



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

In the first nine 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 nine 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 nine 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 nine 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, 11 November 2021

INTRODUCTORY NOTES

The report on the operations of the Petrol Group and Petrol, d.d., Ljubljana, Dunajska 50, in the first nine 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 nine 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 nine 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 nine months of 2021 at its meeting held on 18 November 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 nine 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 September 2020, the depreciation of environmental fixed assets amounted to EUR 10.0 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 26.9 million in the period from January to September 2021) + Non-current investments (EUR 10.5 million in the period from January to September 2021) – Disposal of fixed assets (EUR 4.8 million in the period from January to September 2021)	The information about investments reflects the direction of the Petrol Group's development.

HIGHLIGHTS

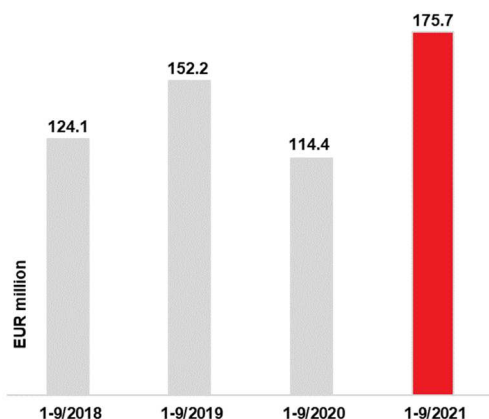
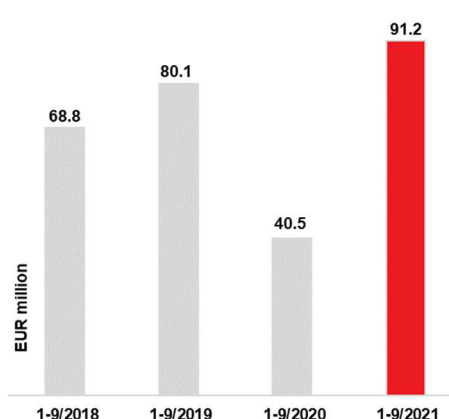
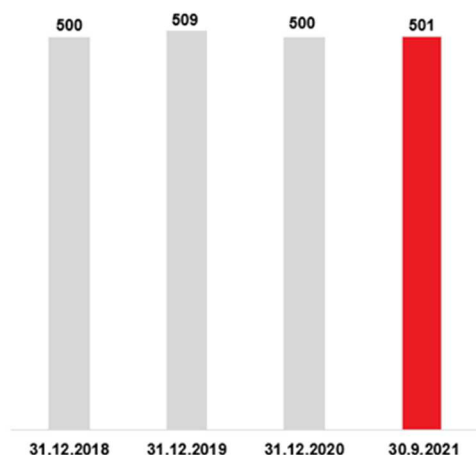
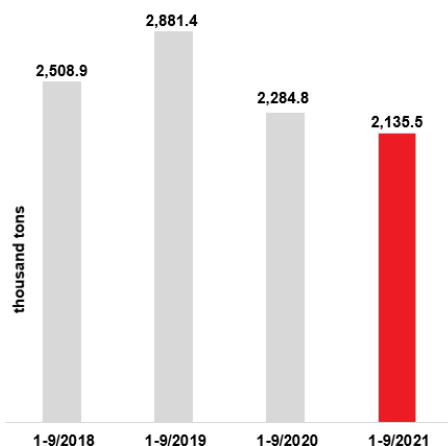
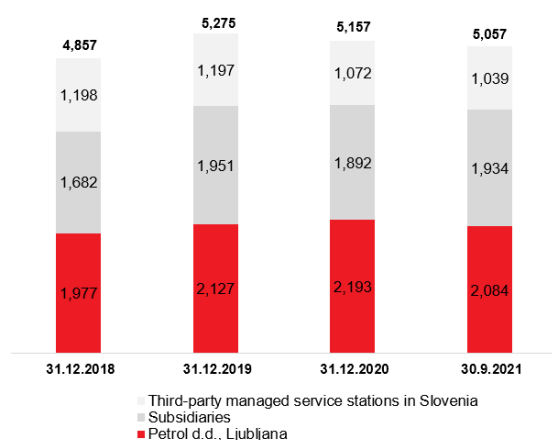
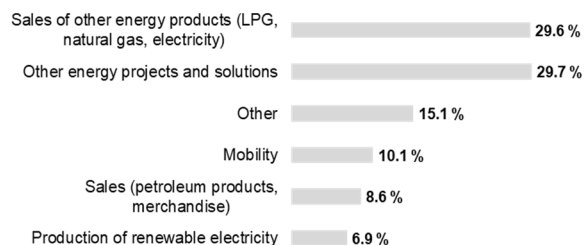
The Petrol Group's significant performance indicators

The Petrol Group	Unit	1-9 2021	1-9 2020	1-9 2019	Index 2021 / 2020	Index 2021 / 2019
Sales revenue	EUR million	3,074.0	2,291.7	3,269.0	134	94
Adjusted gross profit ¹	EUR million	410.7	301.9	345.9	136	119
Operating profit	EUR million	119.8	58.1	102.4	206	117
Net profit	EUR million	91.2	40.5	80.1	225	114
EBITDA ¹	EUR million	175.7	114.4	152.2	154	115
Operating costs/Adjusted gross profit ¹	%	70.1	88.8	71.7	79	98
Earnings per share	EUR	44.4	19.7	39.0	225	114
Net debt/EBITDA ^{1,2}		1.4	2.0	1.8	71	77
Net investments ¹	EUR million	37.4	46.4	84.3	81	44
Volume of petroleum products sold	thousand tons	2,135.5	2,284.8	2,881.4	93	74
Volume of liquefied petroleum gas sold	thousand tons	108.3	114.3	137.9	95	79
Volume of natural gas sold	TWh	25.3	19.9	15.4	127	164
Volume of electricity sold	TWh	10.7	15.7	15.8	68	68
- of which sale of electricity to end customers	TWh	2.6	1.3	0.9	209	291
Revenue from merchandise sales	EUR million	373.6	340.0	349.7	110	107

¹ APM

² EBITDA calculated at annual level.

The Petrol Group	Unit	30 September 2021	31 December 2020	Index 2021 / 2020
Number of employees		5,057	5,157	98
Number of service stations		501	500	100
Number of e-charging points operated by the Petrol Group		265	184	144
Number of electricity customers	thousand	226.2	92.1	246
Number of natural gas customers	thousand	50.9	50.1	102

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 nine 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 nine 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

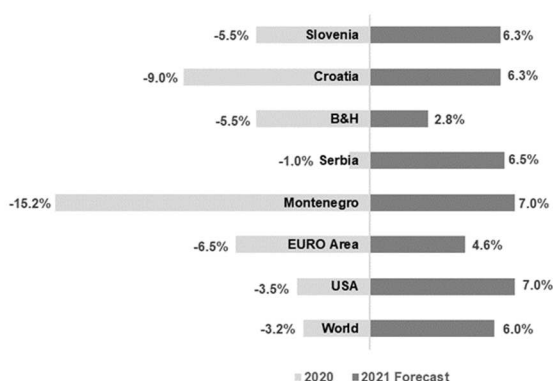
The Petrol Group operates in two highly competitive industries – energy and trade. Besides trends in the area of energy and commerce, the Group's operations are subject to several other and often interdependent factors, in particular changes in energy product prices and the US dollar exchange rate, which are a reflection of global economic trends. In 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 October 2021, the International Monetary Fund reassessed the impact of the pandemic on the global economy. Following the significant economic downturn in 2020, the economy is expected to recover in 2021 despite the still ongoing pandemic. The economic growth forecast for Petrol's largest sales markets of Slovenia (a 6.3 percent GDP growth compared to the previous 3.7 percent) and Croatia (a 6.3 percent GDP growth compared to the previous 4.7 percent) significantly improved. According to IMAD's Autumn Forecast, Slovenia's GDP is expected to increase by 6.1 percent in 2021.

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

Despite the continued presence of the epidemic, economic growth has been stable in 2021. The prices of energy products, however, have skyrocketed, the reasons being increased demand for energy products as a result of economic growth, high prices of carbon allowances in the European Union (the shutting down of thermal power plants), the limited natural gas supply from Russia, weather-related lower generation of renewable electricity, and a long and cold winter.

Figure 2: Impact of the pandemic on GDP


Source: International Monetary Fund, World Economic Outlook, October 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). In the first half of the year, movement restriction measures negatively affected transport and mobility, resulting in lower sales of petroleum products. The situation changed in the summer months when masses of tourists again travelled on roads, leaving a positive effect on our operations.

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. As the result of a significant deterioration of the epidemiological situation, Slovenian Government imposed the recovered-vaccinated-tested rule in the majority of activities on 15 September 2021, hanging consumer shopping habits all over again (a drop in merchandise sales).

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 67.9 per barrel in the first nine months of 2021 and was up 65 percent year-on-year whereas the average price in euros increased by 56 percent year-on-year. In the period concerned, the price of Brent crude peaked on 27 September 2021, reaching USD 79.1 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 3: Changes in Brent Dated High oil price in the first nine months of 2021 in USD/barrel



Source: Petrol, 2021

Figure 4: Changes in Brent Dated High oil price in the first nine 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, the retail prices of all petroleum products were liberalised and determined by the market in the first nine months of 2021. In the light of the high prices of energy products, the Government of the Republic of Slovenia adopted Decree on setting prices for certain petroleum products on 20 October 2021, thereby reintroducing government regulation of extra light fuel oil (KOEL) prices. The maximum permitted margin is EUR 0.0600/litre. The Decree will be in force for three months.

In Croatia, the retail prices of petroleum products were liberalised and determined by the market in the first nine months of the year. The Government of the Republic of Croatia adopted Regulation on the determination of the highest retail prices of petroleum products (Uredba o utvrđivanju najviših maloprodajnih cijena naftnih derivata) on 14 October 2021, limiting the retail prices of petrol to a maximum of HRK 11.10/litre (EUR 1.48/litre) and the retail prices of diesel to a maximum of HRK 11.0/litre (EUR 1.46/litre). The Regulation will be in force for up to one month.

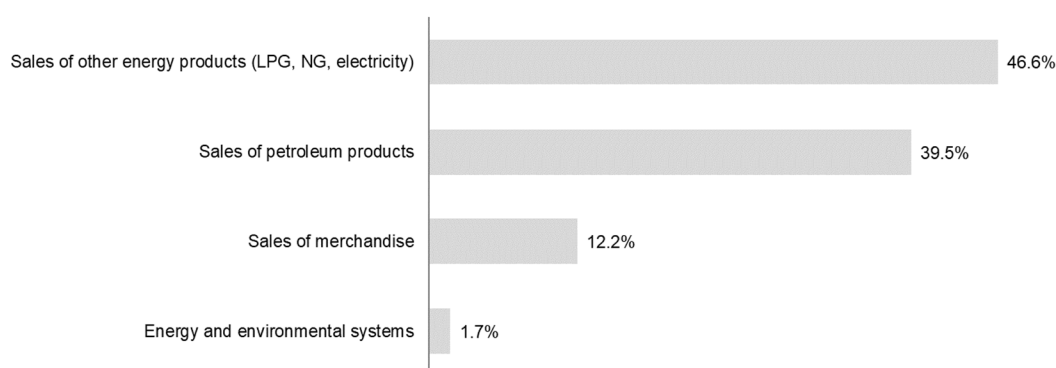
In Serbia the retail prices of petroleum products have been liberalised and determined by the market. Since 3 April 2021, the maximum retail calculation margin in Bosnia and Herzegovina has been EUR 0.128 per litre; prior to this, retail prices of petroleum products were liberalised. In Montenegro, the 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 1.16 and 1.23 US dollars per euro in the first nine months of 2021. The average exchange rate of the US dollar according to the exchange rate of the European Central Bank stood at 1.20 US dollars per euro in the period concerned.

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

The Petrol Group's **sales revenue** for the first nine months of 2021 stood at EUR 3.1 billion, a 34 percent increase compared to 2020 and a 6 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 nine 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 and other energy products, improved natural gas sales and the incorporation of E 3, d.o.o. into the Petrol Group.

Figure 5: The Petrol Group's sales revenue by activity in the first nine months of 2021



In the first nine months of 2021, the Petrol Group sold 2.1 million tons of petroleum products, a year-on-year decrease of 7 percent. 47 percent of sales were generated in retail and 53 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 less motor fuel, especially in the first two months, whereas in the continuation of the year, 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 extremely low prices of petroleum products; the sales of extra light fuel oil, however, were higher in the third quarter of 2021 compared to the same period of last year. In Slovenia, the sales of petroleum products in the first nine months stood at 1,035.7 thousand tons, accounting for 49 percent of the Petrol Group's total sales. In the period concerned, the Group sold 629.1 thousand tons of petroleum products in SE Europe markets, accounting for 29 percent of the Petrol Group's total sales, and 470.8 thousand tons in EU markets, representing 22 percent of the Group's total sales.

At the end of September 2021, the Petrol Group's retail network consisted of 501 service stations, of which 318 were in Slovenia, 111 in Croatia, 42 in Bosnia and Herzegovina, 15 in Serbia and 15 in Montenegro.

In the first nine months of 2021, EUR 373.6 million was generated in revenue from the sale of merchandise, an increase of 10 percent compared to the same period of the previous year. The recovered-vaccinated-tested rule imposed on 15 September 2021 resulted in a significant drop in sales in this segment.

In the period concerned, we sold 108.3 thousand tons of LPG, 25.3 TWh of natural gas, 10.7 TWh of electricity, and 101.2 thousand MWh of heat.

In the first nine months of 2021, **EBITDA** stood at EUR 175.7 million, an increase of 54 percent compared to the same period of the previous year and 15 percent compared to 2019. This was achieved by having successfully adapted sales to market conditions and through effective cost management.

