia and Croatia has also caused a drop in the sales of LPG as a motor fuel.

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

Sales of natural gas

At the end of June 2021, the Petrol Group had 50.7 thousand natural gas consumers. In the first six months of 2021, the Petrol Group sold 19.5 TWh of natural gas, a year-on-year increase of 58 percent. This was the result of lower temperatures during the heating season and higher sales in foreign markets.

Electricity sales and trading

The Petrol Group has positioned itself as an important electricity market player. It set up a complete infrastructure for wholesale electricity trading in Slovenia, EU countries and SE Europe countries. Electricity sales to end users (businesses and households) already in place in Slovenia are now being expanded to SE Europe. At the end of June 2021, the Petrol Group had 226.9 thousand electricity customers.

In the first six months of 2021, the Petrol Group sold 7.4 TWh of electricity, a year-on-year decrease of 32 percent. This was the result of a lower trading volume. Sales to end customers stood at 1.8 TWh in the first six months of 2021, which was 113 percent more than in the same period of 2020. This was primarily due to the incorporation of E 3, d.o.o. into the Petrol Group. With the acquisition of E 3, d.o.o., the Petrol Group has considerably strengthened its position in the end customer electricity sales market.

B. ENERGY AND ENVIRONMENTAL SYSTEMS

In the first six months of 2021, the Petrol Group generated EUR 38.8 million in sales revenue in this segment.

Energy and environmental systems consist of a range of products and services offered in the following fields:

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

Energy and environmental solutions

Long-term contract-based supply of energy and contractually guaranteed energy and water savings (performance contracting) are the most common project implementation models in the public sector, the commercial sector, and the 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 for measure implementation, 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 carried out mainly using the public-private partnership model.

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

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

Heat systems

District heat supply consists of heating systems where heat is produced in one or more boiler rooms and distributed to end customers via a hot-water network. Heat distribution systems are now considered to be one of the most reliable and, in terms of the environment and costs, acceptable systems for supplying heat to end customers. Buildings supplied via a district heating system do not require their own heating source, with the system itself providing the following supply advantages:

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

- lower cost of investment,
- lower costs of operation and maintenance.

In the first six months of 2021, the Petrol Group sold 90.6 thousand MWh of heat, a year-on-year increase of 13 percent.

Natural gas distribution

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

In the first six months of 2021, the Petrol Group distributed 770.3 thousand MWh of natural gas, a year-on-year increase of 20 percent.

Mobility

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

In the context of e-mobility, we carry out services linked to the setting up, management and maintenance of infrastructure for the charging of electric vehicles as well as services linked to the performance and billing of the charging service, and customer care. These services and solutions are also offered to companies and municipalities.

In the first six months of 2021, the Petrol Group managed 164 regular charging stations (maximum capacity of 22 kW), 63 fast charging stations (maximum capacity of 75 kW) and 3 ultra-fast charging stations (maximum capacity of 350 kW).

In 2021, we have continued our work on all three international projects for which we received EU grants and established partnerships in order to co-finance the setting up of charging points at motorway service stations. As part of the NEXT-E project, we set up and activated 5 new fast charging stations and 3 ultra-light charging stations (the Kozina, Maribor Vzhod and Tepanje Zahod service stations) at key motorway corridors in Slovenia in the first six months of 2021. Furthermore, we set up 2 new fast charging stations for public use in Croatia. Additionally, as part of the URBAN-E project, we provided 14 regular and 1 fast charging stations for public use in Ljubljana, and 1 fast charging station in Zagreb. As part of the MULTI-E project, we set up and activated 8 regular charging stations in Maribor. At the end of June 2021, Petrol's charging stations had more than 5,500 users.

We successfully launched the OneCharge app in Croatia, which is a prerequisite for the charging service billing in the future. In addition, the infrastructure in Croatia was integrated into the world's largest roaming platform, Hubject, so that as many charging providers as possible can have access to it. At the end of June 2021, 14 charging providers had roaming access to Petrol's infrastructure.

In the area of mobility services, we develop services related to new concepts and types of mobility such as "vehicle as a service". At the end of June 2021, we had 62 electric vehicles in business lease at end customers. Following a successful acquisition of Atet d.o.o., our range of market services now also includes short-term leasing of vehicles and door-to-door services. In addition, we develop commercial fleet management services, aiming to assist larger companies and municipalities to make a transition towards electrification, manage their fleets and, as the ultimate goal, optimise their fleets in terms of costs and function. We launched a new trademark, Atet-Petrol, to further enhance recognisability and joint marketing of products.

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

Renewable electricity generation

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

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

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

In the first six months of 2021, the Petrol Group generated 58.3 thousand MWh of electricity, a year-on-year increase of 18 percent.

Sustainable development

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

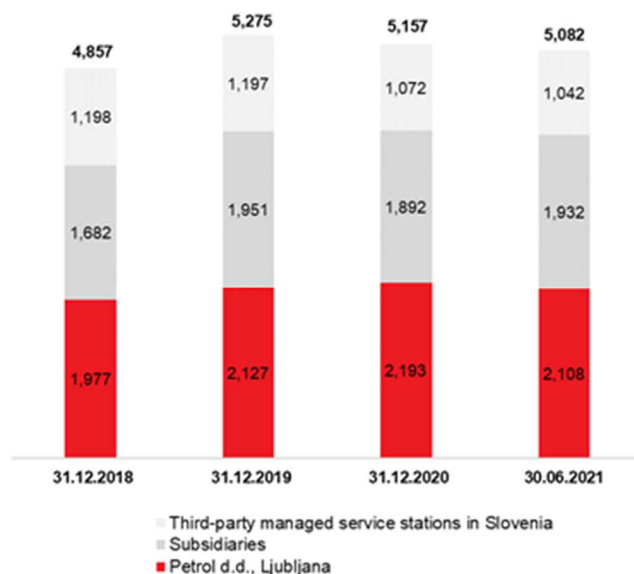
The Petrol Group has a three-fold sustainable orientation:

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

Employees

On 30 June 2021, the Petrol Group had 5,082 employees, of which 35 percent worked for subsidiaries abroad. The number of employees decreased by 75 compared to the end of 2020. At Petrol d.d., Ljubljana and third-party managed points of sale, the number of employees decreased by 115, whereas the number of employees working at subsidiaries increased by 40 as a result of the incorporation of E 3, d.o.o. into the Petrol Group.

Figure 15: Changes in the number of employees of the Petrol Group and at third-party managed service stations in the period 2018 – 2021



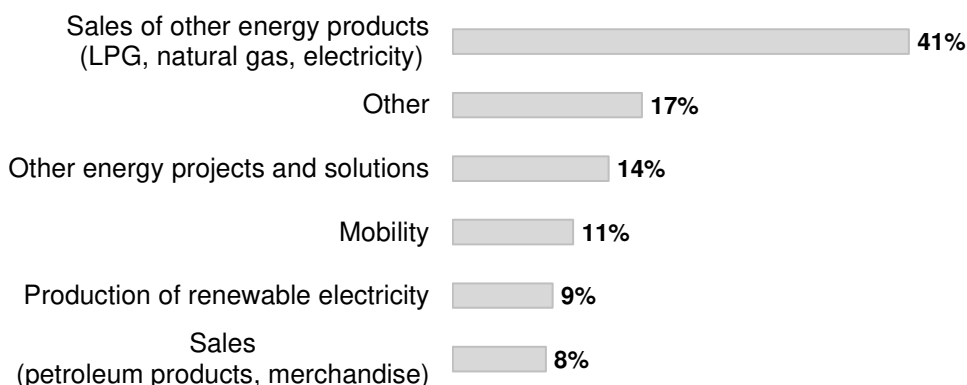
Training

In the first six months of 2021, the Petrol Group provided more than 39 thousand teaching hours of training for more than 17 thousand participants. An internal training system is in place within the Petrol Group to provide training to all employees in a systematic and comprehensive manner. In the second quarter of 2021, many computer training events were organised for various target groups; all employees were included in the educational campaign about the new generation of Q Max fuels; furthermore, we launched short video tips to improve communication with customers called Minuta za prodajo ("A Minute for Sales"). Our occupational health promotion activities are being implemented as planned. Moreover, we have revamped our development interviews for the employees who wish to be engaged in an even more focused personal and professional development.

Investments

In the first six months of 2021, net investments in property, plant and equipment, intangible assets and long-term investments stood at EUR 26.3 million (as opposed to EUR 33.5 million in the first six months of 2020). Out of the above amount, 41 percent was allocated to sales of other energy products (LPG, natural gas, electricity), 17 percent to other areas (upgrading of information and other infrastructure), 14 percent to other energy projects and solutions, 11 percent to mobility, 9 percent to production of renewable electricity and 8 percent to sales of petroleum products.

Figure 16: Breakdown of the Petrol Group's investments in the first six months of 2021



Quality management system

At Petrol, we regularly update the quality systems that we have in place, such as a certified quality management system (ISO 9001), environmental management system (ISO 14001) and energy management system (ISO 50001). In addition to the certified systems, the Company's comprehensive quality management system incorporates the requirements of the HACCP food safety management system, the occupational health and safety system according to ISO 45001, and the IT security system in line with ISO 27001.

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

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

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

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

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

At Petrol d.o.o., a surveillance audit of the ISO 9001 quality management system and the ISO 14001 environmental management system was carried out in May. No nonconformity was found.

At Petrol d.d., Ljubljana, a surveillance certification audit of the ISO 9001 quality management system and the ISO 14001 environmental management system was conducted in April and June. No nonconformity was found.

Table 3: Overview of certificates and laboratory accreditations

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

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

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

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

Social responsibility

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

Risk management

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

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

In the first six months of the year, all of the activities adopted in 2020 to manage risks arising from the Covid-19 pandemic and mitigate the negative effects arising therefrom were continued.

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

A detailed report on the impact of the Covid-19 pandemic on the Petrol Group's operations and risk management is presented in section "The Petrol Group's operations in the first six months of 2021".

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

- Environment risks, and
- Performance risks.

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

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

Price and volumetric risk and foreign exchange risk

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

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

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

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

Credit risk

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

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

As part of the usual receivable management processes, we constantly and actively pursue the collection of receivables, a process which has been even more intense since the Covid-19 pandemic onset due to the exceptional economic situation. We refine procedures for approving the amount of exposure (limits) to individual buyers and, in these demanding times, try to maintain the range of first-class credit insurance instruments as a requirement to approve sales (receivables insurance with credit insurance companies, bank guarantees, collaterals, corporate guarantees, securities, pledges). In the previous year, this was a significant challenge. At the beginning of 2020, the Petrol Group introduced a new insurance scheme for keeping track of the Group's needs in the field of credit risk insurance as market conditions

evolve. A great deal of work is put into the management of receivables from all customers in Slovenia, and significant attention is also devoted to the collection of receivables in SE Europe markets, where the solvency and payment discipline of the business sector differs from that in Slovenia. Receivables are systematically monitored by portfolio, region and organisational unit as well as by credit risk assessment, level of insurance and individual customer. In addition, we introduced centralised control over credit insurance instruments received and centralised the collection process.

Due to the pandemic and the resulting economic downturn, companies were faced with liquidity shocks leading to our customers having a higher credit risk. In the first six months of 2021, the Petrol Group continued to monitor closely the indicators of increased risk and engaged in intensive communication with its customers. At the operational level, all Petrol Group companies still closely monitor the balance of receivables on a daily basis and actively work with customers when it comes to collecting them.

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

Based on the nature of our products, our market share, our large customer base, a higher volume of secured receivables and the small share of overdue receivables we estimate that credit risks are adequately managed within the Petrol Group. 64 percent of receivables from legal entities are secured, with credit insurance and offsetting against trade liabilities being most widely used insurance instruments (together accounting for 85 percent).

Liquidity risk

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

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

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

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

Interest rate risk

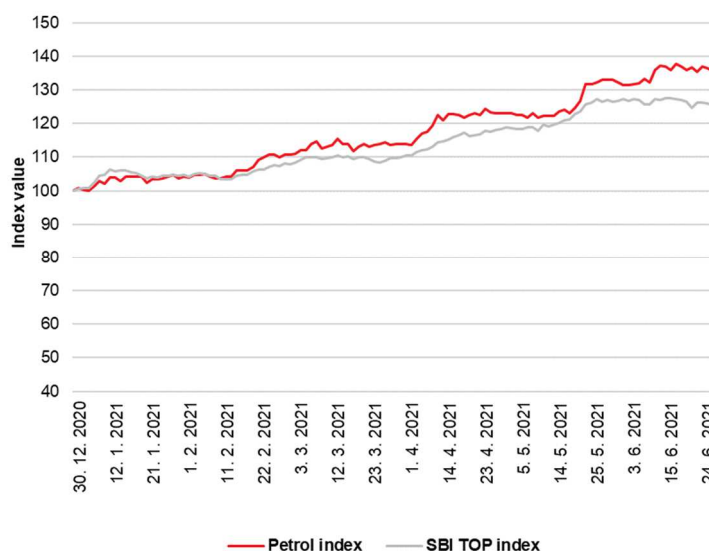
The Petrol Group regularly monitors its exposure to the interest rate risk. 70 percent of the Group's non-current financial liabilities contain a variable interest rate that is linked to EURIBOR. The average EURIBOR rates in the first six months of 2021 were similar to the ones at the end of 2020 and thus remain historically low (negative).

