



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

In the first six months of 2022

**PETROL**

Energy for life



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**STATEMENT OF THE MANAGEMENT BOARD**

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

- the financial report of the Petrol Group and Petrol d.d., Ljubljana for the first six months of 2022 has been drawn up in accordance with International Financial Reporting Standards as adopted by the EU and gives a true and fair view of the assets and liabilities, financial position, financial performance and comprehensive income of the company Petrol d.d., Ljubljana and other consolidated companies as a whole;
- the business report of the Petrol Group and Petrol d.d., Ljubljana for the first six months of 2022 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 Petrol d.d., Ljubljana and other consolidated companies are exposed to as a whole;
- the report of the Petrol Group and Petrol d.d., Ljubljana for the first six months of 2022 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, 18 August 2022

## INTRODUCTORY NOTES

The report on the operations of the Petrol Group and Petrol, d.d., Ljubljana, Dunajska 50, in the first six months of 2022 has been published in accordance with the Market in Financial Instruments Act, the Ljubljana Stock Exchange Rules, Guidelines on Disclosure for Listed Companies and other relevant legislation.

The figures and explanation of the operations are based on unaudited consolidated financial statements of the Petrol Group and unaudited financial statements of Petrol d.d., Ljubljana for the first six months of 2022 prepared in compliance with the Companies Act and IAS 34 – Interim Financial Reporting.

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

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

The report on the operations in the first six months of 2022 has been published on the website of Petrol d.d., Ljubljana ([www.petrol.eu](http://www.petrol.eu), [www.petrol.si](http://www.petrol.si)), and is available on demand at the registered office of Petrol d.d., Ljubljana, Dunajska cesta 50, 1000 Ljubljana, every working day between 8 am and 3 pm.

The Company's Supervisory Board discussed the report on the operations of the Petrol Group and Petrol d.d., Ljubljana in the first six months of 2022 at its meeting held on 25 August 2022.

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

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

## ALTERNATIVE PERFORMANCE MEASURES

To present its business performance, the Petrol Group also uses alternative performance measures (APMs) as defined by ESMA (The European Securities and Market Authority). The APMs we have chosen provide additional information about the Petrol Group's performance.

### List of alternative performance measures

APM	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.	EBITDA indicates business performance and is the primary source for ensuring returns to shareholders.
EBITDA/Adjusted gross profit	Ratio = EBITDA/Adjusted gross profit	The ratio is a good approximation of the share of free cash flows from operating activities in adjusted gross profit.
Operating costs/Adjusted gross profit	Ratio = Operating costs/Adjusted gross profit	The ratio is relevant because it concerns the cost-effectiveness of operations.
Net debt/Equity	Net debt = Current and non-current financial liabilities + Current and non-current lease liabilities – Cash and cash equivalents; Ratio = Net debt/Equity	The ratio reflects the relation between debt and equity and is, as such, relevant for monitoring the Company's capital adequacy.
Net debt/EBITDA	Ratio = Net debt/EBITDA	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.
Added value/Employee	Added value per employee = (EBITDA + Integral labour costs)/Average number of employees. Integral labour costs = Labour costs relating to Petrol Group employees + Labour costs relating to third-party managed service stations, which stood at EUR 12.4 million in the period from January to June 2022 and equal to that in the same period of 2021.	This productivity ratio indicates average newly created value per Petrol Group employee.
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 23.9 million in the period from January to June 2022) + Non-current investments (EUR 4.3 million in the period from January to June 2022) – Disposal of fixed assets (EUR 5.0 million in the period from January to June 2022).	The information about investments reflects the direction of the Petrol Group's development.
Book value per share	Book value per share = equity/total number of issued shares	Book value per share reflects the value of a public limited company's total equity per share.