Figure 6: EBITDA in the first nine months of 2021 compared to the same period of 2020

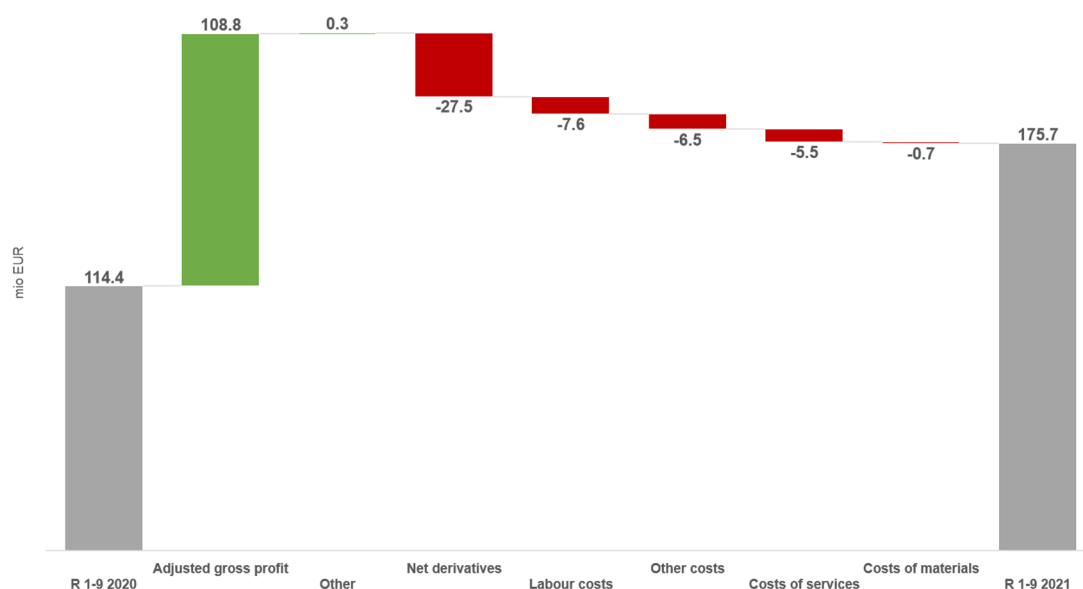


Figure 7: EBITDA in the first nine months of 2021 compared to the same period of 2019

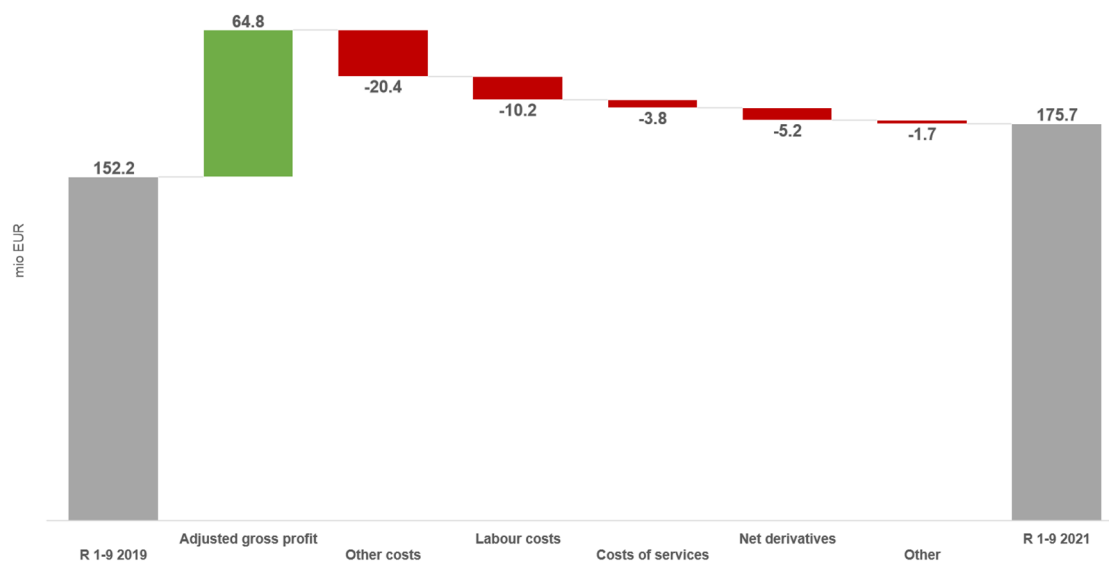
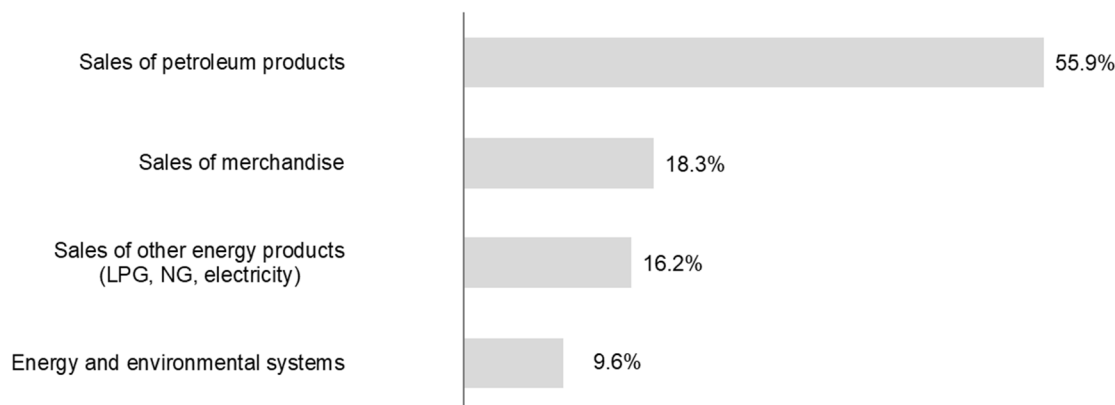
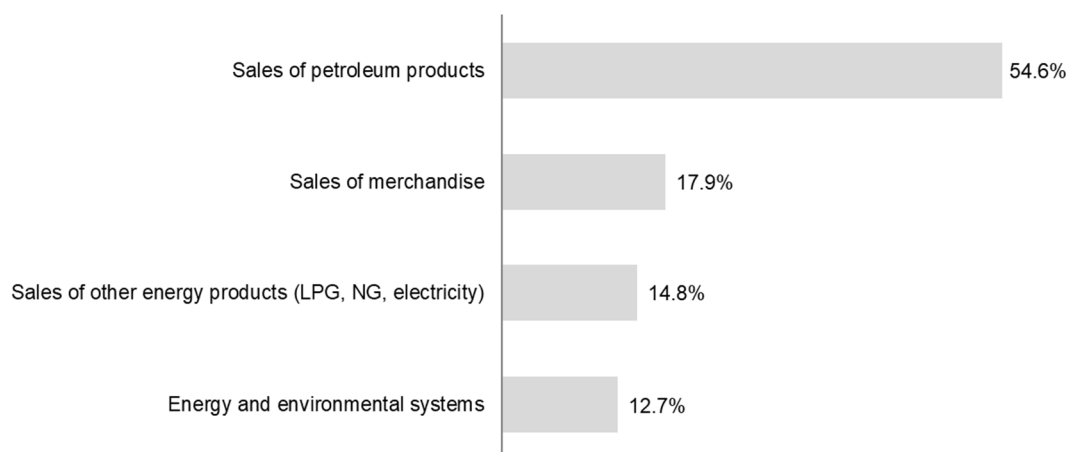


Figure 8: The Petrol Group's EBITDA by activity in the first nine months of 2021


Adjusted gross profit stood at EUR 410.7 million in the period concerned, which is 36 percent more than in the first nine months of 2020 and 19 percent more than in the same period of 2019. In the first nine 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 9: The Petrol Group's adjusted gross profit by activity in the first nine months of 2021


In the first nine months of 2021, **operating costs** totalled EUR 287.9 and were up 7 percent compared to 2020 and 16 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 70 percent compared to 89 percent in the same period of 2020 and 72 percent in the same period of 2019.

Table 2: The Petrol Group's operating costs

The Petrol Group (EUR)	1-9 2021	1-9 2020	1-9 2019	Indeks 21/20	Indeks 21/19
Costs of materials	20,017,801	19,312,938	20,300,519	104	99
Costs of services	102,921,750	97,415,588	99,134,348	106	104
Labour costs	83,095,688	75,526,499	72,908,897	110	114
Depreciation and amortisation	55,933,868	56,276,231	50,257,604	99	111
Other costs	25,929,714	19,430,447	5,530,804	133	469
Operating costs	287,898,821	267,961,703	248,132,172	107	116

In the first nine months of 2021, the costs of materials totalled EUR 20 million, which was 4 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 primarily in the segment of heat systems and natural gas distribution, as a result of both higher sales compared to the previous year and the increasing prices of energy products.

The costs of services stood at EUR 102.9 million and were up 6 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. Outsourcing costs and property management costs decreased, whereas lease payments (computer equipment lease, as planned), fixed asset maintenance costs (service station cleaning – as planned, facility and equipment maintenance), 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, price increase), the costs of transport services, the costs of professional services (the incorporation of E 3, d.o.o. into the Petrol Group), the costs of fire protection and physical and technical security, and the costs of insurance premiums were up.

Labour costs, which stood at EUR 83.1 million, were up 10 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 0.6 million in the first nine months of 2021 (the first nine months of 2020: EUR 4.7 million) and recorded the effects as a decrease in labour costs, regardless of the incorporation of E 3, d.o.o. into the Petrol Group.

The depreciation and amortisation charge, which stood at EUR 55.9 million in the first nine months of 2021, decreased by 1 percent compared to the same period of 2020, regardless of the incorporation of E 3, d.o.o. into the Petrol Group.

Other costs totalled EUR 25.9 million and were up 33 percent year-on-year.

Other revenue stood at EUR 133.2 million and was EUR 60.4 million more than in the same period of 2020. Gain on derivatives totalled EUR 128.7 million, EUR 59.9 million more than in

2020. **Other expenses** stood at EUR 136.2 million, an increase of EUR 87.6 million over the same period of 2020. Loss on derivatives totalled EUR 135.8 million or EUR 87.4 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 nine months of 2021, **operating profit** totalled EUR 119.8 million and was up 106 percent compared to 2020 and 17 percent compared to the same period of 2019.

The **share of profit from equity accounted investees** stood at EUR 0.9 million and was up 3 percent compared to 2020 and up 22 compared to the same period of 2019.

Net finance expenses stood at EUR 10.1 million in the first nine months of 2021, which was EUR 2.9 million more than in the period concerned of 2020 and EUR 4.9 million more than in the same period of 2019. Net foreign exchange losses were EUR 5.0 million higher in the first nine months of 2021 than in the same period of 2020, with net gains on derivatives EUR 2.3 million higher compared to the same period of previous year.

Pre-tax operating profit for the first nine months of 2021 amounted to EUR 110.5 million and was up 114 percent compared to the first nine months of 2020 and 13 percent compared to the same period of 2019. **Net profit** for the first nine months of 2021 totalled EUR 91.2 million or 125 percent more than in the same period of 2020 and 14 percent more than in the same period in 2019.

The Petrol Group's **total assets** stood at EUR 1.9 billion as at 30 September 2021, 6 percent more than at the end of 2020. Non-current assets totalled EUR 1.0 billion, down 2 percent compared to the end of 2020, with current assets amounting to EUR 863.0 million or 19 percent more than at the end of 2020. Current operating receivables were up EUR 86.4 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 876.5 million as at 30 September 2021, an increase of 6 percent year-on-year. **Net debt** totalled EUR 297.4 million or EUR 30.6 million less than at the end of 2020. The annualised **net debt to EBITDA ratio** stood at 1.4 compared to 2.0 at the end of 2020.

Due to the higher prices of energy products, the Petrol Group's **working capital** stood at EUR 105.0 million as at 30 September 2021, which is EUR 18.8 million more than at the end of 2020 when it amounted to EUR 86.2 million.

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 nine 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 nine 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 nine months of 2021, the Petrol Group recorded a sales revenue of EUR 3.0 billion in this segment.

On 6 October 2021, Petrol d.d. Ljubljana acquired Crodux Deriati Dva d.o.o., a Croatian company specialised in retail trade and wholesale of petroleum products, sale of merchandise and services and in catering services. With this acquisition, the Petrol Group has obtained 93 new points of sale in Croatia and it now operates a total of 594 points of sale.

Sales of petroleum products

In the first nine months of 2021, the Petrol Group sold 2,1 million tons of petroleum products, a year-on-year decrease of 7 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, we sold less motor fuel, especially in the first two months, whereas in the continuation of the year, 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 extremely low prices of petroleum products; the sales of extra light fuel oil, however, were higher in the third quarter of 2021 compared to the same period of last year.

In Slovenia, the nine-month sales of petroleum products stood at 1,035.7 thousand tons, up 3 percent compared to the same period of 2020. Good results were achieved in diesel fuel sales.

In SE Europe markets, 629.1 thousand tons of petroleum products were sold in the first nine months of 2021, up 12 percent compared to the same period of the previous year.

In EU markets, 470.8 thousand tons of petroleum products were sold in the first nine months of 2021, a year-on-year decrease of 34 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 373.6 million in revenue from the sale of merchandise in the first nine months of 2021, an increase of 10 percent compared to the same period of the previous year.

In Slovenia, EUR 311.4 million was generated in revenue from the sale of merchandise in the first nine months of 2021, an increase of 11 percent year-on-year. The best results were achieved in the sales of tobacco, lottery products, coupons and cards, 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 62.0 million was generated in revenue from the sale of merchandise in the first nine months of 2021, an increase of 5 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 nine months of 2021, the Petrol Group generated EUR 32.3 million in revenue from the services related to oil and merchandise sales, up 5 percent compared to the same period of 2020.