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

Petrol's shares

At the end of June 2021¹, share prices at the Ljubljana Stock Exchange were higher than at the end of 2020. This was also reflected in the SBITOP, the Slovenian blue-chip index, which is used as a benchmark and provides information on changes in the prices of the most important and liquid shares traded on the regulated market. The index also comprises Petrol's shares. The SBITOP stood at 1,124.53 at the end of June 2021 and was up 24.9 percent compared to the end of 2020 when it stood at 900.37. During this period, the price of Petrol's shares increased by 35.1 percent. In terms of trading volume, which in the case of Petrol's shares amounted to EUR 36.0 million between January and June 2021 (this includes batch trading totalling EUR 23.3 million), the Petrol share was ranked second among the shares traded on the Ljubljana Stock Exchange. In terms of market capitalisation, which stood at EUR 915.9 million as at 30 June 2021, the Petrol share was ranked third and accounted for 11.1 percent of the total Slovenian stock market capitalisation on the said date.

Figure 17: Base index changes for Petrol d.d., Ljubljana's closing share price against the SBITOP index in the first six months of 2021 compared to the end of 2020



¹ Sources of data for chapter The Petrol Share: Ljubljana Stock Exchange website, Petrol share register, statements of the Petrol Group for January–June 2021

In the first six months of 2021, the closing Petrol share price ranged between EUR 325.00 and EUR 448.00 per share. The average price for the period stood at EUR 381.27; at the end of June 2021, it stood at EUR 439.00. The Petrol Group's earnings per share stood at EUR 24.03, with the book value per share amounting to EUR 399.79. Petrol d.d., Ljubljana had 21,993 shareholders on 30 June 2021; 564,829 shares or 27.1 percent of all shares were held by foreign legal or natural persons. Compared to the end of 2020, the number of foreign shareholders decreased by 0.2 percentage points.

Figure 18: Closing price and the volume of trading in Petrol's shares in the first six months of 2021

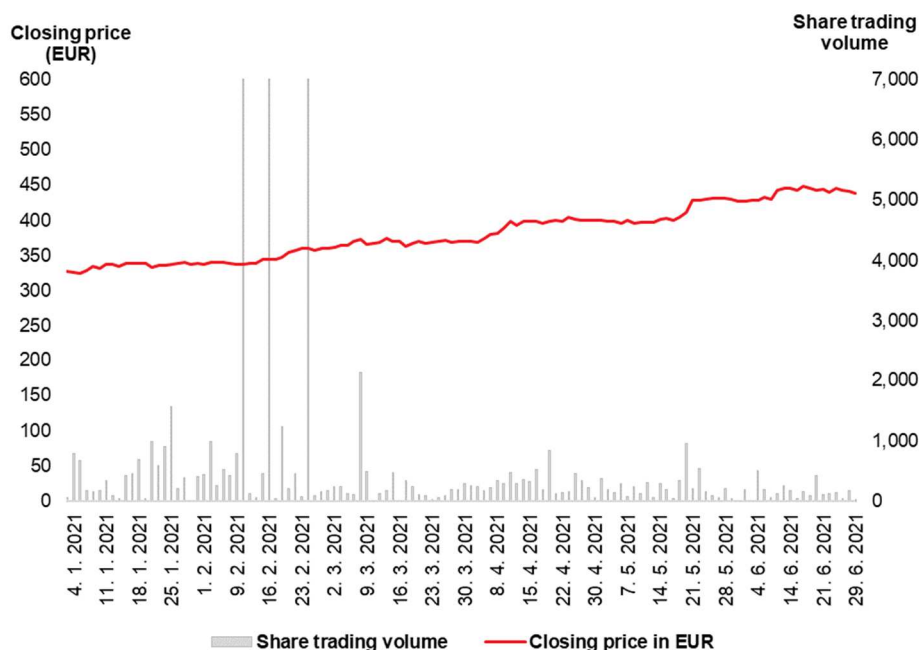


Figure 19: Ownership structure of Petrol d.d., Ljubljana as at 30 June 2021

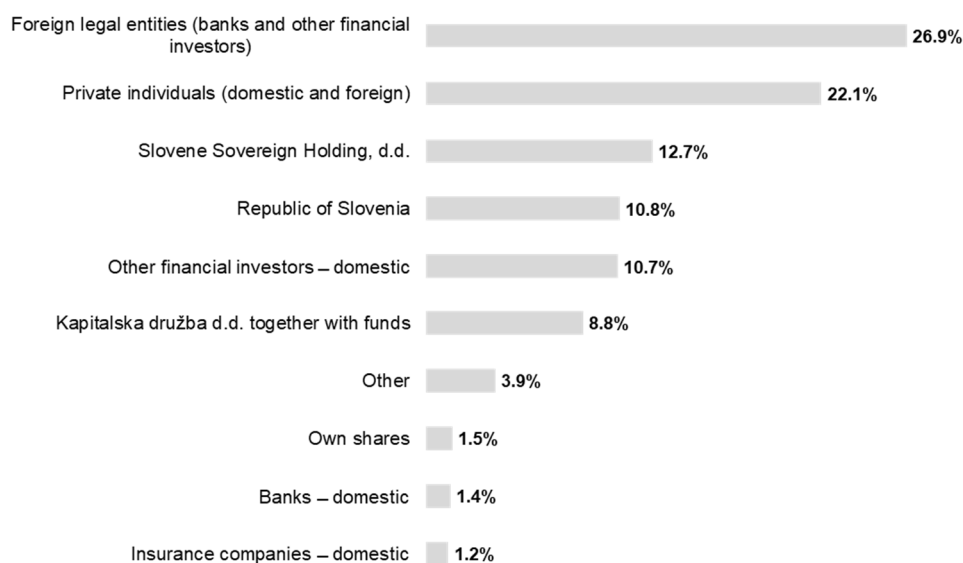


Table 4: Changes in the ownership structure of Petrol d.d., Ljubljana (comparison between 30 June 2021 and 31 December 2020)

	30 June 2021		31 December 2020	
	No. of Shares	in %	No. of Shares	in %
Slovenski državni holding, d.d.	264,516	12.7%	264,516	12.7%
Kapitalska družba d.d. together with own funds	182,973	8.8%	183,181	8.8%
Republic of Slovenia	225,699	10.8%	225,699	10.8%
Other institutional investors - domestic	224,060	10.7%	227,660	10.9%
Banks - domestic	28,507	1.4%	27,920	1.3%
Insurers - domestic	25,479	1.2%	25,779	1.2%
Foreign legal entities (banks and other inst. inv.)	561,750	26.9%	565,270	27.1%
Private individuals (domestic and foreign)	461,654	22.1%	459,584	22.0%
Own shares	30,723	1.5%	30,723	1.5%
Others	80,940	3.9%	75,969	3.7%
Total	2,086,301	100.0%	2,086,301	100.0%

Table 5: 10 largest shareholders of Petrol d.d., Ljubljana as at 30 June 2021

	Shareholder	Address	Number of shares	Holding in %
1	CLEARSTREAM BANKING SA - FIDUCIARNI RAČUN	42 Avenue J. F. Kennedy, L-1855, Luxembourg	285,513	13.69%
2	SLOVENSKI DRŽAVNI HOLDING, D.D.	Mala ulica 5, 1000 Ljubljana	264,516	12.68%
3	REPUBLIKA SLOVENIJA	Gregorčičeva ulica 20, 1000 Ljubljana	225,699	10.82%
4	KAPITALSKA DRUŽBA, D.D.	Dunajska cesta 119, 1000 Ljubljana	172,639	8.27%
5	OTP BANKA D.D. - CLIENT ACCOUNT - FIDUCI	Domovinskog rata 61, 21000 Split, Croatia	142,159	6.81%
6	VIZJA HOLDING, D.O.O.	Dunajska cesta 156, 1000 Ljubljana	71,676	3.44%
7	VIZJA HOLDING ENA, D.O.O.	Dunajska cesta 156, 1000 Ljubljana	65,919	3.16%
8	PERSPEKTIVA FT D.O.O.	Dunajska cesta 156, 1000 Ljubljana	36,262	1.74%
9	UNICREDIT BANK HUNGARY ZRT. - FIDUCIARNI	Szabadsag Ter 5 - 6, 1054 Budapest, Hungary	30,989	1.49%
10	NOVA KBM D.D.	Ulica Vita Kraigherja 4, 2000 Maribor	25,985	1.25%

Table 6: Shares owned by members of the Supervisory and Management Boards as at 30 June 2021

Name and Surname	Position	Shares owned	Equity share
Supervisory Board		88	0.0042%
Internal members		88	0.0042%
1. Marko Šavli	Member of the Supervisory Board	88	0.0042%
2. Alen Mihelčič	Member of the Supervisory Board	0	0.0000%
3. Robert Ravnikar	Member of the Supervisory Board	0	0.0000%
External members		0	0.0000%
1. Janez Žlak	President of the Supervisory Board	0	0.0000%
2. Borut Vrviščar	Deputy President of the Supervisory Board	0	0.0000%
3. Aleksander Zupančič	Member of the Supervisory Board	0	0.0000%
4. Alenka Urnaut Ropoša	Member of the Supervisory Board	0	0.0000%
5. Mladen Kaliterna	Member of the Supervisory Board	0	0.0000%
6. Mario Selecky	Member of the Supervisory Board	0	0.0000%
Management Board		4	0.0002%
1. Nada Drobne Popović	President of the Management Board	4	0.0002%
2. Matija Bitenc	Member of the Management Board	0	0.0000%
3. Jože Bajuk	Member of the Management Board	0	0.0000%
4. Jože Smolič	Member of the Management Board	0	0.0000%
5. Zoran Gračner	Member of the Management Board and Worker Director	0	0.0000%

Contingent increase in share capital

In the period up to 30 June 2021, the General Meeting of Petrol d.d., Ljubljana did not adopt any resolutions regarding the contingent increase in share capital.

Dividend

In accordance with a resolution adopted at the 33rd General Meeting held on 22 April 2021, Petrol d.d., Ljubljana will pay a gross dividend of EUR 22.00 per share for 2020 on 6 August 2021, the same as paid in 2020 for 2019.

Own shares

Petrol d.d., Ljubljana did not repurchase its own shares in the first six months of 2021. As at 30 June 2021, the number of own shares stood at 30,723, representing 1.5 percent of the share capital. This includes 24,703 own shares that were acquired by Petrol d.d., Ljubljana in the period from 1997 to 1999. Their total cost equalled EUR 2.6 million as at 30 June 2021 and was EUR 8.2 million lower than their market value on that date. The remaining 6,020

shares are considered as own shares which were held by the subsidiary Geoplin d.o.o. Ljubljana at the time it was incorporated into the Petrol Group.

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

Regular participation at investors' conferences and external communication

Petrol d.d., Ljubljana has set up a programme of regular cooperation with domestic and foreign investors, which consists of public announcements, individual meetings and presentations, and public presentations. We regularly attend investors' conferences that are organised each year by stock exchanges, banks, and brokerage companies. In the first six months of 2021, we held several individual videoconferences with investors and analysts. In March, we took part in the Ljubljana Stock Exchange's webcast and in May at the online conference "Slovenia and Croatia Investor Day" organised by the Ljubljana Stock Exchange in cooperation with the Zagreb Stock Exchange via the GoToWebinar platform.

Credit rating

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

General Meeting resolutions

Resolutions of the 33rd General Meeting of Petrol d.d., Ljubljana of 22 April 2021 (available via [this link](#)):

- Attorney Uroš Pogačnik from a Grosuplje-based Law Firm Čeferin, Pogačnik, Novak, Koščak in partnerji, o.p., d.o.o. shall be elected Chairman of the General Meeting, and Gregor Mavsar and Barbara Jama Živalič as officials responsible for counting the votes.
- The accumulated profit of EUR 45,355,156 as at 31 December 2020 shall be distributed as follows: part of the accumulated profit amounting to EUR 45,222,716 shall be distributed as dividend payments of EUR 22 per share (gross), with own shares not participating; the remaining accumulated profit of EUR 132,440 and any amounts linked to own shares arising on the date the dividends are paid and amounts resulting from rounding off dividend payments shall be transferred to other revenue reserves. The Company shall pay out dividends on 6 August 2021 to shareholders registered with KDD – the Central Securities Clearing Corporation on 5 August 2021.
- The Company's Management Board shall be granted discharge from liability for the year 2020.
- The Company's Supervisory Board shall be granted discharge from liability for the year 2020.
- The General Meeting of Petrol, Slovenska energetska družba, d.d., Ljubljana shall be informed that at the 44th meeting of the Workers' Council of Petrol, Slovenska energetska

družba, d.d., Ljubljana of 4 December 2020 Alen Mihelčič, Robert Ravnikar and Marko Šavli were elected as employee representatives to the Supervisory Board of Petrol, Slovenska energetska družba, d.d., Ljubljana for the term of office from 23 February 2021 to 22 February 2025.

- The General Meeting adopted resolutions regarding payment to the members of the Supervisory Board.
- The General Meeting shall take note of the resignation notice submitted by Branko Bračko on 25 March 2021 in which he resigned irrevocably as member of the Supervisory Board of Petrol d.d., Ljubljana.
- The General Meeting shall appoint Dr Janez Žlak as Supervisory Board member and shareholder representative for a four-year term of office, effective 22 April 2021.

Supervisory Board of Petrol d.d., Ljubljana

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

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

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

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

Strategy of the Petrol Group for the period 2021 – 2025

On 28 January 2021, the Supervisory Board of Petrol d.d., Ljubljana approved the Strategy of the Petrol Group for the period 2021 – 2025. Ensuring business growth and increasing the profitability of operations while maintaining the commitment to sustainable development are the main principles underpinning the preparation and implementation of the strategic plan.

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

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

The new strategy of the Petrol Group defines clear targets for implementing our vision to become an integrated partner in the energy transition, offering an excellent user experience. This helps us focus on our core business, which is to supply energy products, as it is in this area where we still see great potential and opportunities in connection with the energy transformation.

Creating and cultivating relationships with customers is our priority and we will continue to strengthen our sales network in the region as a result. Thanks to new digital channels, a broader range of energy products and personalised offer, we will be even closer to our customers, helping them to make a transition from traditional energy sources to cleaner renewable energy. Our aim is to become a key link in a broader ecosystem by offering energy sources that are adapted to and co-shape the market. For this reason, we will increase operational efficiency to free up additional funds for investments in renewable energy production.

The Petrol Group recognises the importance of sustainable development. The transition to a low-carbon energy company, partnership with employees and the social environment, and the circular economy constitute the Petrol Group's business commitments in this strategic period. As a partner to industry, public sector and households, Petrol is assuming a leading role in achieving the environmental goals.

Through continuous development of fuels, we will actively contribute to reducing emissions. At the same time, we will help to reduce the carbon footprint of both the Petrol Group and our customers by pursuing clear sustainable policies.

Thanks to improved internal processes, new competences and empowered employees, we will be even more proactive in addressing the current and future needs of our customers in the energy industry and adapt our operations to the user, who is at the centre of our attention. We want to become the first choice for shopping on the go.

In this strategic period, we will remain present in all markets, focusing on:

- Slovenia, where we will consolidate our position of a leading energy company and partner in the energy transition;
- Croatia, where we will use our sales network to expand our portfolio of customers in the field of energy products and energy transition services and invest in renewable electricity production;
- Serbia, where we will increase our share in the energy product sales market.

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

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

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

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

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

The main targets for 2025 are as follows:

- Sales revenue of EUR 4.7 billion (the 2025 sales revenue figures rely on the assumption that energy product prices will match the levels used in the plans for 2021)
- EBITDA of EUR 336 million
- Net debt/EBITDA < 1
- Net profit of EUR 180 million
- Total investments in fixed assets of EUR 698 million in the period 2021 – 2025, of which 35 percent in energy transformation
- Renewable electricity production output of 160 MW
- Retail network consisting of 627 service stations
- 1,575 charging points for electric vehicles
- Energy savings of 73 GWh for end-customers in the period 2021 – 2025

Business plan for 2021

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

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

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

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

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

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

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

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

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

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

The Petrol Group's main business targets for 2021:

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

Considering its six-month results, the Petrol Group is successfully delivering on its 2021 targets.

Events after the end of the accounting period

- The emergence of the SARS-CoV-2 virus and of the global pandemic still affects the operations of the Petrol Group. Countries in which the Group operates are still imposing different measures to contain the pandemic, which are strictly respected by the Petrol Group in all of its markets. On 15 June 2021, the Slovenian government called an official end to its Covid-19 epidemic. Nevertheless, certain containment measures have continued to be in effect. The government will decide which ones will apply on a weekly basis, depending on the epidemiological situation.
- Sustainability reporting is a part of the strategic management of sustainable development. To this end, the Petrol Group has issued a Sustainability Report of the Petrol Group for 2020 (available [here](#)).
- There were no other events after the reporting date that would significantly affect the disclosed operations in the first six months of 2021.

FINANCIAL REPORT

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

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

(in EUR)		The Petrol Group		Petrol d.d.	
	Note	1-6 2021	1-6 2020	1-6 2021	1-6 2020
Sales revenue		1,840,250,601	1,533,001,873	1,284,382,961	1,172,790,344
Cost of goods sold		(1,582,158,968)	(1,354,223,523)	(1,108,820,283)	(1,051,969,819)
Costs of materials	3	(14,327,945)	(14,030,958)	(11,920,260)	(12,143,201)
Costs of services	4	(66,955,449)	(64,556,995)	(54,105,936)	(53,411,494)
Labour costs	5	(55,822,369)	(49,825,061)	(39,893,710)	(34,821,022)
Depreciation and amortisation	6	(37,119,405)	(36,911,597)	(23,235,067)	(23,022,560)
Other costs	7	(13,883,159)	(10,726,577)	(10,719,357)	(5,577,051)
Operating costs		(188,108,327)	(176,051,188)	(139,874,330)	(128,975,329)
Other revenue	2	42,497,825	66,358,131	42,217,664	59,766,833
Other expenses	8	(47,481,049)	(41,666,183)	(46,662,941)	(42,936,722)
Operating profit or loss		65,000,082	27,419,110	31,243,071	8,675,308
Share of profit or loss of equity accounted investees		544,489	605,586	-	-
Finance income from dividends paid by subsidiaries, associates and jointly controlled entities		-	-	899,458	2,807,077
Other finance income	9	12,598,688	28,249,379	9,790,209	24,229,405
Other finance expenses	9	(18,527,391)	(31,290,646)	(14,432,115)	(28,929,281)
Net finance expense		(5,928,703)	(3,041,267)	(4,641,906)	(4,699,876)
Profit before tax		59,615,868	24,983,429	27,500,623	6,782,509
Tax expense		(10,613,997)	(4,566,909)	(4,592,663)	(890,751)
Deferred tax		398,212	142,223	(405,831)	158,225
Corporate income tax		(10,215,785)	(4,424,686)	(4,998,494)	(732,526)
Net profit for the period		49,400,083	20,558,743	22,502,129	6,049,983
Net profit for the period attributable to:					
Owners of the controlling company		46,854,935	18,628,367	22,502,129	6,049,983
Non-controlling interest		2,545,148	1,930,376	-	-
Basic and diluted earnings per share	10	24.03	10.00	10.91	2.93

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

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

(in EUR)	The Petrol Group		Petrol d.d.	
	1-6 2021	1-6 2020	1-6 2021	1-6 2020
Net profit for the period	49,400,083	20,558,743	22,502,129	6,049,983
Other comprehensive income to be recognised in the statement of profit or loss in the future				
Effective portion of changes in the fair value of cash flow variability hedging	2,279,757	(317,397)	1,867,043	(373,896)
Change in deferred taxes	(429,027)	60,870	(354,738)	71,040
Attribution of changes in the equity of subsidiaries	(61,866)	0	-	-
Change in deferred taxes	11,755	0	-	-
Foreign exchange differences	1,776,418	(3,906,827)	-	-
Total other comprehensive income to be recognised in the statement of profit or loss in the future	3,577,037	(4,163,354)	1,512,305	(302,856)
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
Total other comprehensive income not to be recognised in the statement of profit or loss in the future	0	0	0	0
Total other comprehensive income after tax	3,577,037	(4,163,354)	1,512,305	(302,856)
Total comprehensive income for the period	52,977,120	16,395,389	24,014,434	5,747,127
Total comprehensive income attributable to:				
Owners of the controlling company	50,436,523	14,440,800	24,014,434	5,747,127
Non-controlling interest	2,540,597	1,954,589	-	-

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 June 2021	31 December 2020	30 June 2021	31 December 2020
ASSETS					
Non-current (long-term) assets					
Intangible assets	11	191,071,823	194,646,631	158,661,743	161,533,797
Right-of-use assets	12	59,234,251	62,401,606	29,673,410	30,716,648
Property, plant and equipment	13	706,349,569	710,207,621	365,353,465	379,425,104
Investment property		16,946,674	17,522,012	13,177,886	13,551,882
Investments in subsidiaries	14	-	-	372,520,627	351,013,627
Investments in jointly controlled entities	15	541,634	562,016	210,000	233,000
Investments in associates	16	53,447,471	55,953,391	26,610,477	29,185,477
Financial assets at fair value through other comprehensive income	17	4,467,120	4,528,987	2,117,914	2,117,914
Financial receivables		1,879,090	2,680,471	55,476,862	58,124,422
Operating receivables		8,335,999	10,565,315	8,318,871	10,542,414
Deferred tax assets		9,715,036	9,906,032	6,151,435	6,912,005
		1,051,988,667	1,068,974,082	1,038,272,690	1,043,356,290
Current assets					
Inventories	18	203,757,564	169,933,758	100,652,069	87,530,630
Contract assets		2,340,111	1,949,652	2,050,035	3,276,761
Financial receivables	19	1,983,561	2,854,527	16,770,153	22,247,726
Operating receivables	20	412,035,054	366,441,439	262,210,723	237,718,876
Corporate income tax assets		346,491	3,426,549	0	6,317,590
Financial assets at fair value through profit or loss	21	16,016,224	11,316,982	15,910,525	11,262,235
Prepayments and other assets	22	87,296,962	78,506,510	32,953,707	27,371,876
Cash and cash equivalents		60,005,645	88,674,952	21,076,861	44,670,525
		783,781,612	723,104,369	451,624,073	440,396,219
Total assets		1,835,770,279	1,792,078,451	1,489,896,763	1,483,752,509
EQUITY AND LIABILITIES					
Equity attributable to owners of the controlling company					
Called-up capital		52,240,977	52,240,977	52,240,977	52,240,977
Capital surplus		80,991,385	80,991,385	80,991,385	80,991,385
Legal reserves		61,987,955	61,987,955	61,749,884	61,749,884
Reserves for own shares		4,708,359	4,708,359	4,708,359	4,708,359
Own shares		(4,708,359)	(4,708,359)	(2,604,670)	(2,604,670)
Other revenue reserves		285,281,611	316,057,569	307,673,144	338,449,102
Fair value reserve		(790,669)	(753,447)	39,796,454	39,796,454
Hedging reserve		(2,344,993)	(4,195,723)	(2,284,576)	(3,796,881)
Foreign exchange differences		(7,358,727)	(9,126,807)	-	-
Retained earnings		323,201,685	290,793,508	22,502,129	14,446,758
		793,209,224	787,995,417	564,773,086	585,981,368
Non-controlling interest		40,882,814	38,674,020	-	-
Total equity		834,092,038	826,669,437	564,773,086	585,981,368
Non-current liabilities					
Provisions for employee post-employment and other long-term benefits		9,807,170	9,438,977	8,293,721	8,293,721
Other provisions		37,345,668	31,347,421	20,794,212	14,763,837
Long-term deferred revenue		34,855,613	33,412,476	29,236,479	28,419,773
Financial liabilities	23	250,703,400	303,431,060	236,443,723	282,866,603
Lease liabilities	24	51,083,675	54,397,111	26,768,726	27,608,922
Operating liabilities		727,182	727,182	727,182	727,182
Deferred tax liabilities		3,531,447	3,985,700	0	0
		388,054,155	436,739,927	322,264,043	362,680,038
Current liabilities					
Financial liabilities	23	30,853,274	48,766,555	171,106,971	160,688,732
Lease liabilities	24	10,271,064	10,069,352	4,259,323	4,259,323
Operating liabilities	25	533,138,620	437,216,148	396,619,215	348,832,832
Corporate income tax liabilities		4,371,906	1,966,916	3,607,153	0
Contract liabilities	26	18,753,790	14,927,846	14,755,944	8,830,761
Other liabilities	27	16,235,432	15,722,270	12,511,028	12,479,455
		613,624,086	528,669,087	602,859,634	535,091,103
Total liabilities		1,001,678,241	965,409,014	925,123,677	897,771,141
Total equity and liabilities		1,835,770,279	1,792,078,451	1,489,896,763	1,483,752,509

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 2020	52,240,977	80,991,385	61,987,955	4,708,359	(4,708,359)	314,675,779	(894,548)	(4,089,455)	(5,994,856)	271,904,940	770,822,177	40,430,080	811,252,257
Transfer of retained earnings to other reserves						5,491,372				(5,491,372)	0		0
Increase/(decrease) in non-controlling interest						(2,682,394)					(2,682,394)	(5,144,986)	(7,827,380)
Transactions with owners	0	0	0	0	0	2,808,978	0	0	0	(5,491,372)	(2,682,394)	(5,144,986)	(7,827,380)
Net profit for the period										18,628,367	18,628,367	1,930,376	20,558,743
Other changes in other comprehensive income								(256,527)	(3,931,040)		(4,187,567)	24,213	(4,163,354)
Total changes in total comprehensive income	0	0	0	0	0	0	0	(256,527)	(3,931,040)	18,628,367	14,440,800	1,954,589	16,395,389
As at 30 June 2020	52,240,977	80,991,385	61,987,955	4,708,359	(4,708,359)	317,484,757	(894,548)	(4,345,982)	(9,925,896)	285,041,935	782,580,583	37,239,683	819,820,266
As at 1 January 2021	52,240,977	80,991,385	61,987,955	4,708,359	(4,708,359)	316,057,569	(753,447)	(4,195,723)	(9,126,807)	290,793,508	787,995,417	38,674,020	826,669,437
Dividend payments for 2020						(30,775,958)				(14,446,758)	(45,222,716)		(45,222,716)
Increase/(decrease) in non-controlling interest											0	(331,803)	(331,803)
Transactions with owners	0	0	0	0	0	(30,775,958)	0	0	0	(14,446,758)	(45,222,716)	(331,803)	(45,554,519)
Net profit for the period										46,854,935	46,854,935	2,545,148	49,400,083
Other changes in other comprehensive income							(37,222)	1,850,730	1,768,080		3,581,588	(4,551)	3,577,037
Total changes in total comprehensive income	0	0	0	0	0	0	(37,222)	1,850,730	1,768,080	46,854,935	50,436,523	2,540,597	52,977,120
As at 30 June 2021	52,240,977	80,991,385	61,987,955	4,708,359	(4,708,359)	285,281,611	(790,669)	(2,344,993)	(7,358,727)	323,201,685	793,209,224	40,882,814	834,092,038