Sales of liquefied petroleum gas

In the first nine months of 2021, the Petrol Group sold 108.3 thousand tons of liquefied petroleum gas, a year-on-year decrease of 5 percent. The drop in LPG sales in the first nine months 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 September 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 September 2021, the Petrol Group had 50.9 thousand natural gas consumers. In the first nine months of 2021, the Petrol Group sold 25.3 TWh of natural gas, a year-on-year

increase of 27 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 September 2021, the Petrol Group had 226.2 thousand electricity customers.

In the first nine months of 2021, the Petrol Group sold 10.7 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 2.6 TWh in the first nine months of 2021, which was 109 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 nine months of 2021, the Petrol Group generated EUR 53.2 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.

We pay special attention to ensuring comprehensive energy solutions for end users.

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 nine months of 2021, the Petrol Group sold 101.2 thousand MWh of heat, a year-on-year increase of 21 percent.

Natural gas distribution

At the end of September 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 nine months of 2021, the Petrol Group distributed 893.0 thousand MWh of natural gas, a year-on-year increase of 14 percent.

Mobility

- E-mobility – setting up, managing and maintaining EV-charging infrastructure, and providing for the charging service.
- 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 nine months of 2021, the Petrol Group managed 197 regular charging stations (maximum capacity of 22 kW), 63 fast charging stations (maximum capacity of 75 kW) and 5 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 charging point deployment at motorway service stations. As part of the NEXT-E project, we set up and activated 5 new fast charging stations and 5 ultra-fast charging stations (the Kozina, Maribor Vzhod and Tepanje Zahod service stations) at key motorway corridors in Slovenia in the first nine months of 2021. We expect two ultra-fast charging stations to be deployed at the Qlandia shopping centre in Novo Mesto by the end of the year. As part of the same project, we deployed 4 new fast charging stations and 2 ultra-fast charging stations for public use in Croatia. Additionally, as part of the URBAN-E project, we provided 16 regular and 1 fast charging stations for public use in Ljubljana, and 11 regular and 1 fast charging stations in Zagreb. As part of the MULTI-E project, we set up and deployed 8 regular charging stations in Maribor.

At the end of September 2021, Petrol's charging stations had more than 7,200 users.

We successfully launched the OneCharge app in Croatia and started billing the charging services. We also launched a call centre to provide customer support. In addition, the infrastructure in Croatia was integrated into the world's largest roaming platform, Hsubject, so that as many charging providers as possible can have access to it.

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 September 2021, we had 68 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. Petrol's Ljubač wind power plant in Croatia is the Petrol Group's first wind farm built without any financial support for renewable electricity generation. Its nine wind turbines will annually provide around 96 GWh of green and sustainable energy to 30 thousand average households.

In the first nine months of 2021, the Petrol Group generated 76.7 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:

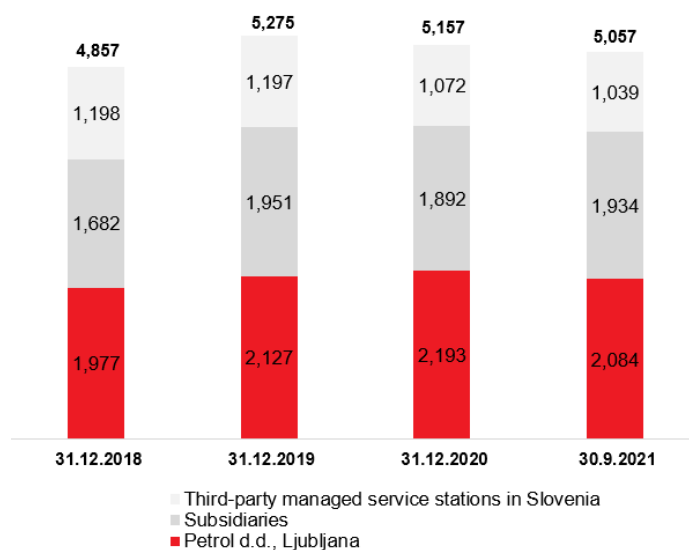
- Low-carbon energy company – focusing on a more sustainable energy portfolio and mobility, own production of renewable electricity, energy efficiency and on reducing the carbon footprint.
- Partners with employees and the social environment – focusing on boosting corporate integrity, providing for healthy 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.

Sustainability reporting is part of the strategic management for sustainable development; therefore, the Petrol Group published a Sustainability Report of the Petrol Group for 2020 (available [here](#)).

Employees

On 30 September 2021, the Petrol Group had 5,057 employees, of which 35 percent worked for subsidiaries abroad. The number of employees decreased by 100 compared to the end of 2020. At Petrol d.d., Ljubljana and third-party managed points of sale, the number of employees decreased by 142, whereas the number of employees working at subsidiaries increased by 42 as a result of the incorporation of E 3, d.o.o. into the Petrol Group.

Figure 10: Changes in the number of employees of the Petrol Group and at third-party managed service stations in the period 2018 – 2021



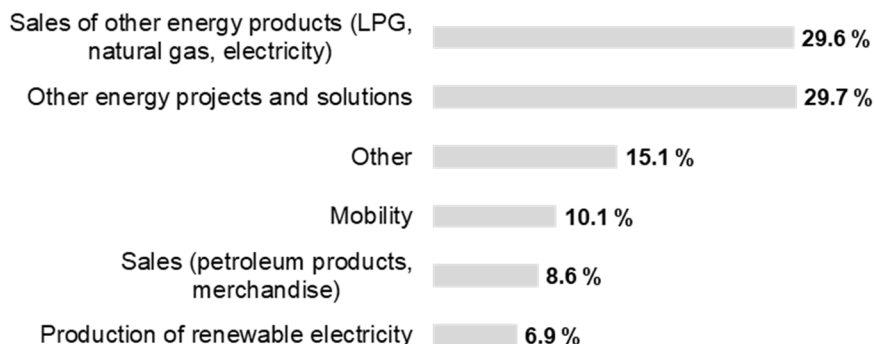
Training

In the first nine months of 2021, the Petrol Group provided more than 62 thousand teaching hours of training for more than 27 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 period concerned, 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 nine months of 2021, net investments in property, plant and equipment, intangible assets and long-term investments stood at EUR 37.4 million (as opposed to EUR 46.4 million in the first nine months of 2020). Out of the above amount, 30 percent was allocated to sales of other energy products (LPG, natural gas, electricity), 30 percent to other energy projects and solutions, 15 percent to other areas (upgrading of information and other infrastructure), 10 percent to mobility, 9 percent to sales of petroleum products and merchandise and 7 percent to production of renewable electricity. In the first nine months of 2021, 76 percent of investments were earmarked for the energy transition.

Figure 11: Breakdown of the Petrol Group's investments in the first nine 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.

The Sustainability Report of the Petrol Group, which includes a detailed presentation of the sustainable strategic guidelines and challenges, targets, programmes, projects, and results, was prepared in line with the GRI standards and our materiality matrix and it was published in July 2021.

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 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 nine 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 nine months of 2021".

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

- Environment risks, and
- Performance risks.

Risks were reassessed in the second quarter of the year. Based on the results, the most relevant and probable are the following financial risks: credit risk, price and volumetric risk, and foreign exchange risk.

In addition to the main financial risks, the most relevant and probable risks include economic environment risks, business decision-making risks, financial environment risks, process risks,

strategic decision-making risks, IT system risks, interest rate risks, legislation and regulation risks, security and protection risks, and information risks.

In 2021, risk assessment scores were higher compared to the previous assessment.

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. In the third quarter of 2021, the price of electricity, based on the Hungarian power futures in 2022, increased by approximately 75%, whereas since the beginning of 2021 it has risen by more than 140%. The main reason for such significant price increase is a steep growth of natural gas prices. Such high increases of energy product prices lead to substantially higher price risks, which the Group manages with an assortment of limit 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. The Group also regularly monitors the adequacy of the limit systems used and updates them when necessary.

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 2021 as the most relevant financial risk, also as a result of the Covid-19 pandemic. The Petrol Group was exposed to credit risk 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 nine 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. 63 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 84 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 nine 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 have a variable interest rate linked to EURIBOR. The average EURIBOR rates in the first nine months of 2021 were similar to the ones at the end of 2020 and thus remain historically low (negative).

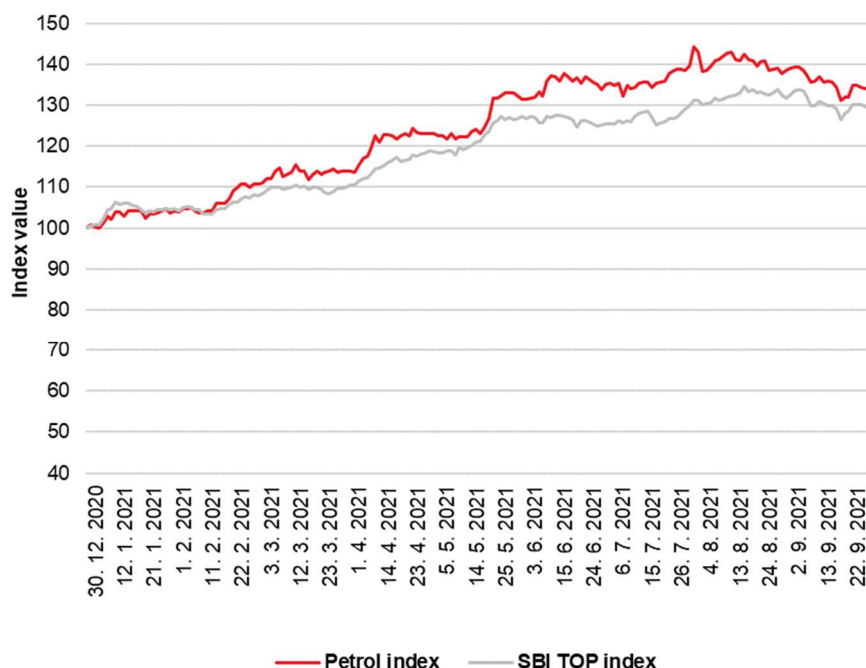
To hedge against the interest rate risk exposure, a large portion of variable interest rates is transformed into a fixed interest rate using derivative financial instruments, thus protecting our net interest position. In the first nine months of 2021, no additional interest rate hedging contracts were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

Petrol's shares

At the end of September 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 1,166.68 at the end of September 2021 and was up 29.6 percent compared to the end of 2020 when it stood at 900.37. During this period, the price of Petrol's shares increased by 34.2 percent. In terms of trading volume, which in the case of Petrol's shares amounted to EUR 42.3 million between January and September 2021 (this includes batch trading totalling EUR 24.3 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 909.6 million as at 30 September 2021, the Petrol share was ranked third and accounted for 10.3 percent of the total Slovenian stock market capitalisation on the said date.

¹ Sources of data for chapter "Petrol's shares": Ljubljana Stock Exchange website, Petrol share register, statements of the Petrol Group for January–September 2021

Figure 12: Base index changes for Petrol d.d., Ljubljana's closing share price against the SBITOP index in the first nine months of 2021 compared to the end of 2020



In the first nine months of 2021, the closing Petrol share price ranged between EUR 325.00 and EUR 469.00 per share. The average price for the period stood at EUR 404.22; at the end of September 2021, it stood at EUR 436.00. The Petrol Group's earnings per share stood at EUR 44.35, with the book value per share amounting to EUR 420.11. As at 30 September 2021, Petrol d.d., Ljubljana had 21,875 shareholders: 560,721 shares or 26.9 percent of all shares were held by foreign legal entities or natural persons. Compared to the end of 2020, the number of foreign shareholders decreased by 0.4 percentage points.