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 2020	52,240,977	80,991,385	61,749,884	4,708,359	(2,604,670)	339,100,447	39,489,924	(3,897,907)	30,124,614	601,903,014
Net profit for the period									6,049,983	6,049,983
Other changes in comprehensive income								(302,856)		(302,856)
Total changes in total comprehensive income	0	0	0	0	0	0	0	(302,856)	6,049,983	5,747,127
As at 30 June 2020	52,240,977	80,991,385	61,749,884	4,708,359	(2,604,670)	339,100,447	39,489,924	(4,200,762)	36,174,597	607,650,137
As at 1 January 2021	52,240,977	80,991,385	61,749,884	4,708,359	(2,604,670)	338,449,102	39,796,454	(3,796,881)	14,446,758	585,981,368
Dividend payments for 2020						(30,775,958)			(14,446,758)	(45,222,716)
Transactions with owners	0	0	0	0	0	(30,775,958)	0	0	(14,446,758)	(45,222,716)
Net profit for the period									22,502,129	22,502,129
Other changes in other comprehensive income								1,512,305		1,512,305
Total changes in total comprehensive income	0	0	0	0	0	0	0	1,512,305	22,502,129	24,014,434
As at 30 June 2021	52,240,977	80,991,385	61,749,884	4,708,359	(2,604,670)	307,673,144	39,796,454	(2,284,576)	22,502,129	564,773,086

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

Cash flow statement of the Petrol Group and Petrol d.d., Ljubljana

(in EUR)	Note	The Petrol Group		Petrol d.d.	
		1-6 2021	1-6 2020	1-6 2021	1-6 2020
Cash flows from operating activities					
Net profit		49,400,083	20,558,743	22,502,129	6,049,983
Adjustment for:					
Corporate income tax		10,215,785	4,424,686	4,998,493	732,526
Depreciation of property, plant and equipment, investment property and right-of-use assets	6	30,870,662	31,049,227	18,475,089	18,911,341
Amortisation of intangible assets	6	6,248,743	5,862,370	4,759,978	4,111,219
(Gain)/loss on disposal of property, plant and equipment	2, 7	441,879	(298,421)	377,182	(221,501)
Impairment, write-down/(reversed impairment) of assets		2,865,045	5,306,863	1,320,938	0
Revenue from assets under management		(32,438)	(32,528)	(32,438)	(32,528)
Net (decrease in)/creation of provisions for long-term employee benefits		(7,230)	0	0	0
Net (decrease in)/creation of other provisions and long-term deferred revenue		6,788,007	8,153,977	6,847,083	9,656,449
Net goods surpluses		1,157,024	(192,810)	752,199	248,672
Net (decrease in)/creation of allowance for receivables	9	1,455,014	1,214,167	34,724	336,287
Net finance (income)/expense	9	2,312,330	2,633,440	3,043,620	2,237,188
Impairment of investments	9	873,367	948,705	943,000	3,996,530
Share of profit of jointly controlled entities		(137,174)	(115,108)	-	-
Share of profit of associates		(407,315)	(490,478)	-	-
Finance income from dividends received from subsidiaries		-	-	0	(2,099,057)
Finance income from dividends received from joint controlled entities		-	-	(135,495)	(172,934)
Finance income from dividends received from associates		-	-	(763,964)	(535,086)
Cash flow from operating activities before the changes in working capital		112,043,782	79,022,833	63,122,536	43,219,089
Net (decrease in)/creation of other liabilities	27	(120,105)	(2,850,467)	31,575	(5,628,618)
Net decrease in/(creation of) other assets	22	(20,037,006)	(2,948,653)	(13,954,183)	(4,028,655)
Change in inventories	18	(34,843,409)	52,047,123	(13,873,638)	43,569,071
Change in operating and other receivables and contract assets	20	(1,194,426)	116,333,813	(15,450,674)	68,940,833
Change in operating and other liabilities and contract liabilities	25, 26	32,659,100	(88,994,661)	9,718,823	(53,028,516)
Cash generated from operating activities		88,507,936	152,609,988	29,594,440	93,043,204
Interest paid	9	(4,148,567)	(4,385,289)	(3,483,569)	(3,421,293)
Taxes paid		(4,278,146)	(5,412,091)	5,364,506	(435,547)
Net cash from (used in) operating activities		80,081,223	142,812,608	31,475,377	89,186,364
Cash flows from investing activities					
Payments for investments in subsidiaries	14	(14,950,000)	(10,830,964)	(22,450,000)	(11,298,461)
Receipts from investments in subsidiaries	14	0	116,875	0	0
Receipts from investments in associates	16	2,575,000	753,977	2,575,000	753,977
Receipts from intangible assets	11	6,646	0	6,646	0
Payments for intangible assets	11	(2,849,215)	(3,886,765)	(1,894,570)	(3,323,165)
Receipts from property, plant and equipment	13	1,426,442	850,251	255,601	184,429
Payments for property, plant and equipment	13	(27,334,826)	(31,062,986)	(11,471,894)	(20,795,666)
Receipts from investment property		0	241,532	0	241,532
Receipts from loans granted	19	2,139,621	9,286,176	61,627,614	28,053,686
Payments for loans granted	19	(16,300)	(4,663,289)	(52,823,720)	(32,776,405)
Interest received	9	1,271,982	1,739,392	910,338	1,263,893
Dividends received from subsidiaries		-	-	0	2,099,057
Dividends received from jointly controlled entities		135,495	172,934	135,495	172,934
Dividends received from associates		839,083	535,086	763,964	535,086
Dividends received from others		110,000	110,000	0	0
Net cash from (used in) investing activities		(36,646,072)	(36,637,781)	(22,365,526)	(34,889,103)
Cash flows from financing activities					
Payments for right-of-use assets	24	(4,711,580)	(4,720,430)	(1,792,589)	(1,782,365)
Proceeds from borrowings	23	364,862,886	677,419,421	452,972,127	805,354,118
Repayment of borrowings	23	(433,204,412)	(688,740,784)	(483,882,880)	(809,565,504)
Dividends paid to shareholders		(174)	0	(174)	0
Net cash from (used in) financing activities		(73,053,280)	(16,041,793)	(32,703,516)	(5,993,751)
Increase/(decrease) in cash and cash equivalents		(29,618,129)	90,133,034	(23,593,665)	48,303,510
Changes in cash and cash equivalents					
At the beginning of the year		88,674,952	41,730,269	44,670,525	17,680,102
Foreign exchange differences		156,603	(290,905)	-	-
Cash acquired through acquisition of companies		792,219	0	-	-
Increase/(decrease)		(29,618,129)	90,133,034	(23,593,665)	48,303,510
At the end of the period		60,005,645	131,572,398	21,076,861	65,983,612

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 June 2021 and separate financial statements of the company Petrol d.d., Ljubljana for the period ended 30 June 2021. The consolidated financial statements comprise the Company and its subsidiaries as well as the Group's interests in associates and jointly controlled entities (together referred to as the "Group"). A more detailed overview of the Group's structure is presented in the chapter *Organisational structure of the Petrol Group*.

Basis of preparation

a. Statement of compliance

The Company's management approved the Company's financial statements and the Group's consolidated financial statements on 19 August 2021.

The financial statements of Petrol d.d., Ljubljana and consolidated financial statements of the Petrol Group have been prepared in accordance with IAS 34 – Interim financial reporting and should be read in conjunction with the Group's annual financial statements as at 31 December 2020.

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

b. Basis of measurement

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

c. Functional and presentation currency

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

d. Use of estimates and judgements

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

The estimates, judgements and assumptions are reviewed on a regular basis. Because estimates are subject to subjective judgments and a degree of uncertainty, actual results might

differ from the estimates. Changes in accounting estimates, judgements and assumptions are recognised in the period in which the estimates are changed if a change affects that period only. If the change affects future periods, they are recognised in the period of the change and in any future periods.

Estimates and assumptions are mainly used in the following judgements:

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

e. Changes of financial statement presentation

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

Notes to individual items in the financial statements

1. Segment reporting

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

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

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

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

- sales,
- energy and environmental systems.

Sales consist of:

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

The Group's operating segments in the period 1 January - 30 June 2020:

(in EUR)	Sales	Energy and environmental systems	Total	Statement of profit or loss/ Statement of financial position
Sales revenue	1,678,660,476	35,496,581	1,714,157,057	
Revenue from subsidiaries	(181,138,710)	(16,474)	(181,155,184)	
Sales revenue	1,497,521,766	35,480,107	1,533,001,873	1,533,001,873
Net profit for the period	14,981,335	5,577,408	20,558,743	20,558,743
Interest income*	1,233,274	478,693	1,711,967	1,711,967
Interest expense*	(2,999,451)	(1,164,230)	(4,163,681)	(4,163,681)
Depreciation of property, plant and equipment, amortisation of intangible assets, depreciation of investment property and depreciation of right to use of lease assets	(27,461,543)	(9,450,054)	(36,911,597)	(36,911,597)
Share of profit or loss of equity accounted investees	0	605,586	605,586	605,586
Total assets	1,447,403,084	308,312,694	1,755,715,778	1,755,715,778
Equity accounted investees	0	54,399,396	54,399,396	54,399,396
Property, plant and equipment, intangible assets, investment property and right to use of lease assets	733,150,050	237,544,457	970,694,507	970,694,507
Other assets	714,253,034	16,368,841	730,621,875	730,621,875
Current and non-current operating, financial and lease liabilities	689,366,205	143,578,917	832,945,122	832,945,122

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

The Group's operating segments in the period 1 January - 30 June 2021:

(in EUR)	Sales	Energy and environmental systems	Total	Statement of profit or loss/ Statement of financial position
Sales revenue	2,024,866,469	38,838,552	2,063,705,021	
Revenue from subsidiaries	(223,430,481)	(23,939)	(223,454,420)	
Sales revenue	1,801,435,988	38,814,613	1,840,250,601	1,840,250,601
Net profit for the period	49,127,957	272,126	49,400,083	49,400,083
Interest income*	1,038,530	456,999	1,495,529	1,495,529
Interest expense*	(2,705,391)	(1,190,493)	(3,895,884)	(3,895,884)
Depreciation of property, plant and equipment, amortisation of intangible assets, depreciation of investment property and depreciation of right to use of lease assets	(27,125,356)	(9,994,049)	(37,119,405)	(37,119,405)
Share of profit or loss of equity accounted investees	0	544,489	544,489	544,489
Total assets	1,505,434,190	330,336,089	1,835,770,279	1,835,770,279
Equity accounted investees	0	53,989,105	53,989,105	53,989,105
Property, plant and equipment, intangible assets, investment property and right to use of lease assets	713,583,046	260,019,271	973,602,317	973,602,317
Other assets	791,851,144	16,327,713	808,178,857	808,178,857
Current and non-current operating, financial and lease liabilities	719,006,300	157,770,915	876,777,215	876,777,215

*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.	
	1-6 2021	1-6 2020	1-6 2021	1-6 2020
Gain on derivatives	39,999,164	63,553,723	40,399,158	58,056,612
Gain on disposal of fixed assets	181,909	308,905	106,852	231,985
Compensation, litigation proceeds and contractual penalties received	118,894	67,998	79,598	46,952
Compensation received from insurance companies	55,491	45,670	20,775	7,630
Utilisation of environmental provisions	0	7,455	0	7,455
Other revenue	2,142,367	2,374,380	1,611,281	1,416,199
Total other revenue	42,497,825	66,358,131	42,217,664	59,766,833

3. Costs of material

(in EUR)	The Petrol Group		Petrol d.d.	
	1-6 2021	1-6 2020	1-6 2021	1-6 2020
Costs of energy	10,893,016	10,420,271	9,473,425	9,291,901
Costs of consumables	3,080,197	3,270,707	2,273,982	2,632,954
Write-off of small tools	55,230	38,643	27,211	23,599
Other costs of materials	299,502	301,337	145,642	194,747
Total costs of materials	14,327,945	14,030,958	11,920,260	12,143,201

4. Costs of services

(in EUR)	The Petrol Group		Petrol d.d.	
	1-6 2021	1-6 2020	1-6 2021	1-6 2020
Costs of service station managers	14,604,660	18,320,661	14,604,660	18,320,661
Costs of transport services	13,933,430	14,155,413	11,496,963	11,795,900
Costs of fixed-asset maintenance services	11,517,530	10,084,587	9,043,424	7,872,342
Costs of payment transactions and bank services	5,938,409	5,149,427	3,761,395	3,498,012
Lease payments	4,433,932	1,750,013	3,572,027	1,140,640
Costs of professional services	4,101,607	3,669,806	3,185,940	3,134,647
Costs of fairs, advertising and entertainment	3,499,122	2,250,601	2,201,948	1,204,888
Costs of insurance premiums	2,030,228	1,886,003	1,135,291	1,132,376
Outsourcing costs	1,682,301	2,055,316	1,547,972	1,711,136
Costs of fire protection and physical and technical security	1,269,978	948,612	1,067,290	740,876
Costs of environmental protection services	917,243	875,727	591,180	649,229
Property management	535,065	755,220	430,244	708,290
Reimbursement of work-related costs to employees	388,754	463,288	227,901	285,544
Membership fees	330,653	446,062	89,288	148,945
Other costs of services	1,772,537	1,746,259	1,150,413	1,068,008
Total costs of services	66,955,449	64,556,995	54,105,936	53,411,494

Lease expenses

(in EUR)	The Petrol Group		Petrol d.d.	
	1-6 2021	1-6 2020	1-6 2021	1-6 2020
Depreciation of right-of-use assets	5,082,446	5,167,224	1,995,602	2,052,328
Finance expenses	898,357	1,272,465	653,829	681,859
Lease expenses	4,433,932	1,750,013	3,572,027	1,140,640
Total recognised costs/expenses	10,414,735	8,189,702	6,221,459	3,874,827

5. Labour costs

(in EUR)	The Petrol Group		Petrol d.d.	
	1-6 2021	1-6 2020	1-6 2021	1-6 2020
Salaries	41,093,376	36,852,856	29,688,290	26,166,564
Costs of pension insurance	4,422,402	2,474,619	2,874,437	1,791,130
Costs of other social insurance	2,731,212	3,361,576	2,091,606	1,941,323
Meal allowance	1,692,875	1,390,427	1,359,354	1,100,934
Annual leave allowance	1,566,243	1,568,052	1,161,230	1,278,105
Transport allowance	1,559,451	1,507,805	929,483	893,906
Supplementary pension insurance	823,117	733,440	758,550	704,021
Other allowances and reimbursements	1,933,693	1,936,286	1,030,760	945,039
Total labour costs	55,822,369	49,825,061	39,893,710	34,821,022

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

In line with the measures taken by countries to contain the Covid-19 epidemic, the Group made use of measures relating to the reimbursement of labour costs totalling EUR 518,108, recording their effects as a decrease in labour costs.