Figure 13: Closing price and the volume of trading in Petrol's shares in the first nine months of 2021

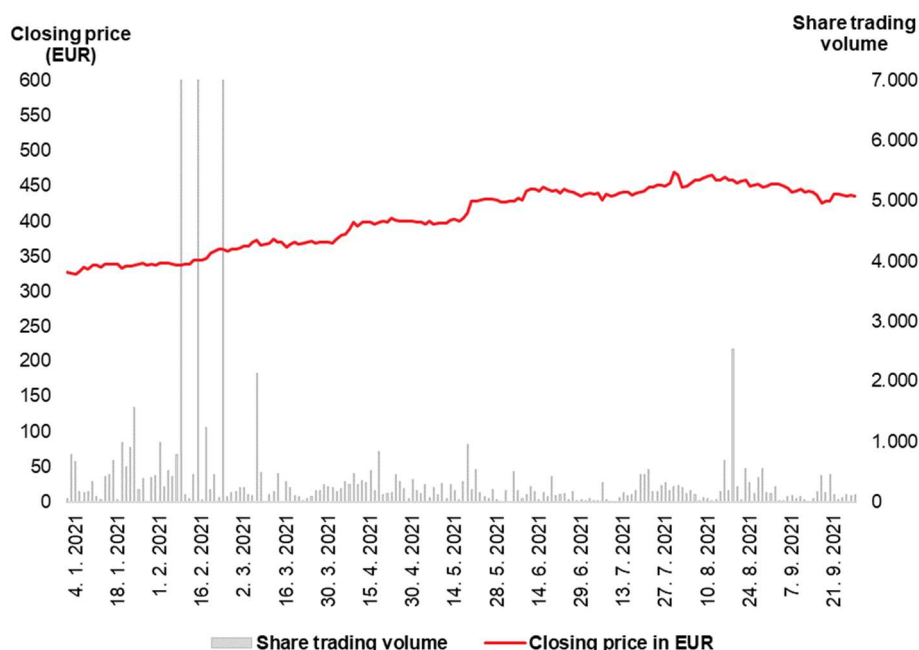
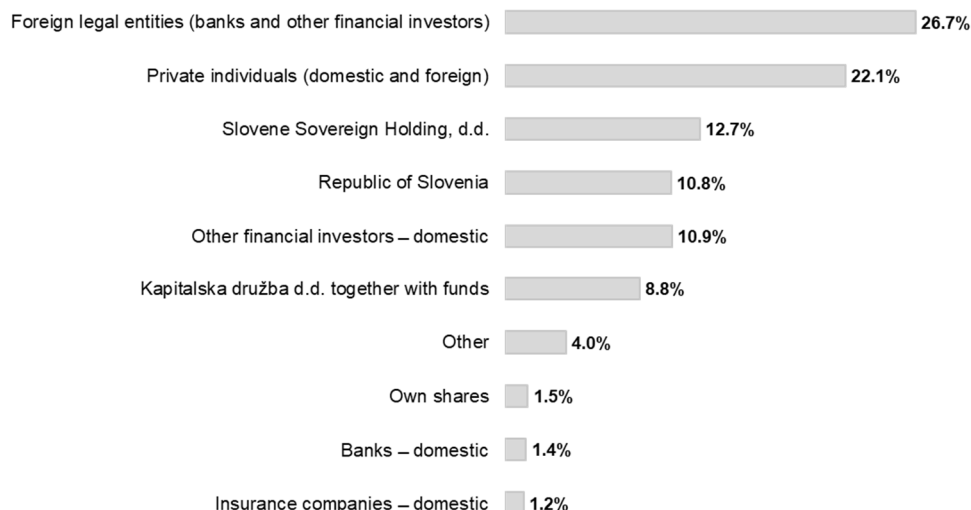


Figure 14: Ownership structure of Petrol d.d., Ljubljana as at 30 September 2021

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

	30.09.2021		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	182,893	8.8%	183,181	8.8%
Republic of Slovenia	225,699	10.8%	225,699	10.8%
Other institutional investors - domestic	226,541	10.9%	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.)	557,345	26.7%	565,270	27.1%
Private individuals (domestic and foreign)	461,695	22.1%	459,584	22.0%
Own shares	30,723	1.5%	30,723	1.5%
Others	82,903	4.0%	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 September 2021

	Shareholder	Address	Number of shares	Holding in %
1	CLEARSTREAM BANKING SA - FIDUCIARNI RAČUN	42 Avenue J. F. Kennedy, L-1855, Luxembourg	284,619	13.64%
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	VIZIJA HOLDING, D.O.O.	Dunajska cesta 156, 1000 Ljubljana	71,676	3.44%
7	VIZIJA HOLDING ENA, D.O.O.	Dunajska cesta 156, 1000 Ljubljana	66,279	3.18%
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 September 2021

Name and Surname	Position	Shares owned	Equity share
Supervisory Board		88	0.0042 %
Internal members		88	0.0042%
1. Marko Šavi	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 Vriščar	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 September 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 paid 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 nine months of 2021. As at 30 September 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 September 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 (public) presentations. We regularly attend investors' conferences that are organised each year by stock exchanges, banks, and brokerage companies. In the first nine months of 2021, we held several individual videoconferences with investors and analysts. In March and August, we took part in the Ljubljana Stock Exchange's webcast and, in May, in 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 nine-month results, the Petrol Group is successfully delivering on its 2021 targets. The Petrol Group's business plan for 2021 does not include business results of Crodux Derivati Dva d.o.o., which will be included in the Petrol Group's consolidated statements in the last quarter of the 2021 financial year.

Events after the end of the accounting period

- After having fulfilled the suspensive conditions, Petrol d.d. Ljubljana closed the acquisition of a 100% business share in the Croatian company Crodux Derivati Dva d.o.o. at the price of EUR 191.7 million on 6 October. At the same time, Petrol d.d., Ljubljana will assume a net financial debt to banks in the amount of EUR 19.2 million. The purchase and refinancing of the assumed debts are financed with an international syndicated loan of EUR 200 million organised by NLB d.d. in cooperation with Privredna Banka Zagreb d.d. The transaction closing will be followed by the integration of Crodux Derivati Dva d.o.o. into the Petrol Group and the subsequent merger of the acquired company with Petrol d.o.o. Zagreb, which is expected to be finalised by the end of 2022. The Petrol Group is this way consolidating its position as the second largest petroleum product supplier in Croatia. The acquisition of Crodux Derivati Dva d.o.o. is Petrol d.d., Ljubljana's largest acquisition in the last decade and with 93 new points-of-sale it is the greatest one-off increase in the number of points-of-sale in the Petrol Group's history. The Petrol Group will obtain 93 new points of sale with the acquisition; with a total of 204 points-of-sale, the Petrol Group's market share in Croatia will increase from 13% to 23%. In the SEE region, the Petrol Group will now have a total of 594 points-of-sale.
- The emergence of the SARS-CoV-2 virus and of the global pandemic still affects the operations of the Petrol Group. Counties in which the Group operates are still imposing different measures to contain the pandemic, which the Petrol Group strictly observes in all markets where it operates. In Slovenia, the Covid-19 epidemic ended on 15 June 2021, yet certain containment measures have remained in place and the Government decides on them on a weekly basis, depending on the epidemiological situation. In the light of the significantly deteriorated epidemiological situation, the Government of the Republic of Slovenia imposed the recovered-vaccinated-tested rule for the majority of activities, which has resulted in fewer customers at points of sale and lower sales of merchandise.
- The Government of the Republic of Croatia adopted Regulation on the determination of the highest retail prices of petroleum products (Uredba o utvrđivanju najviših maloprodajnih cijena naftnih derivata) on 14 October 2021, limiting the retail prices of petrol to a maximum of HRK 11.10/litre (EUR 1.48/litre) and the retail prices of diesel to a maximum of HRK 11.0/litre (EUR 1.46/litre). The Regulation will be in force for up to 30 days. This is expected to have a negative effect on our operations.
- The Government of the Republic of Slovenia adopted Decree on setting prices for certain petroleum products on 20 October 2021, thereby reintroducing government regulation of extra light fuel oil (KOEL) prices. The maximum permitted margin is EUR 0.0600/litre. The Decree will be in force for three months. This Regulation will also negatively affect our operations.
- There were no other events after the reporting date that would significantly affect the disclosed operations in the first nine 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	1-9 2021	1-9 2020	1-9 2021	1-9 2020
Sales revenue		3,073,991,325	2,291,667,136	2,156,846,740	1,762,945,464
Cost of goods sold		(2,663,299,712)	(1,989,742,254)	(1,878,330,127)	(1,564,590,196)
Costs of materials	3	(20,017,801)	(19,312,938)	(16,423,699)	(16,356,438)
Costs of services	4	(102,921,750)	(97,415,588)	(83,138,175)	(80,867,608)
Labour costs	5	(83,095,688)	(75,526,499)	(59,407,508)	(54,468,159)
Depreciation and amortisation	6	(55,933,868)	(56,276,231)	(34,988,420)	(35,198,413)
Other costs	7	(25,929,714)	(19,430,447)	(14,373,607)	(9,785,903)
Operating costs		(287,898,821)	(267,961,703)	(208,331,408)	(196,676,520)
Other revenue	2	133,224,236	72,805,723	125,051,780	71,500,907
Other expenses	8	(136,238,272)	(48,650,569)	(135,656,527)	(49,914,846)
Operating profit or loss		119,778,756	58,118,333	59,580,459	23,264,808
Share of profit or loss of equity accounted investees		862,257	833,407	-	-
Finance income from dividends paid by subsidiaries, associates and jointly controlled entities		-	-	2,573,895	3,371,349
Other finance income	9	16,850,724	21,936,339	14,274,544	16,456,467
Other finance expenses	9	(26,982,547)	(29,201,794)	(22,243,572)	(23,299,806)
Net finance expense		(10,131,823)	(7,265,455)	(7,969,028)	(6,843,339)
Profit before tax		110,509,190	51,686,285	54,185,326	19,792,819
Tax expense		(19,593,415)	(11,010,552)	(9,290,911)	(3,335,456)
Deferred tax		245,589	(164,813)	(166,906)	(107,255)
Corporate income tax		(19,347,826)	(11,175,365)	(9,457,817)	(3,442,711)
Net profit for the period		91,161,364	40,510,920	44,727,510	16,350,108
Net profit for the period attributable to:					
Owners of the controlling company		86,840,661	39,083,478	44,727,510	16,350,108
Non-controlling interest		4,320,703	1,427,442	-	-
Basic and diluted earnings per share	10	44.35	19.71	21.70	7.93

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.	
	1-9 2021	1-9 2020	1-9 2021	1-9 2020
Net profit for the period	91,161,364	40,510,920	44,727,510	16,350,108
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	3,190,540	(447,278)	2,718,221	(214,750)
Change in deferred taxes	(601,479)	82,657	(516,462)	40,802
Attribution of changes in the equity of subsidiaries	(61,866)	0	-	-
Change in deferred taxes	11,755	0	-	-
Foreign exchange differences	1,668,221	(3,425,310)	-	-
Total other comprehensive income to be recognised in the statement of profit or loss in the future	4,207,171	(3,789,931)	2,201,759	(173,947)
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	4,207,171	(3,789,931)	2,201,759	(173,947)
Total comprehensive income for the period	95,368,535	36,720,989	46,929,269	16,176,161
Total comprehensive income attributable to:				
Owners of the controlling company	91,053,074	35,266,815	46,929,269	16,176,161
Non-controlling interest	4,315,461	1,454,174	-	-

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.	
		30 September	31 December	30 September	31 December
(in EUR)	Note	2021	2020	2021	2020
ASSETS					
Non-current (long-term) assets					
Intangible assets	11	188,805,619	194,646,631	156,850,336	161,533,797
Right-of-use assets	12	56,312,673	62,401,606	29,001,900	30,716,648
Property, plant and equipment	13	703,762,656	710,207,621	364,360,317	379,425,104
Investment property		16,751,549	17,522,012	12,988,601	13,551,882
Investments in subsidiaries	14	-	-	372,519,627	351,013,627
Investments in jointly controlled entities	15	563,934	562,016	210,000	233,000
Investments in associates	16	53,178,673	55,953,391	26,610,477	29,185,477
Financial assets at fair value through other comprehensive income	17	4,467,121	4,528,987	2,117,914	2,117,914
Financial receivables		1,783,294	2,680,471	55,421,372	58,124,422
Operating receivables		8,473,891	10,565,315	8,456,436	10,542,414
Deferred tax assets		9,785,478	9,906,032	6,228,637	6,912,005
		1,043,884,888	1,068,974,082	1,034,765,614	1,043,356,290
Current assets					
Inventories	18	200,781,824	169,933,758	85,811,682	87,530,630
Contract assets		3,894,838	1,949,652	6,712,130	3,276,761
Financial receivables	19	2,056,893	2,854,527	18,306,490	22,247,726
Operating receivables	20	452,844,338	366,441,439	266,124,621	237,718,876
Corporate income tax assets		609,096	3,426,549	0	6,317,590
Financial assets at fair value through profit or loss	21	14,230,416	11,316,982	14,124,737	11,262,235
Prepayments and other assets	22	126,514,080	78,506,510	44,407,337	27,371,876
Cash and cash equivalents		62,041,746	88,674,952	18,194,227	44,670,525
		862,973,231	723,104,369	453,681,224	440,396,219
Total assets		1,906,858,119	1,792,078,451	1,488,446,838	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		(1,606,662)	(4,195,723)	(1,595,122)	(3,796,881)
Foreign exchange differences		(7,466,233)	(9,126,807)	-	-
Retained earnings		363,187,411	290,793,508	44,727,510	14,446,758
		833,825,775	787,995,417	587,687,921	585,981,368
Non-controlling interest		42,657,678	38,674,020	-	-
Total equity		876,483,453	826,669,437	587,687,921	585,981,368
Non-current liabilities					
Provisions for employee post-employment and other long-term benefits		9,804,269	9,438,977	8,293,721	8,293,721
Other provisions		39,175,980	31,347,421	22,264,876	14,763,837
Long-term deferred revenue		35,943,978	33,412,476	31,024,355	28,419,773
Financial liabilities	23	244,772,075	303,431,060	230,483,075	282,866,603
Lease liabilities	24	49,594,549	54,397,111	27,542,647	27,608,922
Operating liabilities		727,182	727,182	727,182	727,182
Deferred tax liabilities		3,527,227	3,985,700	0	0
		383,545,260	436,739,927	320,335,857	362,680,038
Current liabilities					
Financial liabilities	23	56,070,294	48,766,555	205,581,500	160,688,732
Lease liabilities	24	9,024,684	10,069,352	2,931,853	4,259,323
Operating liabilities	25	537,246,987	437,216,148	341,107,348	348,832,832
Corporate income tax liabilities		9,852,371	1,966,916	7,583,723	0
Contract liabilities	26	15,291,986	14,927,846	9,468,950	8,830,761
Other liabilities	27	19,343,084	15,722,270	13,749,687	12,479,455
		646,829,406	528,669,087	580,423,060	535,091,103
Total liabilities		1,030,374,666	965,409,014	900,758,917	897,771,141
Total equity and liabilities		1,906,858,119	1,792,078,451	1,488,446,838	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
Dividend payments for 2019						(15,098,103)				(30,124,614)	(45,222,717)		(45,222,717)
Transfer of retained earnings to other reserves						5,491,372				(5,491,372)	0		0
Increase/(decrease) in non-controlling interest						(2,682,393)					(2,682,393)	(5,144,986)	(7,827,379)
Transactions with owners	0	0	0	0	0	(12,289,124)	0	0	0	(35,615,986)	(47,905,110)	(5,144,986)	(53,050,096)
Net profit for the period										39,083,478	39,083,478	1,427,442	40,510,920
Other changes in other comprehensive income								(364,621)	(3,452,042)		(3,816,663)	26,732	(3,789,931)
Total changes in total comprehensive income	0	0	0	0	0	0	0	(364,621)	(3,452,042)	39,083,478	35,266,815	1,454,174	36,720,989
As at 30 September 2020	52,240,977	80,991,385	61,987,955	4,708,359	(4,708,359)	302,386,655	(894,548)	(4,454,076)	(9,446,898)	275,372,432	758,183,882	36,739,268	794,923,150
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										86,840,661	86,840,661	4,320,703	91,161,364
Other changes in other comprehensive income							(37,222)	2,589,061	1,660,574		4,212,413	(5,242)	4,207,171
Total changes in total comprehensive income	0	0	0	0	0	0	(37,222)	2,589,061	1,660,574	86,840,661	91,053,074	4,315,461	95,368,535
As at 30 September 2021	52,240,977	80,991,385	61,987,955	4,708,359	(4,708,359)	285,281,611	(790,669)	(1,606,662)	(7,466,233)	363,187,411	833,825,775	42,657,678	876,483,453

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
Dividend payments for 2019						(15,098,103)			(30,124,614)	(45,222,717)
Transactions with owners	0	0	0	0	0	(15,098,103)	0	0	(30,124,614)	(45,222,717)
Net profit for the period									16,350,108	16,350,108
Other changes in comprehensive income								(173,947)		(173,947)
Total changes in total comprehensive income	0	0	0	0	0	0	0	(173,947)	16,350,108	16,176,161
As at 30 September 2020	52,240,977	80,991,385	61,749,884	4,708,359	(2,604,670)	324,002,344	39,489,924	(4,071,853)	16,350,108	572,856,458
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									44,727,510	44,727,510
Other changes in other comprehensive income								2,201,759		2,201,759
Total changes in total comprehensive income	0	0	0	0	0	0	0	2,201,759	44,727,510	46,929,269
As at 30 September 2021	52,240,977	80,991,385	61,749,884	4,708,359	(2,604,670)	307,673,144	39,796,454	(1,595,122)	44,727,510	587,687,921

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.	
		1-9 2021	1-9 2020	1-9 2021	1-9 2020
Cash flows from operating activities					
Net profit		91,161,364	40,510,920	44,727,510	16,350,108
Adjustment for:					
Corporate income tax		19,347,826	11,175,365	9,457,817	3,442,711
Depreciation of property, plant and equipment, investment property and right-of-use assets	6	46,500,089	47,490,382	27,791,812	28,918,659
Amortisation of intangible assets	6	9,433,779	8,785,849	7,196,607	6,279,754
(Gain)/loss on disposal of property, plant and equipment	2, 7	230,378	(743,099)	219,632	(624,226)
Impairment, write-down/(reversed impairment) of assets		9,939,373	9,775,863	1,320,938	0
Revenue from assets under management		(48,926)	(48,971)	(48,926)	(48,971)
Net (decrease in)/creation of provisions for long-term employee benefits		(9,995)	0	0	0
Net (decrease in)/creation of other provisions and long-term deferred revenue		9,708,278	10,376,984	10,105,621	12,460,602
Net goods surpluses		1,712,228	1,153,896	431,763	263,715
Net (decrease in)/creation of allowance for receivables	9	3,600,019	2,814,050	1,459,179	271,216
Net finance (income)/expense	9	3,614,410	4,212,398	4,493,320	3,590,007
Impairment of investments	9	878,805	948,705	944,000	3,996,530
Share of profit of jointly controlled entities		(159,471)	(107,330)	-	-
Share of profit of associates		(702,787)	(726,077)	-	-
Finance income from dividends received from subsidiaries		-	-	(1,110,165)	(2,099,057)
Finance income from dividends received from joint controlled entities		-	-	(135,495)	(172,934)
Finance income from dividends received from associates		-	-	(1,328,236)	(1,099,358)
Cash flow from operating activities before the changes in working capital		195,205,370	135,618,935	105,525,376	71,528,757
Net (decrease in)/creation of other liabilities	27	2,986,839	688,496	1,270,233	(1,619,818)
Net decrease in/(creation of) other assets	22	(19,141,921)	(2,904,601)	(13,406,135)	(3,484,486)
Change in inventories	18	(39,540,408)	10,305,269	1,287,185	37,438,881
Change in operating and other receivables and contract assets	20	(82,706,428)	144,528,336	(34,013,249)	85,073,523
Change in operating and other liabilities and contract liabilities	25, 26	79,015,101	(126,501,508)	(5,288,878)	(100,205,241)
Cash generated from operating activities		135,818,553	161,734,927	55,374,533	88,731,616
Interest paid	9	(5,762,277)	(6,189,749)	(4,890,117)	(5,393,420)
Taxes paid		(8,011,474)	(10,759,212)	4,642,927	(3,597,325)
Net cash from (used in) operating activities		122,044,802	144,785,966	55,127,343	79,740,870
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	131,775	18,095	131,775	18,095
Payments for intangible assets	11	(3,899,895)	(5,778,255)	(2,644,919)	(4,478,399)
Receipts from property, plant and equipment	13	2,072,375	1,721,079	613,311	811,739
Payments for property, plant and equipment	13	(37,943,426)	(43,728,172)	(18,401,493)	(30,388,806)
Receipts from investment property		0	241,532	0	241,532
Receipts from financial assets at fair value through other comprehensive income	17	0	419,612	0	419,612
Receipts from loans granted	19	2,199,077	10,591,746	101,898,051	30,096,341
Payments for loans granted	19	(16,300)	(4,975,400)	(94,404,128)	(34,538,696)
Interest received	9	2,032,802	2,478,887	1,494,326	1,945,372
Dividends received from subsidiaries		-	-	1,110,165	2,099,057
Dividends received from jointly controlled entities		135,495	172,934	135,495	172,934
Dividends received from associates		1,403,355	1,099,358	1,328,236	1,099,358
Dividends received from others		150,493	110,000	40,493	0
Net cash from (used in) investing activities		(46,109,249)	(47,588,696)	(28,573,688)	(43,046,346)
Cash flows from financing activities					
Payments for right-of-use assets	24	(6,901,840)	(7,243,481)	(2,666,218)	(2,628,999)
Proceeds from borrowings	23	439,297,043	678,229,392	687,013,437	901,560,340
Repayment of borrowings	23	(490,684,484)	(697,248,144)	(692,154,369)	(887,848,522)
Dividends paid to shareholders		(45,222,804)	(45,223,903)	(45,222,804)	(45,223,903)
Net cash from (used in) financing activities		(103,512,085)	(71,486,136)	(53,029,954)	(34,141,084)
Increase/(decrease) in cash and cash equivalents		(27,576,532)	25,711,134	(26,476,299)	2,553,440
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		151,107	(211,653)	-	-
Cash acquired through acquisition of companies		792,219	0	-	-
Increase/(decrease)		(27,576,532)	25,711,134	(26,476,299)	2,553,440
At the end of the period		62,041,746	67,229,750	18,194,227	20,233,542

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

Notes to the financial statements

Reporting entity

Petrol d.d., Ljubljana (hereinafter the "Company") is a company domiciled in Slovenia. Its registered office is at Dunajska cesta 50, 1527 Ljubljana. Below we present consolidated financial statements of the Group for the period ended 30 September 2021 and separate financial statements of the company Petrol d.d., Ljubljana for the period ended 30 September 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 11 November 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 – September 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:
 - o identifying a lease,
 - o determining the lease term,
 - o determining the discount rate,
- revenue from contracts with customers:
 - o treatment of excise duty when selling petroleum products,
 - o determining the timing of satisfaction of performance obligations,
 - o sale in the name and for the account of third parties,
 - o determining whether the loyalty points provide additional benefits to customers,
- allocating assets or part of the assets to investment property,
- business combinations:
 - o defining a business combination,
 - o net asset value recognition date,
 - o 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 September 2020:

(in EUR)	Sales	Energy and environmental systems	Total	Statement of profit or loss/ Statement of financial position
Sales revenue	2,491,398,905	47,531,075	2,538,929,980	
Revenue from subsidiaries	(247,227,224)	(35,620)	(247,262,844)	
Sales revenue	2,244,171,681	47,495,455	2,291,667,136	2,291,667,136
Net profit for the period	36,264,386	4,246,534	40,510,920	40,510,920
Interest income*	1,863,134	540,446	2,403,580	2,403,580
Interest expense*	(4,774,119)	(1,384,847)	(6,158,966)	(6,158,966)
Depreciation of property, plant and equipment, amortisation of intangible assets, depreciation of investment property and depreciation of right to use of lease assets	(41,598,108)	(14,678,123)	(56,276,231)	(56,276,231)
Share of profit or loss of equity accounted investees	0	833,407	833,407	833,407
Total assets	1,440,698,209	252,258,780	1,692,956,989	1,692,956,989
Equity accounted investees	0	54,060,892	54,060,892	54,060,892
Property, plant and equipment, intangible assets, investment property and right to use of lease assets	781,686,323	184,701,349	966,387,672	966,387,672
Other assets	659,011,886	13,496,539	672,508,425	672,508,425
Current and non-current operating, financial and lease liabilities	678,423,270	113,667,731	792,091,001	792,091,001

*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 September 2021:

(in EUR)	Sales	Energy and environmental systems	Total	Statement of profit or loss/ Statement of financial position
Sales revenue	3,384,342,038	53,216,848	3,437,558,886	
Revenue from subsidiaries	(363,543,622)	(23,939)	(363,567,561)	
Sales revenue	3,020,798,416	53,192,909	3,073,991,325	3,073,991,325
Net profit for the period	90,744,618	416,746	91,161,364	91,161,364
Interest income*	1,555,467	702,157	2,257,624	2,257,624
Interest expense*	(4,013,024)	(1,811,529)	(5,824,553)	(5,824,553)
Depreciation of property, plant and equipment, amortisation of intangible assets, depreciation of investment property and depreciation of right to use of lease assets	(40,637,232)	(15,296,636)	(55,933,868)	(55,933,868)
Share of profit or loss of equity accounted investees	0	862,257	862,257	862,257
Total assets	1,575,018,374	331,839,745	1,906,858,119	1,906,858,119
Equity accounted investees	0	53,742,607	53,742,607	53,742,607
Property, plant and equipment, intangible assets, investment property and right to use of lease assets	702,333,201	263,299,296	965,632,497	965,632,497
Other assets	872,685,173	14,797,842	887,483,015	887,483,015
Current and non-current operating, financial and lease liabilities	741,260,094	156,175,677	897,435,771	897,435,771

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

2. Other revenue

(in EUR)	The Petrol Group		Petrol d.d.	
	1-9 2021	1-9 2020	1-9 2021	1-9 2020
Gain on derivatives	128,668,227	68,726,467	121,651,496	68,610,841
Gain on disposal of fixed assets	523,938	836,269	394,593	712,833
Compensation, litigation proceeds and contractual penalties received	518,545	107,130	447,875	71,391
Compensation received from insurance companies	145,401	54,584	93,702	14,771
Utilisation of environmental provisions	0	10,088	0	10,088
Other revenue	3,368,125	3,071,185	2,464,115	2,080,983
Total other revenue	133,224,236	72,805,723	125,051,780	71,500,907

3. Costs of material

(in EUR)	The Petrol Group		Petrol d.d.	
	1-9 2021	1-9 2020	1-9 2021	1-9 2020
Costs of energy	14,808,956	13,718,622	12,661,843	12,001,739
Costs of consumables	4,618,313	4,990,823	3,477,633	4,003,418
Write-off of small tools	90,270	106,615	44,986	66,187
Other costs of materials	500,262	496,878	239,237	285,094
Total costs of materials	20,017,801	19,312,938	16,423,699	16,356,438

4. Costs of services

(in EUR)	The Petrol Group		Petrol d.d.	
	1-9 2021	1-9 2020	1-9 2021	1-9 2020
Costs of service station managers	22,721,728	26,884,139	22,721,728	26,884,139
Costs of transport services	22,069,418	21,692,471	18,086,099	18,112,912
Costs of fixed-asset maintenance services	17,262,917	15,133,991	13,572,857	11,660,366
Costs of payment transactions and bank services	9,361,342	7,225,438	5,962,665	5,196,521
Costs of professional services	6,811,780	6,584,055	5,269,285	5,547,728
Lease payments	6,322,204	2,984,873	5,043,539	2,102,823
Costs of fairs, advertising and entertainment	4,847,878	3,186,213	2,932,389	1,771,635
Costs of insurance premiums	3,167,861	3,022,885	1,857,056	1,791,101
Outsourcing costs	2,717,323	2,947,141	2,521,691	2,486,221
Costs of fire protection and physical and technical security	1,736,817	1,395,174	1,441,148	1,100,047
Costs of environmental protection services	1,424,908	1,389,858	956,575	1,020,547
Property management	835,259	1,066,359	684,209	1,010,856
Reimbursement of work-related costs to employees	585,997	645,830	318,609	375,228
Membership fees	487,470	665,174	158,843	243,154
Other costs of services	2,568,848	2,591,987	1,611,482	1,564,330
Total costs of services	102,921,750	97,415,588	83,138,175	80,867,608

Lease expenses

(in EUR)	The Petrol Group		Petrol d.d.	
	1-9 2021	1-9 2020	1-9 2021	1-9 2020
Depreciation of right-of-use assets	7,603,605	7,987,906	2,987,192	3,023,221
Finance expenses	1,427,284	1,924,659	982,619	1,014,319
Lease expenses	6,322,204	2,984,873	5,043,539	2,102,823
Total recognised costs/expenses	15,353,093	12,897,438	9,013,351	6,140,363

5. Labour costs

(in EUR)	The Petrol Group		Petrol d.d.	
	1-9 2021	1-9 2020	1-9 2021	1-9 2020
Salaries	61,375,110	55,060,690	44,337,676	39,841,102
Costs of pension insurance	5,375,033	4,530,660	4,303,760	3,470,141
Costs of other social insurance	5,335,266	4,673,094	3,090,141	3,130,989
Meal allowance	2,471,941	2,124,871	1,992,297	1,679,807
Transport allowance	2,373,274	2,345,429	1,430,254	1,419,088
Annual leave allowance	2,188,245	2,271,910	1,729,810	1,892,638
Supplementary pension insurance	1,235,783	1,103,370	1,139,082	1,058,174
Other allowances and reimbursements	2,741,036	3,416,475	1,384,488	1,976,220
Total labour costs	83,095,688	75,526,499	59,407,508	54,468,159

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 585,455, recording their effects as a decrease in labour costs.