In accordance with the Act Determining the Intervention Measures to Contain the Covid-19 Epidemic, the Company made use of measures relating to the reimbursement of labour costs totalling EUR 344,694, recording it as a decrease in labour costs.

6. Depreciation and amortisation

(in EUR)	The Petrol Group		Petrol d.d.	
	1-6 2021	1-6 2020	1-6 2021	1-6 2020
Amortisation of intangible assets	6,248,743	5,862,370	4,759,978	4,111,219
Depreciation of property, plant and equipment	25,402,001	25,307,114	16,103,141	16,302,161
Depreciation of right-of-use assets	5,082,446	5,167,224	1,995,602	2,052,328
Depreciation of investment property	386,215	574,889	376,346	556,852
Total depreciation and amortisation	37,119,405	36,911,597	23,235,067	23,022,560

7. Other costs

(in EUR)	The Petrol Group		Petrol d.d.	
	1-6 2021	1-6 2020	1-6 2021	1-6 2020
Disposals/impairment of assets	3,488,833	5,317,347	1,804,973	10,484
Environmental charges and charges unrelated to operations	3,160,051	2,732,151	2,151,167	1,776,069
Sponsorships and donations	792,967	559,462	703,864	439,838
Other costs	7,503,798	3,611,738	6,297,530	3,350,660
Reversal of other provision and other liabilities	(1,062,490)	(1,494,121)	(238,177)	0
Total other costs	13,883,159	10,726,577	10,719,357	5,577,051

8. Other expenses

(in EUR)	The Petrol Group		Petrol d.d.	
	1-6 2021	1-6 2020	1-6 2021	1-6 2020
Loss on derivatives	46,879,037	41,465,729	46,660,472	42,910,523
Other expenses	602,012	200,454	2,469	26,199
Total other expenses	47,481,049	41,666,183	46,662,941	42,936,722

9. Other financial income and expenses

(in EUR)	The Petrol Group		Petrol d.d.	
	1-6 2021	1-6 2020	1-6 2021	1-6 2020
Foreign exchange differences	7,928,276	24,003,807	5,610,728	20,246,251
Gain on derivatives	2,579,927	2,086,879	2,579,927	2,086,879
Interest income	1,495,529	1,711,967	1,343,481	1,472,479
Allowances for receivables reversed and bad debt recovered	229,621	333,772	225,889	318,086
Other finance income	365,335	112,954	30,184	105,710
Total other finance income	12,598,688	28,249,379	9,790,209	24,229,405
Foreign exchange differences	(10,367,039)	(23,552,916)	(7,382,061)	(19,680,277)
Interest expense	(3,895,884)	(4,163,681)	(4,158,939)	(3,557,729)
Allowance for operating receivables	(1,684,635)	(1,547,939)	(260,613)	(654,373)
Loss on derivatives	(1,429,156)	(782,725)	(1,429,156)	(782,725)
Impairment of investments and of goodwill	(873,367)	(948,705)	(943,000)	(3,996,530)
Other finance expenses	(277,310)	(294,680)	(258,347)	(257,647)
Total other finance expenses	(18,527,391)	(31,290,646)	(14,432,115)	(28,929,281)
Net finance expense	(5,928,703)	(3,041,267)	(4,641,906)	(4,699,876)

10. Earnings per share

(in EUR)	The Petrol Group		Petrol d.d.	
	30 June 2021	30 June 2020	30 June 2021	30 June 2020
Net profit (in EUR)	49,400,083	20,558,743	22,502,129	6,049,983
Number of shares issued	2,086,301	2,086,301	2,086,301	2,086,301
Number of own shares at the beginning of the period	30,723	30,723	24,703	24,703
Number of own shares at the end of the period	30,723	30,723	24,703	24,703
Weighted average number of ordinary shares issued	2,055,578	2,055,578	2,061,598	2,061,598
Diluted average number of ordinary shares	2,055,578	2,055,578	2,061,598	2,061,598
Basic and diluted earnings per share (EUR/share)	24.03	10.00	10.91	2.93

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

11. Intangible assets

Intangible assets of the Petrol Group

(in EUR)	Material and other rights	Right to use concession infrastructure	Goodwill	Ongoing investments	Long-term deferred expenses	Total
Cost						
As at 1 January 2020	43,386,512	117,831,441	107,629,738	7,406,707	223,915	276,478,313
New acquisitions	497,079	0	0	3,875,486	11,279	4,383,844
Disposals/Impairments	0	0	(56,610)	0	0	(56,610)
Transfer between asset categories	600,161	(101,915)	0	85,419	0	583,665
Transfer from ongoing investments	3,165,109	2,471,157	0	(5,622,158)	0	14,108
Foreign exchange differences	(105,402)	(133,977)	(275,356)	(2,463)	0	(517,198)
As at 30 June 2020	47,543,459	120,066,706	107,297,772	5,742,991	235,194	280,886,122
Accumulated amortisation						
As at 1 January 2020	(24,490,228)	(54,248,690)	(8,847)	0	0	(78,747,765)
Amortisation	(3,329,803)	(2,529,943)	(2,624)	0	0	(5,862,370)
Transfer between asset categories	(323,106)	323,106	0	0	0	0
Foreign exchange differences	3,053	48,289	153	0	0	51,495
As at 30 June 2020	(28,140,084)	(56,407,238)	(11,318)	0	0	(84,558,640)
Net carrying amount as at 1 January 2020	18,896,284	63,582,751	107,620,891	7,406,707	223,915	197,730,548
Net carrying amount as at 30 June 2020	19,403,375	63,659,468	107,286,454	5,742,991	235,194	196,327,482

(in EUR)	Material and other rights	Right to use concession infrastructure	Goodwill	Ongoing investments	Long-term deferred expenses	Total
Cost						
As at 1 January 2021	44,755,993	122,117,146	105,895,156	7,005,570	364,959	280,138,824
New acquisitions as a result of control obtained	0	1,594,719	0	97,923	18,950	1,711,592
New acquisitions	41,539	43,888	0	2,463,724	300,064	2,849,215
Disposals/Impairments	0	0	(873,367)	(6,646)	0	(880,013)
Transfer between asset categories	0	0	0	58,027	0	58,027
Transfer from ongoing investments	5,860,995	798,089	0	(6,659,084)	0	0
Foreign exchange differences	49,384	69,867	113,778	2,041	0	235,070
As at 30 June 2021	50,707,911	124,623,709	105,135,567	2,961,555	683,973	284,112,715
Accumulated amortisation						
As at 1 January 2021	(26,023,005)	(59,455,652)	(13,536)	0	0	(85,492,193)
New acquisitions as a result of control obtained	0	(1,246,868)	0	0	0	(1,246,868)
Amortisation	(3,589,208)	(2,657,353)	(2,182)	0	0	(6,248,743)
Foreign exchange differences	(19,843)	(32,672)	(573)	0	0	(53,088)
As at 30 June 2021	(29,632,056)	(63,392,545)	(16,291)	0	0	(93,040,892)
Net carrying amount as at 1 January 2021	18,732,988	62,661,494	105,881,620	7,005,570	364,959	194,646,631
Net carrying amount as at 30 June 2021	21,075,855	61,231,164	105,119,276	2,961,555	683,973	191,071,823

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

Based on the assessed value of the assets of the cash-generating unit Zagorski metalac d.o.o., the Group recognised the impairment of assets of EUR 1,316,643, of which EUR 873,367 relates to the impairment of goodwill and EUR 443,276 to the impairment of property, plant and equipment. Lower value estimates are mainly a reflection of lower expectations regarding future cash flows as a result of the need for more investments in fixed assets over the projection period.

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

10.30 percent) and the annual growth rate of remaining free cash flows (the residual value) of 0 percent (2020: 0 percent) were used in testing goodwill for impairment.

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

Intangible assets of Petrol d.d., Ljubljana

(in EUR)	Material and other rights	Right to use concession infrastructure	Goodwill	Ongoing investments	Long-term deferred expenses	Total
Cost						
As at 1 January 2020	34,712,923	107,489,063	87,712,518	6,731,484	223,915	236,869,903
New acquisitions	0	0	0	3,311,886	11,279	3,323,165
Transfer between asset categories	0	498,246	0	72,736	0	570,982
Transfer from ongoing investments	3,116,390	2,163,929	0	(5,280,319)	0	0
As at 30 June 2020	37,829,313	110,151,238	87,712,518	4,835,787	235,194	240,764,050
Accumulated amortisation						
As at 1 January 2020	(23,007,066)	(49,879,553)	0	0	0	(72,886,619)
Amortisation	(2,019,200)	(2,092,019)	0	0	0	(4,111,219)
As at 30 June 2020	(25,026,266)	(51,971,572)	0	0	0	(76,997,838)
Net carrying amount as at 1 January 2020	11,705,857	57,609,510	87,712,518	6,731,484	223,915	163,983,284
Net carrying amount as at 30 June 2020	12,803,047	58,179,666	87,712,518	4,835,787	235,194	163,766,212

(in EUR)	Material and other rights	Right to use concession infrastructure	Goodwill	Ongoing investments	Long-term deferred expenses	Total
Cost						
As at 1 January 2021	34,908,199	111,460,435	85,266,022	6,198,845	163,809	237,997,310
New acquisitions	0	0	0	1,798,351	96,219	1,894,570
Disposals/Impairments	0	0	0	(6,646)	0	(6,646)
Transfer from ongoing investments	5,813,261	287,174	0	(6,100,435)	0	0
As at 30 June 2021	40,721,460	111,747,609	85,266,022	1,890,115	260,028	239,885,233
Accumulated amortisation						
As at 1 January 2021	(21,844,444)	(54,619,069)	0	0	0	(76,463,513)
Amortisation	(2,674,972)	(2,085,006)	0	0	0	(4,759,978)
As at 30 June 2021	(24,519,416)	(56,704,074)	0	0	0	(81,223,491)
Net carrying amount as at 1 January 2021	13,063,755	56,841,366	85,266,022	6,198,845	163,809	161,533,797
Net carrying amount as at 30 June 2021	16,202,044	55,043,535	85,266,022	1,890,115	260,028	158,661,743

12. Right to use of leased assets

Right to use of leased assets of the Petrol Group

(in EUR)	Right of use of leased land	Right of use of leased buildings	Right of use of leased equipment	Total
Cost				
As at 1 January 2020	44,524,592	32,711,406	5,099,421	82,335,419
New acquisitions	7,019,081	3,382,941	0	10,402,022
Disposals	(9,060,689)	(3,341,621)	0	(12,402,310)
Foreign exchange differences	(178,734)	(403,814)	(9,333)	(591,881)
As at 30 June 2020	42,304,250	32,348,912	5,090,088	79,743,250
Accumulated depreciation				
As at 1 January 2020	(3,109,854)	(5,905,560)	(1,781,056)	(10,796,470)
Depreciation	(1,566,647)	(2,696,255)	(904,322)	(5,167,224)
Disposals	704,931	687,868	0	1,392,799
Foreign exchange differences	15,478	81,304	2,611	99,393
As at 30 June 2020	(3,956,092)	(7,832,643)	(2,682,767)	(14,471,502)
Net carrying amount as at 1 January 2020	41,414,738	26,805,846	3,318,365	71,538,949
Net carrying amount as at 30 June 2020	38,348,158	24,516,269	2,407,321	65,271,748
(in EUR)	Right of use of leased land	Right of use of leased buildings	Right of use of leased equipment	Total
Cost				
As at 1 January 2021	43,684,979	31,791,552	5,965,717	81,442,248
New acquisitions as a result of control obtained	0	76,277	120,037	196,314
New acquisitions	0	3,548,651	87,837	3,636,488
Disposals	(3,399,228)	(7,513,225)	(279,320)	(11,191,773)
Foreign exchange differences	51,503	103,162	914	155,579
As at 30 June 2021	40,337,254	28,006,417	5,895,185	74,238,856
Accumulated depreciation				
As at 1 January 2021	(6,197,450)	(9,367,210)	(3,475,982)	(19,040,642)
New acquisitions as a result of control obtained	0	(39,323)	(37,623)	(76,946)
Depreciation	(1,461,274)	(2,813,722)	(807,450)	(5,082,446)
Disposals	1,908,482	6,950,023	350,654	9,209,159
Foreign exchange differences	(1,732)	(11,656)	(342)	(13,730)
As at 30 June 2021	(5,751,974)	(5,281,888)	(3,970,743)	(15,004,605)
Net carrying amount as at 1 January 2021	37,487,529	22,424,342	2,489,735	62,401,606
Net carrying amount as at 30 June 2021	34,585,280	22,724,529	1,924,442	59,234,251

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

(in EUR)	Right of use of leased land	Right of use of leased buildings	Right of use of leased equipment	Total
Cost				
As at 1 January 2020	32,908,459	1,015,136	4,463,798	38,387,393
New acquisitions	6,932,411	524,750	0	7,457,161
Disposals/Impairments	(7,641,424)	(523,632)	0	(8,165,055)
As at 30 June 2020	32,199,446	1,016,254	4,463,798	37,679,499
Accumulated depreciation				
As at 1 January 2020	(2,162,182)	(303,738)	(1,574,909)	(4,040,829)
Depreciation	(1,094,401)	(157,652)	(800,275)	(2,052,328)
Disposals/Impairments	317,859	59,279	0	377,138
As at 30 June 2020	(2,938,724)	(402,112)	(2,375,184)	(5,716,020)
Net carrying amount as at 1 January 2020	30,746,277	711,398	2,888,889	34,346,564
Net carrying amount as at 30 June 2020	29,260,722	614,143	2,088,614	31,963,479
(in EUR)	Right of use of leased land	Right of use of leased buildings	Right of use of leased equipment	Total
Cost				
As at 1 January 2021	32,218,878	930,231	5,338,513	38,487,622
New acquisitions	0	898,834	53,531	952,364
Disposals/Impairments	0	0	(45,167)	(45,167)
As at 30 June 2021	32,218,878	1,829,065	5,346,876	39,394,819
Accumulated depreciation				
As at 1 January 2021	(4,287,714)	(428,912)	(3,054,348)	(7,770,974)
Depreciation	(1,053,585)	(258,816)	(683,202)	(1,995,602)
Disposals/Impairments	0	0	45,167	45,167
As at 30 June 2021	(5,341,299)	(687,728)	(3,692,383)	(9,721,409)
Net carrying amount as at 1 January 2021	27,931,164	501,319	2,284,165	30,716,648
Net carrying amount as at 30 June 2021	26,877,579	1,141,337	1,654,494	29,673,410

13. 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 2020	217,739,798	723,021,907	4,732,655	329,048,249	56,142,718	1,330,685,327
New acquisitions	0	0	0	0	18,145,984	18,145,984
Disposals/Impairments	(5,347,198)	0	0	(1,339,701)	(3,872)	(6,690,771)
Transfer between assets categories	3,077,846	4,009,041	0	(1,967,135)	(5,721,396)	(601,644)
Transfer from ongoing investments	130,040	18,710,559	146,155	18,583,884	(37,570,638)	0
Transfer to investment property	0	0	0	0	(287,472)	(287,472)
Foreign exchange differences	(1,133,323)	(2,548,946)	(5,907)	(1,353,411)	(56,602)	(5,098,189)
As at 30 June 2020	214,467,163	743,192,561	4,872,903	342,971,886	30,648,722	1,336,153,235
Accumulated depreciation						
As at 1 January 2020	0	(428,928,691)	(2,097,886)	(189,726,587)	0	(620,753,164)
Depreciation	0	(12,332,189)	(156,462)	(12,818,463)	0	(25,307,114)
Disposals/Impairments	0	0	0	832,078	0	832,078
Foreign exchange differences	0	1,129,890	4,773	715,245	0	1,849,908
As at 30 June 2020	0	(440,130,990)	(2,249,575)	(200,997,727)	0	(643,378,292)
Net carrying amount as at 1 January 2020	217,739,798	294,093,216	2,634,769	139,321,662	56,142,718	709,932,163
Net carrying amount as at 30 June 2020	214,467,163	303,061,571	2,623,328	141,974,159	30,648,722	692,774,943
Cost						
As at 1 January 2021	218,294,380	746,545,163	4,955,314	347,831,422	51,259,979	1,368,886,258
New acquisitions as a result of control obtained	273,673	5,515,126	6,947,560	1,400	1,314,173	14,051,932
New acquisitions	0	57,904	415	2,933,241	14,093,760	17,085,320
Disposals/Impairments	(1,576,129)	(1,987,463)	(553)	(3,668,335)	(317,279)	(7,549,759)
Transfer between assets categories	0	307,567	(306,624)	(943)	(58,027)	(58,027)
Transfer from ongoing investments	1,322,857	8,150,542	24,322	6,254,388	(15,752,109)	0
Transfer to investment property	0	0	0	0	(2,350)	(2,350)
Transfer from investment property	0	490,562	0	0	0	490,562
Foreign exchange differences	447,627	902,704	2,485	538,886	217,288	2,108,990
As at 30 June 2021	218,762,408	759,982,105	11,622,919	353,890,059	50,755,435	1,395,012,926
Accumulated depreciation						
As at 1 January 2021	0	(448,659,582)	(2,403,660)	(207,615,395)	0	(658,678,637)
New acquisitions as a result of control obtained	0	(1,897,350)	(4,413,176)	0	0	(6,310,526)
Depreciation	0	(12,528,077)	(387,437)	(12,486,487)	0	(25,402,001)
Disposals/Impairments	0	716,588	553	2,099,256	0	2,816,397
Transfer between assets categories	0	1,984	(2,408)	424	0	0
Transfer from investment property	0	(281,466)	0	0	0	(281,466)
Foreign exchange differences	0	(461,430)	(2,451)	(343,243)	0	(807,124)
As at 30 June 2021	0	(463,109,333)	(7,208,579)	(218,345,445)	0	(688,663,357)
Net carrying amount as at 1 January 2021	218,294,380	297,885,581	2,551,654	140,216,027	51,259,979	710,207,621
Net carrying amount as at 30 June 2021	218,762,408	296,872,772	4,414,340	135,544,614	50,755,435	706,349,569

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

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

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

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

(in EUR)	Land	Buildings	Equipment	Ongoing investments	Total
Cost					
As at 1 January 2020	103,350,635	535,951,087	247,981,148	44,292,962	931,575,832
New acquisitions	0	0	0	10,337,141	10,337,141
Disposals/Impairments	(40,335)	0	(770,073)	(3,872)	(814,281)
Transfer between asset categories	0	(572,006)	55,781	(72,736)	(588,961)
Transfer from ongoing investments	11,027	17,568,900	15,837,352	(33,417,280)	0
Transfer to investment property	0	0	0	(287,472)	(287,472)
As at 30 June 2020	103,321,327	552,947,982	263,104,208	20,848,743	940,222,259
Accumulated depreciation					
As at 1 January 2020	0	(381,759,290)	(161,585,211)	0	(543,344,501)
Depreciation	0	(7,840,861)	(8,461,300)	0	(16,302,161)
Disposals/Impairments	0	0	706,072	0	706,072
As at 30 June 2020	0	(389,600,151)	(169,340,439)	0	(558,940,590)
Net carrying amount as at 1 January 2020	103,350,635	154,191,797	86,395,937	44,292,962	388,231,331
Net carrying amount as at 30 June 2020	103,321,327	163,347,830	93,763,769	20,848,743	381,281,669

(in EUR)	Land	Buildings	Equipment	Ongoing investments	Total
Cost					
As at 1 January 2021	102,847,584	567,311,922	265,240,639	17,229,342	952,629,487
New acquisitions	0	0	0	3,987,574	3,987,574
Disposals/Impairments	(328,376)	(1,483,938)	(2,287,071)	(317,279)	(4,416,664)
Transfer between asset categories	0	943	(943)	0	0
Transfer from ongoing investments	1,322,857	7,730,831	5,877,264	(14,930,952)	0
Transfer to investment property	0	0	0	(2,350)	(2,350)
As at 30 June 2021	103,842,065	573,559,758	268,829,889	5,966,335	952,198,048
Accumulated depreciation					
As at 1 January 2021	0	(400,599,347)	(172,605,036)	0	(573,204,383)
Depreciation	0	(7,937,140)	(8,166,001)	0	(16,103,141)
Disposals/Impairments	0	712,414	1,750,526	0	2,462,941
Transfer between asset categories	0	(424)	424	0	0
As at 30 June 2021	0	(407,824,497)	(179,020,086)	0	(586,844,583)
Net carrying amount as at 1 January 2021	102,847,584	166,712,575	92,635,603	17,229,342	379,425,104
Net carrying amount as at 30 June 2021	103,842,065	165,735,261	89,809,803	5,966,335	365,353,465

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

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

14. Investment in subsidiaries

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

(in EUR)	Petrol d.d. 2021	2020
As at 1 January	351,013,627	341,346,801
New acquisitions	22,450,000	8,507,012
Disposals	0	(56,610)
Impairment	(943,000)	(3,047,825)
As at 30 June	372,520,627	346,749,377

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

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

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

15. Investments in jointly controlled entities

(in EUR)	The Petrol Group		Petrol d.d.	
	2021	2020	2021	2020
As at 1 January	562,016	610,273	233,000	233,000
Attributed profit/loss	137,174	115,108	0	0
Dividends received	(135,495)	(172,934)	0	0
Disposals	(22,060)	0	(23,000)	0
Foreign exchange differences	0	(371)	0	0
As at 30 June	541,634	552,076	210,000	233,000

16. Investments in associates

(in EUR)	The Petrol Group		Petrol d.d.	
	2021	2020	2021	2020
As at 1 January	55,953,391	54,655,607	29,185,477	29,939,454
Attributed profit/loss	407,315	490,478	0	0
Dividends received	(839,083)	(535,086)	0	0
New acquisitions	483,993	0	0	0
Decrease	(2,558,145)	(753,977)	(2,575,000)	(753,977)
Foreign exchange differences	0	(9,702)	0	0
As at 30 June	53,447,471	53,847,320	26,610,477	29,185,477

17. Financial assets at fair value through other comprehensive income

(in EUR)	The Petrol Group		Petrol d.d.	
	2021	2020	2021	2020
As at 1 January	4,528,987	4,528,987	2,117,914	2,117,914
New acquisitions	0	1,398,705	0	1,398,705
Impairment (decrease of fair value through profit or loss)	0	(948,705)	0	(948,705)
Impairment (decrease of fair value reserve)	(61,866)	0	0	0
As at 30 June	4,467,120	4,978,987	2,117,914	2,567,914

18. Inventories

(in EUR)	The Petrol Group		Petrol d.d.	
	30 June 2021	31 December 2020	30 June 2021	31 December 2020
Spare parts and materials	2,643,002	2,430,425	2,317,284	2,152,317
Merchandise:	201,114,562	167,503,333	98,334,785	85,378,313
- fuel	86,973,117	71,457,024	68,989,377	56,735,413
- other petroleum products	365,465	525,972	97,033	118,045
- other merchandise	113,775,980	95,520,337	29,248,375	28,524,855
Total inventories	203,757,564	169,933,758	100,652,069	87,530,630

19. Current financial receivables

(in EUR)	The Petrol Group		Petrol d.d.	
	30 June 2021	31 December 2020	30 June 2021	31 December 2020
Loans granted	2,740,123	3,562,384	17,363,143	23,050,622
Adjustment to the value of loans granted	(1,348,495)	(1,330,433)	(1,285,380)	(1,285,380)
Time deposits with banks (3 months to 1 year)	588,217	593,958	0	0
Interest receivables	97,896	122,759	5,300,070	5,000,553
Allowance for interest receivables	(94,180)	(94,141)	(4,607,680)	(4,518,069)
Total current financial receivables	1,983,561	2,854,527	16,770,153	22,247,726

20. Current operating receivables

(in EUR)	The Petrol Group		Petrol d.d.	
	30 June 2021	31 December 2020	30 June 2021	31 December 2020
Trade receivables	441,472,114	406,289,815	275,681,247	262,238,768
Allowance for trade receivables	(51,234,439)	(49,921,950)	(28,802,261)	(30,657,864)
Operating receivables from state and other institutions	4,209,014	2,511,467	174,250	217,146
Operating interest receivables	1,492,268	1,338,849	2,376,332	2,484,533
Allowance for interest receivables	(1,272,624)	(1,214,106)	(981,324)	(1,059,184)
Receivables from insurance companies (loss events)	51,497	143,214	(21,375)	28,473
Other operating receivables	18,738,420	8,227,167	14,741,847	5,018,992
Allowance for other receivables	(1,421,196)	(933,017)	(957,993)	(551,988)
Total current operating receivables	412,035,054	366,441,439	262,210,723	237,718,876

21. Financial assets at fair value through profit or loss

(in EUR)	The Petrol Group		Petrol d.d.	
	30 June 2021	31 December 2020	30 June 2021	31 December 2020
Assets arising from commodity swaps	15,657,883	11,314,346	15,552,184	11,259,599
Assets arising from forward contracts	358,341	2,636	358,341	2,636
Total financial assets at fair value through profit or loss	16,016,224	11,316,982	15,910,525	11,262,235

22. Prepayments and other assets

(in EUR)	The Petrol Group		Petrol d.d.	
	30 June 2021	31 December 2020	30 June 2021	31 December 2020
Prepayments	62,528,399	73,803,420	16,305,324	24,677,675
Prepaid licences, subscriptions, specialised literature, etc.	2,084,441	1,579,289	1,644,360	1,390,210
Prepaid insurance premiums	345,657	734,485	59,736	461,928
Other deferred costs	22,338,465	2,389,316	14,944,288	842,063
Total prepayments and other assets	87,296,962	78,506,510	32,953,707	27,371,876

23. Financial liabilities

(in EUR)	The Petrol Group		Petrol d.d.	
	30 June 2021	31 December 2020	30 June 2021	31 December 2020
Current financial liabilities				
Bank loans	24,523,416	36,621,251	24,523,405	36,620,014
Liabilities to banks arising from interest rate swaps	3,696,028	5,379,273	3,625,877	4,896,601
Liabilities to banks arising from commodity swaps	1,351,011	5,029,689	1,206,276	5,145,357
Bonds issued	47,890	250,309	47,890	250,309
Liabilities to banks arising from forward contracts	10,432	786,222	10,432	786,222
Other liabilities arising from financial instruments	0	0	2,568,846	2,568,846
Other loans and financial liabilities	1,224,497	699,811	139,124,246	110,421,383
	30,853,274	48,766,555	171,106,971	160,688,732
Non-current financial liabilities				
Bank loans	206,517,963	259,249,424	156,638,116	209,427,879
Bonds issued	43,805,607	43,801,874	43,805,607	43,801,874
Loans obtained from other companies	379,830	379,762	36,000,000	29,636,850
	250,703,400	303,431,060	236,443,723	282,866,603
Total financial liabilities	281,556,674	352,197,615	407,550,694	443,555,335