In accordance with the Act Determining the Intervention Measures to Contain the Covid-19 Epidemic, the Company made use of a crisis allowance totalling EUR 204,655, recording it as a decrease in labour costs.

6. Depreciation and amortisation

(in EUR)	The Petrol Group		Petrol d.d.	
	1-9 2021	1-9 2020	1-9 2021	1-9 2020
Amortisation of intangible assets	9,433,779	8,785,849	7,196,607	6,279,754
Depreciation of property, plant and equipment	38,316,049	38,626,932	24,238,989	25,046,950
Depreciation of right-of-use assets	7,603,605	7,987,906	2,987,192	3,023,221
Depreciation of investment property	580,435	875,544	565,632	848,489
Total depreciation and amortisation	55,933,868	56,276,231	34,988,420	35,198,413

7. Other costs

(in EUR)	The Petrol Group		Petrol d.d.	
	1-9 2021	1-9 2020	1-9 2021	1-9 2020
Disposals/impairment of assets	10,693,689	9,869,033	1,935,162	88,608
Environmental charges and charges unrelated to operations	5,151,673	5,190,558	3,403,766	3,540,341
Sponsorships and donations	1,344,559	1,113,925	1,193,886	941,689
Other costs	10,144,103	5,578,734	8,078,970	5,215,265
Reversal of other provision and other liabilities	(1,404,310)	(2,321,803)	(238,177)	0
Total other costs	25,929,714	19,430,447	14,373,607	9,785,903

8. Other expenses

(in EUR)	The Petrol Group		Petrol d.d.	
	1-9 2021	1-9 2020	1-9 2021	1-9 2020
Loss on derivatives	135,849,319	48,438,831	135,647,281	49,883,651
Other expenses	388,953	211,738	9,246	31,195
Total other expenses	136,238,272	48,650,569	135,656,527	49,914,846

9. Other financial income and expenses

(in EUR)	The Petrol Group		Petrol d.d.	
	1-9 2021	1-9 2020	1-9 2021	1-9 2020
Foreign exchange differences	10,221,261	16,827,257	8,162,021	11,684,484
Gain on derivatives	3,698,000	2,222,305	3,698,000	2,222,305
Interest income	2,257,624	2,403,580	2,122,470	2,230,676
Allowances for receivables reversed and bad debt recovered	267,826	370,249	251,560	319,003
Other finance income	406,013	112,948	40,493	0
Total other finance income	16,850,724	21,936,339	14,274,544	16,456,467
Foreign exchange differences	(14,488,425)	(16,045,567)	(11,463,125)	(10,598,077)
Interest expense	(5,824,553)	(6,158,966)	(6,232,633)	(5,331,185)
Allowance for operating receivables	(3,867,845)	(3,184,299)	(1,710,739)	(590,219)
Loss on derivatives	(1,469,425)	(2,294,297)	(1,469,425)	(2,294,297)
Impairment/disposal of investments and impairment of goodwill	(878,805)	(948,705)	(944,000)	(3,996,530)
Other finance expenses	(453,494)	(569,960)	(423,650)	(489,498)
Total other finance expenses	(26,982,547)	(29,201,794)	(22,243,572)	(23,299,806)
Net finance expense	(10,131,823)	(7,265,455)	(7,969,028)	(6,843,339)

10. Earnings per share

(in EUR)	The Petrol Group		Petrol d.d.	
	30 September 2021	30 September 2020	30 September 2021	30 September 2020
Net profit (in EUR)	91,161,364	40,510,920	44,727,510	16,350,108
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)	44.35	19.71	21.70	7.93

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	524,526	22,108	0	5,612,902	26,337	6,185,873
Disposals/Impairments	0	(3,432)	(56,610)	0	(17,143)	(77,185)
Transfer between asset categories	600,161	768,616	0	87,879	0	1,456,656
Transfer from ongoing investments	4,359,939	2,627,503	0	(6,987,442)	0	0
Foreign exchange differences	(88,318)	(112,014)	(234,766)	(2,934)	0	(438,032)
As at 30 September 2020	48,782,820	121,134,222	107,338,362	6,117,112	233,109	283,605,625
Accumulated amortisation						
As at 1 January 2020	(24,490,228)	(54,248,690)	(8,847)	0	0	(78,747,765)
Amortisation	(4,970,152)	(3,811,760)	(3,937)	0	0	(8,785,849)
Disposals/Impairments	0	2,480	0	0	0	2,480
Transfer between asset categories	(323,106)	(547,425)	0	0	0	(870,531)
Foreign exchange differences	767	39,353	130	0	0	40,250
As at 30 September 2020	(29,782,719)	(58,566,042)	(12,654)	0	0	(88,361,415)
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 September 2020	19,000,101	62,568,180	107,325,708	6,117,112	233,109	195,244,210
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	60,778	57,096	0	3,257,686	494,162	3,869,722
Disposals/Impairments	(145,905)	0	(874,936)	(47,110)	0	(1,067,951)
Transfer between asset categories	0	0	0	58,170	0	58,170
Transfer from ongoing investments	5,990,883	1,153,258	0	(7,144,141)	0	0
Foreign exchange differences	47,689	67,792	111,867	749	0	228,097
As at 30 September 2021	50,709,438	124,990,011	105,132,087	3,228,847	878,071	284,938,454
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	(5,391,440)	(4,038,840)	(3,499)	0	0	(9,433,779)
Disposals/Impairments	91,412	0	0	0	0	91,412
Foreign exchange differences	(19,130)	(31,706)	(571)	0	0	(51,407)
As at 30 September 2021	(31,342,163)	(64,773,066)	(17,606)	0	0	(96,132,835)
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 September 2021	19,367,275	60,216,945	105,114,481	3,228,847	878,071	188,805,619

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	4,452,062	26,337	4,478,399
Disposals/Impairments	0	(3,432)	0	0	(17,143)	(20,575)
Transfer between asset categories	0	1,368,777	0	72,736	0	1,441,513
Transfer from ongoing investments	4,323,228	2,329,846	0	(6,653,075)	0	0
As at 30 September 2020	39,036,151	111,184,254	87,712,518	4,603,207	233,109	242,769,240
Accumulated amortisation						
As at 1 January 2020	(23,007,066)	(49,879,553)	0	0	0	(72,886,619)
Amortisation	(3,125,529)	(3,154,225)	0	0	0	(6,279,754)
Disposals/Impairments	0	2,480	0	0	0	2,480
Transfer between asset categories	0	(870,531)	0	0	0	(870,531)
As at 30 September 2020	(26,132,596)	(53,901,829)	0	0	0	(80,034,424)
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 September 2020	12,903,556	57,282,426	87,712,518	4,603,206	233,109	162,734,816

(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	1,444	0	2,404,462	239,013	2,644,919
Disposals/Impairments	(145,905)	0	0	(47,110)	0	(193,015)
Transfer from ongoing investments	5,943,032	305,526	0	(6,248,558)	0	0
As at 30 September 2021	40,705,326	111,767,405	85,266,022	2,307,640	402,822	240,449,215
Accumulated amortisation						
As at 1 January 2021	(21,844,444)	(54,619,069)	0	0	0	(76,463,513)
Amortisation	(4,050,935)	(3,145,672)	0	0	0	(7,196,607)
Disposals/Impairments	61,240	0	0	0	0	61,240
As at 30 September 2021	(25,834,139)	(57,764,740)	0	0	0	(83,598,880)
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 September 2021	14,871,187	54,002,665	85,266,022	2,307,640	402,822	156,850,336

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	7,127,485	4,648,966	130,067	11,906,518
Disposals	(9,061,170)	(4,860,017)	(146,560)	(14,067,747)
Foreign exchange differences	(154,472)	(346,455)	(4,788)	(505,715)
As at 30 September 2020	42,436,435	32,153,900	5,078,140	79,668,475
Accumulated depreciation				
As at 1 January 2020	(3,109,854)	(5,905,560)	(1,781,056)	(10,796,470)
Depreciation	(2,508,476)	(4,084,191)	(1,395,239)	(7,987,906)
Disposals	861,875	969,961	127,602	1,959,438
Foreign exchange differences	13,729	69,783	2,093	85,605
As at 30 September 2020	(4,742,726)	(8,950,007)	(3,046,600)	(16,739,333)
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 September 2020	37,693,709	23,203,893	2,031,540	62,929,142

(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	69,556	3,867,797	90,382	4,027,735
Disposals	(4,187,009)	(7,529,908)	(279,682)	(11,996,599)
Foreign exchange differences	54,897	108,748	1,165	164,810
As at 30 September 2021	39,622,423	28,314,466	5,897,619	73,834,508
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	(2,260,844)	(4,295,830)	(1,046,931)	(7,603,605)
Disposals	2,013,166	6,967,045	251,249	9,231,460
Foreign exchange differences	(6,091)	(25,183)	(828)	(32,102)
As at 30 September 2021	(6,451,219)	(6,760,501)	(4,310,115)	(17,521,835)
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 September 2021	33,171,204	21,553,965	1,587,504	56,312,673

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	133,749	7,590,910
Disposals/Impairments	(7,641,424)	(523,632)	(146,060)	(8,311,115)
As at 30 September 2020	32,199,446	1,016,254	4,451,487	37,667,188
Accumulated depreciation				
As at 1 January 2020	(2,162,182)	(303,738)	(1,574,909)	(4,040,829)
Depreciation	(1,629,604)	(189,960)	(1,203,657)	(3,023,221)
Disposals/Impairments	317,858	59,279	107,185	484,322
As at 30 September 2020	(3,473,928)	(434,419)	(2,671,381)	(6,579,728)
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 September 2020	28,725,518	581,835	1,780,106	31,087,460
(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	1,218,914	53,531	1,272,445
Disposals/Impairments	0	0	(45,167)	(45,167)
As at 30 September 2021	32,218,878	2,149,145	5,346,876	39,714,900
Accumulated depreciation				
As at 1 January 2021	(4,287,714)	(428,912)	(3,054,348)	(7,770,974)
Depreciation	(1,589,109)	(420,862)	(977,222)	(2,987,192)
Disposals/Impairments	0	0	45,167	45,167
As at 30 September 2021	(5,876,823)	(849,774)	(3,986,403)	(10,712,999)
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 September 2021	26,342,055	1,299,371	1,360,473	29,001,900

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	31,123,233	31,123,233
Disposals/Impairments	(5,454,834)	(351,371)	0	(2,407,798)	(3,872)	(8,217,875)
Transfer between assets categories	636,157	1,617,300	0	(2,846,214)	(969,225)	(1,561,982)
Transfer from ongoing investments	2,326,579	27,609,836	146,156	26,188,896	(56,271,467)	0
Transfer to investment property	0	0	0	0	(704,948)	(704,948)
Foreign exchange differences	(981,849)	(2,213,917)	(5,031)	(1,171,112)	(59,014)	(4,430,923)
As at 30 September 2020	214,265,851	749,683,755	4,873,780	348,812,021	29,257,425	1,346,892,832
Accumulated depreciation						
As at 1 January 2020	0	(428,928,691)	(2,097,886)	(189,726,587)	0	(620,753,164)
Depreciation	0	(18,783,455)	(234,850)	(19,608,627)	0	(38,626,932)
Disposals/Impairments	0	237,345	0	1,483,843	0	1,721,188
Transfer between assets categories	0	162,088	0	720,312	0	882,400
Foreign exchange differences	0	968,737	3,998	612,628	0	1,585,363
As at 30 September 2020	0	(446,343,976)	(2,328,738)	(206,518,431)	0	(655,191,145)
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 September 2020	214,265,851	303,339,779	2,545,042	142,293,590	29,257,425	691,701,687

(in EUR)	Land	Buildings	Plant	Equipment	Ongoing investments	Total
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	91,119	3,967	3,776,588	24,077,001	27,948,675
Disposals/Impairments	(1,720,204)	(2,911,651)	(553)	(4,506,236)	(273,286)	(9,411,930)
Transfer between assets categories	0	307,567	(306,624)	(943)	(60,520)	(60,520)
Transfer from ongoing investments	1,324,989	9,573,327	393,810	11,890,394	(23,182,520)	0
Transfer from investment property	0	490,562	0	0	0	490,562
Foreign exchange differences	420,584	834,920	2,426	510,625	195,754	1,964,309
As at 30 September 2021	218,593,422	760,446,133	11,995,900	359,503,250	53,330,581	1,403,869,286
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	(18,834,222)	(576,477)	(18,905,350)	0	(38,316,049)
Disposals/Impairments	0	1,555,868	553	2,686,622	0	4,243,043
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	(432,404)	(2,354)	(328,237)	0	(762,995)
As at 30 September 2021	0	(468,547,172)	(7,397,522)	(224,161,936)	0	(700,106,630)
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 September 2021	218,593,422	291,898,961	4,598,378	135,341,314	53,330,581	703,762,656