24. Lease liabilities

(in EUR)	The Petrol Group		Petrol d.d.	
	30 June 2021	31 December 2020	30 June 2021	31 December 2020
Non-current lease liabilities	51,083,675	54,397,111	26,768,726	27,608,922
Current lease liabilities	10,271,064	10,069,352	4,259,323	4,259,323
Total lease liabilities	61,354,739	64,466,463	31,028,049	31,868,245

25. Current operating liabilities

(in EUR)	The Petrol Group		Petrol d.d.	
	30 June 2021	31 December 2020	30 June 2021	31 December 2020
Trade liabilities	345,130,980	287,742,078	240,604,258	225,732,060
Excise duty liabilities	79,192,350	89,051,979	68,264,978	81,941,940
Liabilities associated with the allocation of profit or loss	46,162,291	607,895	45,830,485	607,895
Value added tax liabilities	27,526,888	28,464,911	15,588,112	18,681,572
Liabilities to employees	14,736,991	12,264,510	11,926,468	9,700,069
Liabilities for environmental charges and contributions	8,742,665	7,074,616	8,404,852	6,574,164
Other liabilities to the state and other state institutions	4,674,990	4,066,375	2,772,481	2,154,492
Social security contribution liabilities	1,424,603	1,443,461	742,235	809,456
Import duty liabilities	1,397,044	1,068,381	0	0
Liabilities arising from interests acquired	1,323,821	1,423,471	1,100,000	1,199,650
Other liabilities	2,825,997	4,008,471	1,385,346	1,431,534
Total current operating and other liabilities	533,138,620	437,216,148	396,619,215	348,832,832

26. Contract liabilities

(in EUR)	The Petrol Group		Petrol d.d.	
	30 June 2021	31 December 2020	30 June 2021	31 December 2020
Short-term prepayments and collaterals given	15,904,945	13,019,932	12,368,774	7,351,829
Deferred prepaid card revenue	1,378,529	1,665,807	1,248,648	1,478,932
Deferred revenue from rebates and discounts granted	1,470,316	242,107	1,138,522	0
Total contract liabilities	18,753,790	14,927,846	14,755,944	8,830,761

27. Other liabilities

(in EUR)	The Petrol Group		Petrol d.d.	
	30 June 2021	31 December 2020	30 June 2021	31 December 2020
Accrued annual leave expenses	2,678,992	2,613,290	1,784,815	1,784,815
Accrued expenses for tanker demurrage	342,738	387,983	342,738	387,983
Accrued concession fee costs	178,397	366,833	178,397	366,833
Accrued motorway site lease payments	125,532	73,747	125,532	73,747
Other accrued costs	10,694,570	9,804,015	8,028,088	7,555,385
Other deferred revenue	2,215,203	2,476,402	2,051,457	2,310,692
Total other liabilities	16,235,432	15,722,270	12,511,028	12,479,455

28. Financial instruments and risks

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

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

Credit risk

In the first six months of the year 2021 the Group/Company continued to actively monitor the balances of trade receivables and to apply strict terms on which sales on open accounts is approved, requiring an adequate range of high-quality collaterals and pursuing active collection of receivables.

Maximum exposure to credit risk represents the carrying amount of financial assets which was the following as at 30 June 2021:

(in EUR)	The Petrol Group		Petrol d.d.	
	30 June 2021	31 December 2020	30 June 2021	31 December 2020
Financial assets at fair value through other comprehensive income	4,467,120	4,528,987	2,117,914	2,117,914
Non-current financial receivables	1,879,090	2,680,471	55,476,862	58,124,422
Non-current operating receivables	8,335,999	10,565,315	8,318,871	10,542,414
Contract assets	2,340,111	1,949,652	2,050,035	3,276,761
Current financial receivables	1,983,561	2,854,527	16,770,153	22,247,726
Current operating receivables (excluding receivables from the state)	407,826,040	363,929,972	262,036,473	237,501,730
Financial assets at fair value through profit or loss	16,016,224	11,316,982	15,910,525	11,262,235
Cash and cash equivalents	60,005,645	88,674,952	21,076,861	44,670,525
Total assets	502,853,790	486,500,858	383,757,694	389,743,727

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

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

(in EUR)	Breakdown by maturity					Total
	Not yet due	Up to 30 days overdue	31 to 60 days overdue	61 to 90 days overdue	More than 90 days overdue	
Trade receivables	314,932,992	31,695,839	5,075,314	611,619	4,052,101	356,367,865
Interest receivables	37,856	16,889	8,111	1,968	59,919	124,743
Other receivables (excluding receivables from the state)	7,374,118	55,134	3,462	4,650	0	7,437,364
Total as at 31 December 2020	322,344,966	31,767,862	5,086,887	618,237	4,112,020	363,929,972
(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	341,985,286	35,484,203	7,486,408	2,023,389	3,258,389	390,237,675
Interest receivables	56,842	10,917	5,493	36,804	109,588	219,644
Other receivables (excluding receivables from the state)	17,295,711	6,523	0	0	66,487	17,368,721
Total as at 30 June 2021	359,337,839	35,501,643	7,491,901	2,060,193	3,434,464	407,826,040

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

(in EUR)	Breakdown by maturity					Total
	Not yet due	Up to 30 days overdue	31 to 60 days overdue	61 to 90 days overdue	More than 90 days overdue	
Trade receivables	201,953,228	9,636,626	9,019,494	961,715	10,009,841	231,580,904
Interest receivables	0	0	0	0	1,425,349	1,425,349
Other receivables (excluding receivables from the state)	4,461,687	32,808	708	274	0	4,495,477
Total as at 31 December 2020	206,414,915	9,669,434	9,020,202	961,989	11,435,190	237,501,730
(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	214,253,298	17,619,723	4,225,472	1,007,776	9,772,717	246,878,986
Interest receivables	0	0	0	0	1,395,008	1,395,008
Other receivables (excluding receivables from the state)	13,762,479	0	0	0	0	13,762,479
Total as at 30 June 2021	228,015,777	17,619,723	4,225,472	1,007,776	11,167,725	262,036,473

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

(in days)	The Petrol Group		Petrol d.d.	
	1-6 2021	1-12 2020	1-6 2021	1-12 2020
Days sales outstanding				
Contract days	37	49	34	42
Overdue receivables in days	4	5	4	5
Total days sales outstanding	41	54	38	47

Liquidity risk

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

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

The Group/Company manages liquidity risks through:

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

- unified approach to banks in Slovenia and abroad,
- computer-assisted system for the management of cash flows of the parent company and all its subsidiaries,
- centralised collection of available cash through cash pooling.

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

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

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

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

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

The Group's liabilities as at 30 June 2021 by maturity:

(in EUR)	Carrying amount of liabilities	Liability	Contractual cash flows			
			0 to 6 months	6 to 12 months	1 to 5 years	More than 5 years
Non-current financial liabilities	250,703,400	257,447,097	0	0	196,002,293	61,444,804
Non-current lease liabilities	51,083,675	66,075,635	0	0	33,629,838	32,445,797
Non-current operating liabilities (excluding other liabilities)	24,000	24,000	0	0	24,000	0
Current financial liabilities	30,853,274	32,789,241	12,190,153	20,599,088	0	0
Current lease liabilities	10,271,064	11,131,444	5,725,425	5,406,019	0	0
Liabilities arising from commodity forward contracts*	-	306,968,254	170,688,071	57,390,792	78,889,391	0
Current operating liabilities (excluding liabilities to the state, employees and arising from advance payments)	395,443,089	395,443,089	394,834,950	608,139	0	0
As at 30 June 2021	738,378,502	1,069,878,760	583,438,599	84,004,038	308,545,522	93,890,601

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

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

The Company's liabilities as at 30 June 2021 by maturity:

(in EUR)	Carrying amount of liabilities	Liability	Contractual cash flows			
			0 to 6 months	6 to 12 months	1 to 5 years	More than 5 years
Non-current financial liabilities	236,443,723	240,884,045	0	0	158,600,339	82,283,706
Non-current lease liabilities	26,768,726	38,286,993	0	0	15,679,158	22,607,835
Non-current operating liabilities (excluding other liabilities)	24,000	24,000	0	0	24,000	0
Current financial liabilities	171,106,971	173,505,247	149,326,637	24,178,611	0	0
Current lease liabilities	4,259,323	4,381,327	2,314,136	2,067,191	0	0
Liabilities arising from commodity forward contracts*	-	304,409,063	169,854,216	55,665,456	78,889,391	0
Current operating liabilities (excluding liabilities to the state, employees and arising from advance payments)	288,920,089	288,920,089	288,775,606	144,483	0	0
Contingent liabilities for guarantees issued**	-	185,443,825	185,443,825	0	0	0
As at 30 June 2021	727,522,832	1,235,854,590	795,714,420	82,055,740	253,192,889	104,891,541

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

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

Foreign exchange risk

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

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

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

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

In the first six months of 2021, the Group/Company was also exposed to certain other currencies (RON, HUF) and used forward contracts entered into with banks as a hedging instrument.

Exposure to the exchange rates on other markets where the Group/Company is present with its companies is either smaller or their rates against the euro are significantly less volatile. We estimate that the change in the exchange rate would not have a significant impact on the operating profit.

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

An unfavourable change in any currency pair by 10 percent would decrease net profit by a maximum of EUR 1,949,009, with the EUR/BAM currency pair being treated as fixed.

Price and volumetric risk

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

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

Interest rate risk

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

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

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

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

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

Capital Adequacy Management

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

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

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

Carrying amount and fair value of financial instruments

(in EUR)	The Petrol Group			
	30 June 2021		31 December 2020	
	Carrying	Fair value	Carrying	Fair value
Non-derivative financial assets at fair value				
Financial assets at fair value through other comprehensive income	4,467,120	4,467,120	4,528,987	4,528,987
Non-derivative financial assets at amortised cost				
Financial receivables (excluding derivative financial instruments)	3,862,651	3,862,651	5,534,998	5,534,998
Operating receivables (excluding receivables from the state)	416,162,039	416,162,039	374,495,287	374,495,287
Contract assets	2,340,111	2,340,111	1,949,652	1,949,652
Cash and cash equivalents	60,005,645	60,005,645	88,674,952	88,674,952
Total non-derivative financial assets	486,837,566	486,837,566	475,183,876	475,183,876
Non-derivative financial liabilities at amortised cost				
Bank loans and other financial liabilities (excluding derivative fin.instr.)	(276,499,203)	(276,499,203)	(341,002,431)	(341,002,431)
Lease liabilities	(61,354,739)	(61,354,739)	(64,466,463)	(64,466,463)
Operating liabilities (excluding other non-current liabilities and current liabilities to the state, employees and arising from advance payments)	(395,467,089)	(395,467,089)	(293,805,915)	(293,805,915)
Total non-derivative financial liabilities	(733,321,031)	(733,321,031)	(699,274,809)	(699,274,809)
Derivative financial instruments at fair value				
Derivative financial instruments (assets)	16,016,224	16,016,224	11,316,982	11,316,982
Derivative financial instruments (liabilities)	(5,057,471)	(5,057,471)	(11,195,184)	(11,195,184)
Total derivative financial instruments	10,958,753	10,958,753	121,798	121,798

(v EUR)	Petrol d.d.			
	30. junij 2021		31. december 2020	
	Knjigovodska vrednost	Poštena vrednost	Knjigovodska vrednost	Poštena vrednost
Neizpeljana finančna sredstva po poštenu vrednosti				
Fin. sredstva po poš. vrednosti preko drugega vseobsegajočega donosa	2,117,914	2,117,914	2,117,914	2,117,914
Neizpeljana finančna sredstva po odplačni vrednosti				
Finančne terjatve (brez izpeljanih finančnih instrumentov)	72,247,015	72,247,015	80,372,148	80,372,148
Poslovne terjatve (brez terjatev do države)	270,355,344	270,355,344	248,044,144	248,044,144
Sredstva na podlagi pogodb s kupci	2,050,035	2,050,035	3,276,761	3,276,761
Denar in denarni ustrezniki	21,076,861	21,076,861	44,670,525	44,670,525
Skupaj neizpeljana finančna sredstva	367,847,169	367,847,169	378,481,492	378,481,492
Neizpeljane finančne obveznosti po odplačni vrednosti				
Bančna posojila in druge finančne obveznosti (brez izpeljanih fin.instr.)	(400,139,264)	(400,139,264)	(430,158,309)	(430,158,309)
Obveznosti iz najemov	(31,028,049)	(31,028,049)	(31,868,245)	(31,868,245)
Poslovne obveznosti (brez drugih dolgoročnih obveznosti in brez kratkoročnih obveznosti do države, zaposlencev ter iz naslova predujmov)	(288,944,089)	(288,944,089)	(228,995,139)	(228,995,139)
Skupaj neizpeljane finančne obveznosti	(720,111,402)	(720,111,402)	(691,021,693)	(691,021,693)
Izpeljani finančni instrumenti po poštenu vrednosti				
Izpeljani finančni instrumenti (sredstva)	15,910,525	15,910,525	11,262,235	11,262,235
Izpeljani finančni instrumenti (obveznosti)	(7,411,430)	(7,411,430)	(13,397,026)	(13,397,026)
Skupaj izpeljani finančni instrumenti	8,499,095	8,499,095	(2,134,791)	(2,134,791)

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

The Petrol Group Fair value of assets

(in EUR)	30 June 2021				31 December 2020			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss	16,016,224	0	0	16,016,224	11,316,982	0	0	11,316,982
Financial assets at fair value through other comprehensive income	0	0	4,467,120	4,467,120	0	0	4,528,987	4,528,987
Total assets at fair value	16,016,224	0	4,467,120	20,483,344	11,316,982	0	4,528,987	15,845,969
Non-current financial receivables	0	0	1,879,090	1,879,090	0	0	2,680,471	2,680,471
Current financial receivables	0	0	1,983,561	1,983,561	0	0	2,854,527	2,854,527
Non-current operating receivables	0	0	8,335,999	8,335,999	0	0	10,565,315	10,565,315
Current operating rec. (excluding rec. from the state)	0	0	407,826,040	407,826,040	0	0	363,929,972	363,929,972
Contract assets	0	0	2,340,111	2,340,111	0	0	1,949,652	1,949,652
Cash and cash equivalents	0	0	60,005,645	60,005,645	0	0	88,674,952	88,674,952
Total assets with fair value disclosure	0	0	482,370,446	482,370,446	0	0	470,654,889	470,654,889
Total assets	16,016,224	0	486,837,566	502,853,790	11,316,982	0	475,183,876	486,500,858

Fair value of liabilities

(in EUR)	30 June 2021				31 December 2020			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial liabilities at fair value through profit or loss	(5,057,471)	0	0	(5,057,471)	(11,195,184)	0	0	(11,195,184)
Total liabilities at fair value	(5,057,471)	0	0	(5,057,471)	(11,195,184)	0	0	(11,195,184)
Non-current financial liabilities	0	0	(250,703,400)	(250,703,400)	0	0	(303,431,060)	(303,431,060)
Non-current lease liabilities	0	0	(51,083,675)	(51,083,675)	0	0	(54,397,111)	(54,397,111)
Current financial liabilities (excluding liabilities at fair value)	0	0	(25,795,803)	(25,795,803)	0	0	(37,571,371)	(37,571,371)
Current lease liabilities	0	0	(10,271,064)	(10,271,064)	0	0	(10,069,352)	(10,069,352)
Non-current operating liabilities (excluding other liabilities)	0	0	(24,000)	(24,000)	0	0	(24,000)	(24,000)
Current operating liabilities (excluding liabilities to the state, employees and arising from advance payments)	0	0	(395,443,089)	(395,443,089)	0	0	(293,781,915)	(293,781,915)
Total liabilities with fair value disclosure	0	0	(733,321,031)	(733,321,031)	0	0	(699,274,809)	(699,274,809)
Total liabilities	(5,057,471)	0	(733,321,031)	(738,378,502)	(11,195,184)	0	(699,274,809)	(710,469,993)

Petrol d.d., Ljubljana Fair value of assets

(in EUR)	30 June 2021				31 December 2020			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss	15,910,525	0	0	15,910,525	11,262,235	0	0	11,262,235
Financial assets at fair value through other comprehensive income	0	0	2,117,914	2,117,914	0	0	2,117,914	2,117,914
Total assets at fair value	15,910,525	0	2,117,914	18,028,439	11,262,235	0	2,117,914	13,380,149
Non-current financial receivables	0	0	55,476,862	55,476,862	0	0	58,124,422	58,124,422
Current financial receivables	0	0	16,770,153	16,770,153	0	0	22,247,726	22,247,726
Non-current operating receivables	0	0	8,318,871	8,318,871	0	0	10,542,414	10,542,414
Current operating rec. (excluding rec. from the state)	0	0	262,036,473	262,036,473	0	0	237,501,730	237,501,730
Contract assets	0	0	2,050,035	2,050,035	0	0	3,276,761	3,276,761
Cash and cash equivalents	0	0	21,076,861	21,076,861	0	0	44,670,525	44,670,525
Total assets with fair value disclosure	0	0	365,729,255	365,729,255	0	0	376,363,578	376,363,578
Total assets	15,910,525	0	367,847,169	383,757,694	11,262,235	0	378,481,492	389,743,727

Fair value of liabilities

(in EUR)	30 June 2021				31 December 2020			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial liabilities at fair value through profit or loss	(4,842,584)	0	(2,568,846)	(7,411,430)	(10,828,180)	0	(2,568,846)	(13,397,026)
Total liabilities at fair value	(4,842,584)	0	(2,568,846)	(7,411,430)	(10,828,180)	0	(2,568,846)	(13,397,026)
Non-current financial liabilities	0	0	(236,443,723)	(236,443,723)	0	0	(282,866,603)	(282,866,603)
Non-current lease liabilities	0	0	(26,768,726)	(26,768,726)	0	0	(27,608,922)	(27,608,922)
Current financial liabilities (excluding liabilities at fair value)	0	0	(163,695,541)	(163,695,541)	0	0	(147,291,706)	(147,291,706)
Current lease liabilities	0	0	(4,259,323)	(4,259,323)	0	0	(4,259,323)	(4,259,323)
Non-current operating liabilities (excluding other liabilities)	0	0	(24,000)	(24,000)	0	0	(24,000)	(24,000)
Current operating liabilities (excluding liabilities to the state, employees and arising from advance payments)	0	0	(288,920,089)	(288,920,089)	0	0	(228,971,139)	(228,971,139)
Total liabilities with fair value disclosure	0	0	(720,111,402)	(720,111,402)	0	0	(691,021,693)	(691,021,693)
Total liabilities	(4,842,584)	0	(722,680,248)	(727,522,832)	(10,828,180)	0	(693,590,539)	(704,418,719)

Changes in Level 3 assets measured at fair value

(in EUR)	The Petrol Group		Petrol d.d.	
	2021	2020	2021	2020
As at 1 January	4,528,987	4,528,987	2,117,914	2,117,914
New acquisitions	0	1,398,705	0	1,398,705
Total profits of losses recognised in statement of profit or loss	0	(948,705)	0	(948,705)
Total profits of losses recognised in statement of comprehensive income	(61,866)	0	0	0
As at 30 June	4,467,120	4,978,987	2,117,914	2,567,914

29. Related party transactions

(in EUR)	The Petrol Group		Petrol d.d.	
	1-6 2021	1-6 2020	1-6 2021	1-6 2020
Sales revenue:				
Subsidiaries	-	-	135,733,794	109,556,552
Jointly controlled entities	556,039	277,334	14,269	38,989
Associates	15,621	13,484	15,621	13,484
Cost of goods sold:				
Subsidiaries	-	-	24,780,880	23,896,369
Jointly controlled entities	77,446	55,372	0	0
Cost of materials:				
Subsidiaries	-	-	139,182	140,620
Jointly controlled entities	1,119	894	0	333
Cost of services:				
Subsidiaries	-	-	264,843	356,951
Gain of derivatives:				
Subsidiaries	-	-	95,588	728,088
Loss on derivatives:				
Subsidiaries	-	-	0	1,366,635
Finance income from interests in Group companies:				
Subsidiaries	-	-	0	2,099,057
Jointly controlled entities	137,174	115,108	135,495	172,934
Associates	407,315	490,478	763,964	535,086
Finance income from interest:				
Subsidiaries	-	-	312,574	275,219
Jointly controlled entities	252	803	252	803
Other finance income:				
Subsidiaries	-	-	29,820	104,868
Associates	365	840	365	840
Finance expenses due to impairment of investments and goodwill:				
Subsidiaries	873,367	0	943,000	3,047,825
Finance expenses for interest:				
Subsidiaries	-	-	990,544	480,545
Jointly controlled entities	173	0	173	0
Allowance for operating receivables:				
Jointly controlled entities	0	20,013	0	20,013

(in EUR)	The Petrol Group		Petrol d.d.	
	30 June 2021	31 December 2020	30 June 2021	31 December 2020
Investments in Group companies:				
Subsidiaries	-	-	372,520,627	351,013,627
Jointly controlled entities	541,634	562,016	210,000	233,000
Associates	53,447,471	55,953,391	26,610,477	29,185,477
Non-current financial receivables:				
Subsidiaries	-	-	54,459,185	56,492,385
Contract assets:				
Subsidiaries	-	-	588,325	1,364,744
Current operating receivables:				
Subsidiaries	-	-	34,035,858	16,575,671
Jointly controlled entities	133,505	125,748	6,125	2,301
Associates	456	1,244	456	1,244
Current financial receivables:				
Subsidiaries	-	-	15,211,111	20,778,358
Jointly controlled entities	0	68,800	0	68,800
Short-term deposits (up to 3 months):				
Subsidiaries	-	-	216,659	377,677
Non-current financial liabilities:				
Subsidiaries	-	-	36,000,000	29,638,849
Current financial liabilities:				
Subsidiaries	-	-	141,299,856	112,597,148
Jointly controlled entities	300,029	300,025	300,029	300,025
Current operating liabilities:				
Subsidiaries	-	-	2,069,522	6,438,681
Jointly controlled entities	12,642	9,867	0	0
Current accrued costs and expenses:				
Subsidiaries	-	-	1,212,765	424,711
Contract liabilities:				
Subsidiaries	-	-	5,765	5,773

30. Contingent liabilities

Contingent liabilities for guarantees issued

(in EUR)	Petrol d.d.		Petrol d.d.	
	30 June 2021	31 December 2020	30 June 2021	31 December 2020
Guarantee issued to:	Value of guarantee issued		Guarantee amount used	
Petrol d.o.o.	99,470,758	99,171,455	73,546,481	67,990,968
Vjetroelektrarna Ljubač d.o.o.	23,792,130	23,792,130	0	0
Geoplin d.o.o. Ljubljana	21,000,000	13,000,000	15,540,000	8,069,782
Petrol d.o.o. Beograd	5,626,574	7,625,489	163,560	833,397
Petrol BH Oil Company d.o.o. Sarajevo	4,193,616	4,193,616	66,078	2,634,186
Petrol Trade Handelsgesellschaft m.b.H.	3,000,000	3,000,000	1,800,000	1,800,000
Petrol Crna Gora MNE d.o.o.	480,000	480,000	267,374	124,856
Aquasystems d.o.o.	373,318	373,318	373,318	373,318
Total	157,936,396	151,636,008	91,756,811	81,826,507
Bills of exchange issued as security	21,080,760	10,471,618	21,080,760	10,471,618
Other guarantees	6,426,669	6,591,277	6,426,669	6,591,277
Total contingent liabilities for guarantees issued	185,443,825	168,698,903	119,264,240	98,889,402

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 229,920. The Company's management estimates that there is a possibility that some of these lawsuits will be lost. As a result, the Company set aside long-term provisions, which stood at EUR 184,020 as at 30 June 2021.

The total value of lawsuits against the Group as defendant and debtor totals EUR 992,541. The Group's management estimates that there is a possibility that some of these lawsuits will be lost. As a result, the Group set aside long-term provisions, which stood at EUR 598,088 as at 30 June 2021.

31. Events after the reporting date

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

APPENDIX 1: ORGANISATIONAL STRUCTURE OF THE PETROL GROUP

The Petrol Group as at 30 June 2021	Sales	Energy and environmental systems	Production of renewable electricity
The parent company			
Petrol d.d., Ljubljana	•	•	•
Subsidiaries			
Petrol d.o.o. (100%)	•	•	
Petrol javna rasvjeta d.o.o. (100%)		•	
Adria-Plin d.o.o. (75%)	•		
Petrol BH Oil Company d.o.o. Sarajevo (100%)	•		
Petrol d.o.o. Beograd (100%)	•	•	
Petrol LUMENNIS PB JO d.o.o. Beograd (100%)		•	
Petrol LUMENNIS VS d.o.o. Beograd (100%)		•	
Petrol LUMENNIS ZA JO d.o.o. Beograd (100%)		•	
Petrol Crna Gora MNE d.o.o. (100%)	•		
Petrol Trade Handelsges.m.b.H. (100%)	•		
Beogas d.o.o. Beograd (100%)	•	•	
Petrol LPG d.o.o. Beograd (100%)	•		
Tigar Petrol d.o.o. Beograd (100%)	•		
Petrol LPG HIB d.o.o. (100%)	•		
Petrol Power d.o.o. Sarajevo (99,7518%)			•
Petrol-Energetika DOOEL Skopje (100%)	•		
Petrol Bucharest ROM S.R.L. (100%)	•		
Petrol Trade Slovenija L.L.C. (100%)	•		
Petrol Hidroenergija d.o.o. Teslić (80%)			•
Vjetroelektrane Glunča d.o.o. (100%)			•
IG Energetski Sistemi d.o.o. (100%)	•		
Petrol Geo d.o.o. (100%)		•	
EKOEN d.o.o. (100%)		•	
EKOEN GG d.o.o. (100%)		•	
EKOEN S d.o.o. (100%)		•	
Zagorski metalac d.o.o. (75%)	•	•	
Mbills d.o.o. (100%)	•		
Atet d.o.o. (72.96%; 76% voting rights)		•	
Vjetroelektrana Ljubač d.o.o. (100%)			•
E 3, d.o.o. (100%)	•		
STH Energy d.o.o. Kraljevo (80%)		•	
Petrol - Oti - Terminal L.L.C. (100%)	•		
Geoplin d.o.o. Ljubljana (74.28%)	•		
Geocom d.o.o. (100%)	•		
Geoplin d.o.o., Zagreb (100%)	•		
Geoplin d.o.o. Beograd (100%)	•		
Zagorski metalac d.o.o. (25%)	•	•	
Jointly controlled entities			
Geoenergo d.o.o. (50%)		•	
Soenergetika d.o.o. (25%)		•	
Associates			
Plinhold d.o.o. (29.6985%)		•	
Aquasystems d.o.o. (26%)		•	
Knešca d.o.o. (47.27% of the company is owned by E 3, d.o.o.)			•

The Petrol Group scheme as of 30 June 2021 does not include inactive companies.