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 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	19,046,164	19,046,164
Disposals/Impairments	(147,971)	(313,507)	(1,300,363)	(3,872)	(1,765,713)
Transfer between asset categories	(245,189)	(1,264,554)	35,640	(72,736)	(1,546,840)
Transfer from ongoing investments	11,027	24,619,647	20,548,227	(45,178,901)	0
Transfer to investment property	0	0	0	(704,948)	(704,948)
As at 30 September 2020	102,968,502	558,992,673	267,264,652	17,378,669	946,604,495
Accumulated depreciation					
As at 1 January 2020	0	(381,759,290)	(161,585,211)	0	(543,344,501)
Depreciation	0	(12,022,023)	(13,024,926)	0	(25,046,950)
Disposals/Impairments	0	199,960	1,232,185	0	1,432,145
Transfer between asset categories	0	862,258	20,141	0	882,399
As at 30 September 2020	0	(392,719,096)	(173,357,811)	0	(566,076,907)
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 September 2020	102,968,502	166,273,577	93,906,841	17,378,669	380,527,589

(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	11,330,434	11,330,434
Disposals/Impairments	(472,104)	(2,268,393)	(2,902,131)	(317,279)	(5,959,907)
Transfer between asset categories	0	943	(943)	0	0
Transfer from ongoing investments	1,324,989	8,512,570	8,326,015	(18,163,574)	0
Transfer to investment property	0	0	0	(2,350)	(2,350)
As at 30 September 2021	103,700,469	573,557,042	270,663,580	10,076,573	957,997,664
Accumulated depreciation					
As at 1 January 2021	0	(400,599,347)	(172,605,036)	0	(573,204,383)
Depreciation	0	(11,924,335)	(12,314,654)	0	(24,238,989)
Disposals/Impairments	0	1,474,032	2,331,993	0	3,806,025
Transfer between asset categories	0	(424)	424	0	0
As at 30 September 2021	0	(411,050,074)	(182,587,273)	0	(593,637,347)
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 September 2021	103,700,469	162,506,968	88,076,307	10,076,573	364,360,317

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 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	(1,000)	(56,610)
Impairment	(943,000)	(3,047,825)
As at 30 September	372,519,627	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	159,471	107,330	0	0
Dividends received	(135,495)	(172,934)	0	0
Disposals	(22,060)	0	(23,000)	0
Foreign exchange differences	0	(317)	0	0
As at 30 September	563,934	544,352	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	702,787	726,077	0	0
Dividends received	(1,403,355)	(1,099,358)	0	0
New acquisitions	483,993	0	0	0
Decrease	(2,558,145)	(753,977)	(2,575,000)	(753,977)
Foreign exchange differences	0	(11,809)	0	0
As at 30 September	53,178,673	53,516,540	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
Disposals	0	(419,612)	0	(419,612)
Impairment (decrease of fair value through profit or loss)	0	(979,094)	0	(979,094)
Impairment (decrease of fair value reserve)	(61,866)	0	0	0
As at 30 September	4,467,121	4,528,987	2,117,914	2,117,914

18. Inventories

(in EUR)	The Petrol Group		Petrol d.d.	
	30 September 2021	31 December 2020	30 September 2021	31 December 2020
Spare parts and materials	2,824,659	2,430,425	2,333,188	2,152,317
Merchandise:	197,957,165	167,503,333	83,478,494	85,378,313
- fuel	69,192,334	71,457,024	55,651,033	56,735,413
- other petroleum products	331,760	525,972	83,458	118,045
- other merchandise	128,433,071	95,520,337	27,744,003	28,524,855
Total inventories	200,781,824	169,933,758	85,811,682	87,530,630

19. Current financial receivables

(in EUR)	The Petrol Group		Petrol d.d.	
	30 September 2021	31 December 2020	30 September 2021	31 December 2020
Loans granted	2,804,428	3,562,384	18,740,364	23,050,622
Adjustment to the value of loans granted	(1,332,998)	(1,330,433)	(1,285,380)	(1,285,380)
Time deposits with banks (3 months to 1 year)	571,898	593,958	0	0
Interest receivables	107,743	122,759	5,504,595	5,000,553
Allowance for interest receivables	(94,178)	(94,141)	(4,653,089)	(4,518,069)
Total current financial receivables	2,056,893	2,854,527	18,306,490	22,247,726

20. Current operating receivables

(in EUR)	The Petrol Group		Petrol d.d.	
	30 September 2021	31 December 2020	30 September 2021	31 December 2020
Trade receivables	492,604,949	406,289,815	288,539,725	262,238,768
Allowance for trade receivables	(52,807,032)	(49,921,950)	(30,011,202)	(30,657,864)
Operating receivables from state and other institutions	3,179,277	2,511,467	180,409	217,146
Operating interest receivables	1,482,691	1,338,849	2,349,359	2,484,533
Allowance for interest receivables	(1,271,664)	(1,214,106)	(956,587)	(1,059,184)
Receivables from insurance companies (loss events)	102,063	143,214	47,376	28,473
Other operating receivables	11,104,489	8,227,167	7,067,088	5,018,992
Allowance for other receivables	(1,550,435)	(933,017)	(1,091,547)	(551,988)
Total current operating receivables	452,844,338	366,441,439	266,124,621	237,718,876

21. Financial assets at fair value through profit or loss

(in EUR)	The Petrol Group		Petrol d.d.	
	30 September 2021	31 December 2020	30 September 2021	31 December 2020
Assets arising from commodity swaps	13,950,754	11,314,346	13,845,076	11,259,599
Assets arising from forward contracts	279,662	2,636	279,662	2,636
Total financial assets at fair value through profit or loss	14,230,416	11,316,982	14,124,737	11,262,235

22. Prepayments and other assets

(in EUR)	The Petrol Group		Petrol d.d.	
	30 September 2021	31 December 2020	30 September 2021	31 December 2020
Prepayments	102,652,309	73,803,420	28,307,002	24,677,675
Prepaid licences, subscriptions, specialised literature, etc.	2,574,113	1,579,289	2,336,155	1,390,210
Prepaid insurance premiums	1,701,817	734,485	1,354,194	461,928
Other deferred costs	19,585,841	2,389,316	12,409,986	842,063
Total prepayments and other assets	126,514,080	78,506,510	44,407,337	27,371,876

23. Financial liabilities

(in EUR)	The Petrol Group		Petrol d.d.	
	30 September 2021	31 December 2020	30 September 2021	31 December 2020
Current financial liabilities				
Bank loans	47,791,652	36,621,251	45,955,364	36,620,014
Liabilities to banks arising from commodity swaps	3,834,407	5,029,689	3,834,407	5,145,357
Liabilities to banks arising from interest rate swaps	3,064,039	5,379,273	3,052,767	4,896,601
Bonds issued	120,712	250,309	120,712	250,309
Liabilities to banks arising from forward contracts	39,603	786,222	39,603	786,222
Other liabilities arising from financial instruments	0	0	2,568,846	2,568,846
Other loans and financial liabilities	1,219,881	699,811	150,009,802	110,421,383
	56,070,294	48,766,555	205,581,500	160,688,732
Non-current financial liabilities				
Bank loans	200,585,118	259,249,424	150,675,571	209,427,879
Bonds issued	43,807,504	43,801,874	43,807,504	43,801,874
Loans obtained from other companies	379,453	379,762	36,000,000	29,636,850
	244,772,075	303,431,060	230,483,075	282,866,603
Total financial liabilities	300,842,369	352,197,615	436,064,575	443,555,335

24. Lease liabilities

(in EUR)	The Petrol Group		Petrol d.d.	
	30 September 2021	31 December 2020	30 September 2021	31 December 2020
Non-current lease liabilities	49,594,549	54,397,111	27,542,647	27,608,922
Current lease liabilities	9,024,684	10,069,352	2,931,853	4,259,323
Total lease liabilities	58,619,233	64,466,463	30,474,500	31,868,245

25. Current operating liabilities

(in EUR)	The Petrol Group		Petrol d.d.	
	30 September 2021	31 December 2020	30 September 2021	31 December 2020
Trade liabilities	397,715,693	287,742,078	229,380,616	225,732,060
Excise duty liabilities	71,155,108	89,051,979	61,810,213	81,941,940
Value added tax liabilities	31,547,104	28,464,911	20,480,064	18,681,572
Liabilities to employees	16,489,712	12,264,510	13,711,093	9,700,069
Liabilities for environmental charges and contributions	9,480,559	7,074,616	9,136,546	6,574,164
Other liabilities to the state and other state institutions	4,977,190	4,066,375	3,071,918	2,154,492
Import duty liabilities	1,412,040	1,068,381	0	0
Social security contribution liabilities	1,348,774	1,443,461	723,424	809,456
Liabilities arising from interests acquired	1,323,821	1,423,471	1,100,000	1,199,650
Liabilities associated with the allocation of profit or loss	607,769	607,895	607,769	607,895
Other liabilities	1,189,217	4,008,471	1,085,705	1,431,534
Total current operating and other liabilities	537,246,987	437,216,148	341,107,348	348,832,832

26. Contract liabilities

(in EUR)	The Petrol Group		Petrol d.d.	
	30 September 2021	31 December 2020	30 September 2021	31 December 2020
Short-term prepayments and collaterals given	11,670,936	13,019,932	6,505,258	7,351,829
Deferred revenue from rebates and discounts granted	2,219,008	242,107	1,717,400	0
Deferred prepaid card revenue	1,402,042	1,665,807	1,246,292	1,478,932
Total contract liabilities	15,291,986	14,927,846	9,468,950	8,830,761

27. Other liabilities

(in EUR)	The Petrol Group		Petrol d.d.	
	30 September 2021	31 December 2020	30 September 2021	31 December 2020
Accrued annual leave expenses	2,691,639	2,613,290	1,784,815	1,784,815
Accrued expenses for tanker demurrage	436,862	387,983	436,862	387,983
Accrued motorway site lease payments	415,563	73,747	415,563	73,747
Accrued concession fee costs	116,994	366,833	116,994	366,833
Other accrued costs	14,319,403	9,804,015	9,788,522	7,555,385
Other deferred revenue	1,362,623	2,476,402	1,206,931	2,310,692
Total other liabilities	19,343,084	15,722,270	13,749,687	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 nine months of 2021*.

Credit risk

In the first nine 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 September 2021:

(in EUR)	The Petrol Group		Petrol d.d.	
	30 September 2021	31 December 2020	30 September 2021	31 December 2020
Financial assets at fair value through other comprehensive income	4,467,121	4,528,987	2,117,914	2,117,914
Non-current financial receivables	1,783,294	2,680,471	55,421,372	58,124,422
Non-current operating receivables	8,473,891	10,565,315	8,456,436	10,542,414
Contract assets	3,894,838	1,949,652	6,712,130	3,276,761
Current financial receivables	2,056,893	2,854,527	18,306,490	22,247,726
Current operating receivables (excluding receivables from the state)	449,665,061	363,929,972	265,944,212	237,501,730
Financial assets at fair value through profit or loss	14,230,416	11,316,982	14,124,737	11,262,235
Cash and cash equivalents	62,041,746	88,674,952	18,194,227	44,670,525
Total assets	546,613,260	486,500,858	389,277,518	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	398,469,004	31,380,468	6,704,888	2,239,536	1,004,021	439,797,917
Interest receivables	72,526	17,575	1,213	20,986	98,727	211,027
Other receivables (excluding receivables from the state)	9,360,382	208,580	20,728	0	66,427	9,656,117
Total as at 30 September 2021	407,901,912	31,606,623	6,726,829	2,260,522	1,169,175	449,665,061

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	226,276,439	18,146,335	3,303,239	1,489,899	9,312,611	258,528,523
Interest receivables	0	0	0	0	1,392,772	1,392,772
Other receivables (excluding receivables from the state)	6,022,917	0	0	0	0	6,022,917
Total as at 30 September 2021	232,299,356	18,146,335	3,303,239	1,489,899	10,705,383	265,944,212

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

(in days)	The Petrol Group		Petrol d.d.	
	1-9 2021	1-12 2020	1-9 2021	1-12 2020
Days sales outstanding				
Contract days	34	49	29	42
Overdue receivables in days	5	5	5	5
Total days sales outstanding	39	54	34	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 September 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	244,772,075	263,336,027	0	0	199,033,429	64,302,598
Non-current lease liabilities	49,594,549	57,652,214	0	0	26,869,667	30,782,547
Non-current operating liabilities (excluding other liabilities)	24,000	24,000	0	0	24,000	0
Current financial liabilities	56,070,294	60,788,181	56,970,844	3,817,337	0	0
Current lease liabilities	9,024,684	10,007,607	5,176,857	4,830,750	0	0
Liabilities arising from commodity forward contracts*	-	420,317,859	235,450,164	102,570,412	82,297,283	0
Current operating liabilities (excluding liabilities to the state, employees and arising from advance payments)	400,836,500	400,836,500	400,490,295	346,205	0	0
As at 30 September 2021	760,322,102	1,212,962,388	698,088,160	111,564,704	308,224,379	95,085,145

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 guarantees 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 September 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	230,483,075	247,487,027	0	0	162,534,692	84,952,335
Non-current lease liabilities	27,542,647	37,696,724	0	0	12,910,187	24,786,537
Non-current operating liabilities (excluding other liabilities)	24,000	24,000	0	0	24,000	0
Current financial liabilities	205,581,500	209,899,339	181,556,506	28,342,833	0	0
Current lease liabilities	2,931,853	4,147,825	2,227,370	1,920,455	0	0
Liabilities arising from commodity forward contracts*	-	418,562,699	233,695,004	102,570,412	82,297,283	0
Current operating liabilities (excluding liabilities to the state, employees and arising from advance payments)	232,174,090	232,174,090	232,025,788	148,302	0	0
Contingent liabilities for guarantees issued**	-	196,589,459	196,589,459	0	0	0
As at 30 September 2021	698,737,165	1,346,581,164	846,094,127	132,982,002	257,766,162	109,738,872

*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.

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

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

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

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

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

An unfavourable change in any currency pair by 10 percent would decrease net profit by a maximum of EUR 1,588,441, 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 nine 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 nine months of 2021, despite the impact of the epidemic, the Petrol Group continued to pursue its strategic orientation to drive down financial debt and to maintain the net debt to equity ratio at the 2020 level through good operating performance.

Carrying amount and fair value of financial instruments

(in EUR)	The Petrol Group			
	30 September 2021 Carrying	Fair value	31 December 2020 Carrying	Fair value
Non-derivative financial assets at fair value				
Financial assets at fair value through other comprehensive income	4,467,121	4,467,121	4,528,987	4,528,987
Non-derivative financial assets at amortised cost				
Financial receivables (excluding derivative financial instruments)	3,840,187	3,840,187	5,534,998	5,534,998
Operating receivables (excluding receivables from the state)	458,138,952	458,138,952	374,495,287	374,495,287
Contract assets	3,894,838	3,894,838	1,949,652	1,949,652
Cash and cash equivalents	62,041,746	62,041,746	88,674,952	88,674,952
Total non-derivative financial assets	532,382,844	532,382,844	475,183,876	475,183,876
Non-derivative financial liabilities at amortised cost				
Bank loans and other financial liabilities (excluding derivative fin.instr.)	(293,904,320)	(293,904,320)	(341,002,431)	(341,002,431)
Lease liabilities	(58,619,233)	(58,619,233)	(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)	(400,860,500)	(400,860,500)	(293,805,915)	(293,805,915)
Total non-derivative financial liabilities	(753,384,053)	(753,384,053)	(699,274,809)	(699,274,809)
Derivative financial instruments at fair value				
Derivative financial instruments (assets)	14,230,416	14,230,416	11,316,982	11,316,982
Derivative financial instruments (liabilities)	(6,938,049)	(6,938,049)	(11,195,184)	(11,195,184)
Total derivative financial instruments	7,292,367	7,292,367	121,798	121,798

(in EUR)	Petrol d.d.			
	30 September 2021 Carrying amount	Fair value	31 December 2020 Carrying amount	Fair value
Non-derivative financial assets at fair value				
Financial assets at fair value through other comprehensive income	2,117,914	2,117,914	2,117,914	2,117,914
Non-derivative financial assets at amortised cost				
Financial receivables (excluding derivative financial instruments)	73,727,862	73,727,862	80,372,148	80,372,148
Operating receivables (excluding receivables from the state)	274,400,648	274,400,648	248,044,144	248,044,144
Contract assets	6,712,130	6,712,130	3,276,761	3,276,761
Cash and cash equivalents	18,194,227	18,194,227	44,670,525	44,670,525
Total non-derivative financial assets	375,152,781	375,152,781	378,481,492	378,481,492
Non-derivative financial liabilities at amortised cost				
Bank loans and other financial liabilities (excluding derivative fin.instr.)	(426,568,953)	(426,568,953)	(430,158,309)	(430,158,309)
Lease liabilities	(30,474,500)	(30,474,500)	(31,868,245)	(31,868,245)
Operating liabilities (excluding other non-current liabilities and current liabilities to the state, employees and arising from advance payments)	(232,198,090)	(232,198,090)	(228,995,139)	(228,995,139)
Total non-derivative financial liabilities	(689,241,543)	(689,241,543)	(691,021,693)	(691,021,693)
Derivative financial instruments at fair value				
Derivative financial instruments (assets)	14,124,737	14,124,737	11,262,235	11,262,235
Derivative financial instruments (liabilities)	(9,495,622)	(9,495,622)	(13,397,026)	(13,397,026)
Total derivative financial instruments	4,629,115	4,629,115	(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 September 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	14,230,416	0	0	14,230,416	11,316,982	0	0	11,316,982
Financial assets at fair value through other comprehensive income	0	0	4,467,121	4,467,121	0	0	4,528,987	4,528,987
Total assets at fair value	14,230,416	0	4,467,121	18,697,537	11,316,982	0	4,528,987	15,845,969
Non-current financial receivables	0	0	1,783,294	1,783,294	0	0	2,680,471	2,680,471
Current financial receivables	0	0	2,056,893	2,056,893	0	0	2,854,527	2,854,527
Non-current operating receivables	0	0	8,473,891	8,473,891	0	0	10,565,315	10,565,315
Current operating rec. (excluding rec. from the state)	0	0	449,665,061	449,665,061	0	0	363,929,972	363,929,972
Contract assets	0	0	3,894,838	3,894,838	0	0	1,949,652	1,949,652
Cash and cash equivalents	0	0	62,041,746	62,041,746	0	0	88,674,952	88,674,952
Total assets with fair value disclosure	0	0	527,915,723	527,915,723	0	0	470,654,889	470,654,889
Total assets	14,230,416	0	532,382,844	546,613,260	11,316,982	0	475,183,876	486,500,858

Fair value of liabilities

(in EUR)	30 September 2021				31 December 2020			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial liabilities at fair value through profit or loss	(6,938,049)	0	0	(6,938,049)	(11,195,184)	0	0	(11,195,184)
Total liabilities at fair value	(6,938,049)	0	0	(6,938,049)	(11,195,184)	0	0	(11,195,184)
Non-current financial liabilities	0	0	(244,772,075)	(244,772,075)	0	0	(303,431,060)	(303,431,060)
Non-current lease liabilities	0	0	(49,594,549)	(49,594,549)	0	0	(54,397,111)	(54,397,111)
Current financial liabilities (excluding liabilities at fair value)	0	0	(49,132,245)	(49,132,245)	0	0	(37,571,371)	(37,571,371)
Current lease liabilities	0	0	(9,024,684)	(9,024,684)	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	(400,836,500)	(400,836,500)	0	0	(293,781,915)	(293,781,915)
Total liabilities with fair value disclosure	0	0	(753,384,053)	(753,384,053)	0	0	(699,274,809)	(699,274,809)
Total liabilities	(6,938,049)	0	(753,384,053)	(760,322,102)	(11,195,184)	0	(699,274,809)	(710,469,993)

Petrol d.d., Ljubljana Fair value of assets

(in EUR)	30 September 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	14,124,737	0	0	14,124,737	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	14,124,737	0	2,117,914	16,242,651	11,262,235	0	2,117,914	13,380,149
Non-current financial receivables	0	0	55,421,372	55,421,372	0	0	58,124,422	58,124,422
Current financial receivables	0	0	18,306,490	18,306,490	0	0	22,247,726	22,247,726
Non-current operating receivables	0	0	8,456,436	8,456,436	0	0	10,542,414	10,542,414
Current operating rec. (excluding rec. from the state)	0	0	265,944,212	265,944,212	0	0	237,501,730	237,501,730
Contract assets	0	0	6,712,130	6,712,130	0	0	3,276,761	3,276,761
Cash and cash equivalents	0	0	18,194,227	18,194,227	0	0	44,670,525	44,670,525
Total assets with fair value disclosure	0	0	373,034,867	373,034,867	0	0	376,363,578	376,363,578
Total assets	14,124,737	0	375,152,781	389,277,518	11,262,235	0	378,481,492	389,743,727

Fair value of liabilities

(in EUR)	30 September 2021				31 December 2020			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial liabilities at fair value through profit or loss	(6,926,776)	0	(2,568,846)	(9,495,622)	(10,828,180)	0	(2,568,846)	(13,397,026)
Total liabilities at fair value	(6,926,776)	0	(2,568,846)	(9,495,622)	(10,828,180)	0	(2,568,846)	(13,397,026)
Non-current financial liabilities	0	0	(230,483,075)	(230,483,075)	0	0	(282,866,603)	(282,866,603)
Non-current lease liabilities	0	0	(27,542,647)	(27,542,647)	0	0	(27,608,922)	(27,608,922)
Current financial liabilities (excluding liabilities at fair value)	0	0	(196,085,878)	(196,085,878)	0	0	(147,291,706)	(147,291,706)
Current lease liabilities	0	0	(2,931,853)	(2,931,853)	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	(232,174,090)	(232,174,090)	0	0	(228,971,139)	(228,971,139)
Total liabilities with fair value disclosure	0	0	(689,241,543)	(689,241,543)	0	0	(691,021,693)	(691,021,693)
Total liabilities	(6,926,776)	0	(691,810,389)	(698,737,165)	(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
Disposals	0	(419,612)	0	(419,612)
Total profits of losses recognised in statement of profit or loss	0	(979,093)	0	(979,093)
Total profits of losses recognised in statement of comprehensive income	(61,866)	0	0	0
As at 30 September	4,467,121	4,528,987	2,117,914	2,117,914

29. Related party transactions

(in EUR)	The Petrol Group		Petrol d.d.	
	1-9 2021	1-9 2020	1-9 2021	1-9 2020
Sales revenue:				
Subsidiaries	-	-	224,822,364	150,813,397
Jointly controlled entities	1,016,858	373,484	19,682	58,288
Associates	11,634	14,942	11,634	14,942
Cost of goods sold:				
Subsidiaries	-	-	38,806,077	30,068,749
Jointly controlled entities	98,199	72,719	0	0
Cost of materials:				
Subsidiaries	-	-	170,254	145,564
Jointly controlled entities	1,119	1,158	0	564
Cost of services:				
Subsidiaries	-	-	405,921	457,875
Jointly controlled entities	1,380	0	0	0
Gain of derivatives:				
Subsidiaries	-	-	0	1,019,973
Loss on derivatives:				
Subsidiaries	-	-	127,736	1,366,679
Finance income from interests in Group companies:				
Subsidiaries	-	-	1,110,165	2,099,057
Jointly controlled entities	159,471	107,330	135,495	172,934
Associates	702,787	726,077	1,328,236	1,099,358
Finance income from interest:				
Subsidiaries	-	-	475,996	369,221
Jointly controlled entities	317	648	317	648
Other finance income:				
Subsidiaries	-	-	49,836	159,992
Associates	547	1,261	547	1,261
Finance expenses due to impairment/disposal of investments and impairment of goodwill:				
Subsidiaries	878,805	0	944,000	3,047,825
Finance expenses for interest:				
Subsidiaries	-	-	1,514,757	798,261
Jointly controlled entities	260	0	260	0
Allowance for operating receivables:				
Jointly controlled entities	0	628,420	0	628,420
Other finance expenses:				
Subsidiaries	-	-	10,702	0

(in EUR)	The Petrol Group		Petrol d.d.	
	30 September 2021	31 December 2020	30 September 2021	31 December 2020
Investments in Group companies:				
Subsidiaries	-	-	372,519,627	351,013,627
Jointly controlled entities	563,934	562,016	210,000	233,000
Associates	53,178,673	55,953,391	26,610,477	29,185,477
Non-current financial receivables:				
Subsidiaries	-	-	54,459,185	56,492,385
Contract assets:				
Subsidiaries	-	-	3,535,543	1,364,744
Current operating receivables:				
Subsidiaries	-	-	31,526,435	16,575,671
Jointly controlled entities	279,748	125,748	2,584	2,301
Associates	885	1,244	885	1,244
Current financial receivables:				
Subsidiaries	-	-	16,738,104	20,778,358
Jointly controlled entities	0	68,800	0	68,800
Short-term deposits (up to 3 months):				
Subsidiaries	-	-	240,420	377,677
Non-current financial liabilities:				
Subsidiaries	-	-	36,000,000	29,638,849
Current financial liabilities:				
Subsidiaries	-	-	152,198,527	112,597,148
Jointly controlled entities	300,000	300,025	300,000	300,025
Current operating liabilities:				
Subsidiaries	-	-	5,568,205	6,438,681
Jointly controlled entities	0	9,867	0	0
Current accrued costs and expenses:				
Subsidiaries	-	-	225,763	424,711
Contract liabilities:				
Subsidiaries	-	-	11,058	5,773

30. Contingent liabilities

Contingent liabilities for guarantees issued

(in EUR)	Petrol d.d.		Petrol d.d.	
	30 September 2021	31 December 2020	30 September 2021	31 December 2020
Guarantee issued to:	Value of guarantee issued		Guarantee amount used	
Petrol d.o.o.	96,161,721	99,171,455	91,411,838	67,990,968
Vjetrolektrarna Ljubač d.o.o.	23,792,130	23,792,130	0	0
Geoplin d.o.o. Ljubljana	21,000,000	13,000,000	21,000,000	8,069,782
E3 d.o.o.	15,000,000	0	3,112,336	0
Petrol d.o.o. Beograd	5,624,405	7,625,489	262,562	833,397
Petrol BH Oil Company d.o.o. Sarajevo	4,193,616	4,193,616	169,488	2,634,186
Petrol Trade Handelsgesellschaft m.b.H.	3,000,000	3,000,000	1,800,000	1,800,000
Aquasystems d.o.o.	373,318	373,318	373,318	373,318
Petrol Crna Gora MNE d.o.o.	180,000	480,000	34,358	124,856
Total	169,325,190	151,636,008	118,163,900	81,826,507
Bills of exchange issued as security	20,777,283	10,471,618	20,777,283	10,471,618
Other guarantees	6,486,986	6,591,277	6,486,986	6,591,277
Total contingent liabilities for guarantees issued	196,589,459	168,698,903	145,428,169	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 349,047. 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 164,738 as at 30 September 2021.

The total value of lawsuits against the Group as defendant and debtor totals EUR 927,252. 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 605,329 as at 30 September 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 nine months of year 2021.

APPENDIX 1: ORGANISATIONAL STRUCTURE OF THE PETROL GROUP

The Petrol Group as at 30 September 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 LUMENNIS ŠI 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 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 September 2021 does not include inactive companies.