# HIGHLIGHTS

## The Petrol Group's key performance indicators

The Petrol Group	Unit	1-6 2022	1-6 2021	Index 2022/2021
Sales revenue	EUR million	4,154.7	1,840.3	226
Adjusted gross profit <sup>1</sup>	EUR million	245.4	258.1	95
Operating profit	EUR million	3.3	65.0	5
Net profit	EUR million	-1.3	49.4	-
Equity <sup>3</sup>	EUR million	872.6	908.7	96
Total assets <sup>3</sup>	EUR million	2,689.9	2,383.5	113
EBITDA <sup>1</sup>	EUR million	48.6	102.1	48
EBITDA/Adjusted gross profit <sup>1</sup>	%	19.8	39.6	50
Operating costs/Adjusted gross profit <sup>1</sup>	%	93.5	72.9	128
Net debt/Equity <sup>1,3</sup>		0.61	0.56	110
Net debt/EBITDA <sup>1,2,4</sup>		-	2.1	-
Added value per employee <sup>1</sup>	EUR thousand	20.5	33.3	62
Earnings per share attributable to owners of the controlling company	EUR	-2.6	22.8	-
Net investments <sup>1</sup>	EUR million	23.2	26.3	88
Volume of fuels and fuel products sold	thousand tons	1,883.6	1,383.9	136
Volume of natural gas sold	TWh	10.1	19.2	53
Volume of electricity sold	TWh	5.8	6.8	86
Revenue from the sales of merchandise and services	EUR million	237.8	242.0	98

<sup>1</sup> Alternative performance measure (APM) as defined in chapter Alternative Performance Measures.

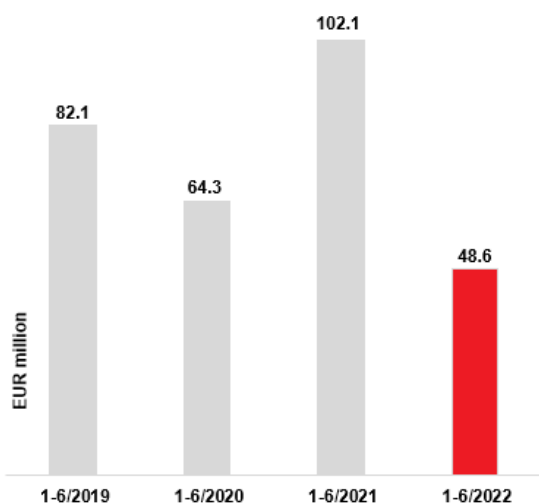
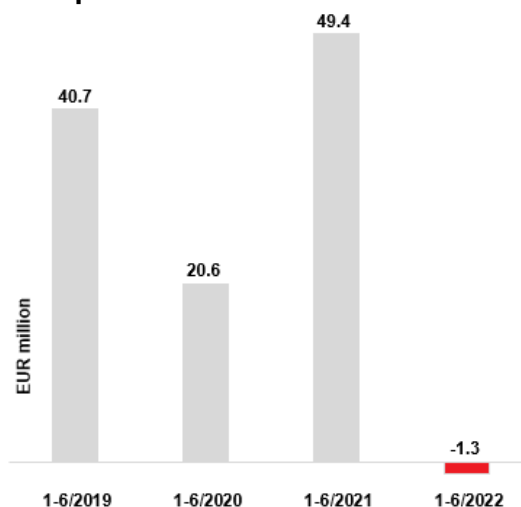
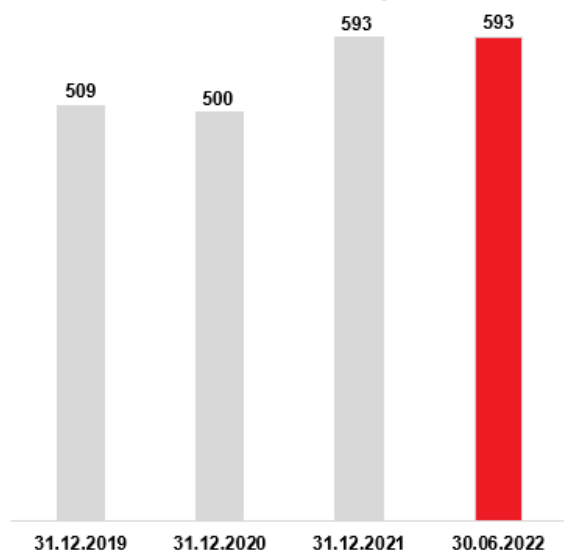
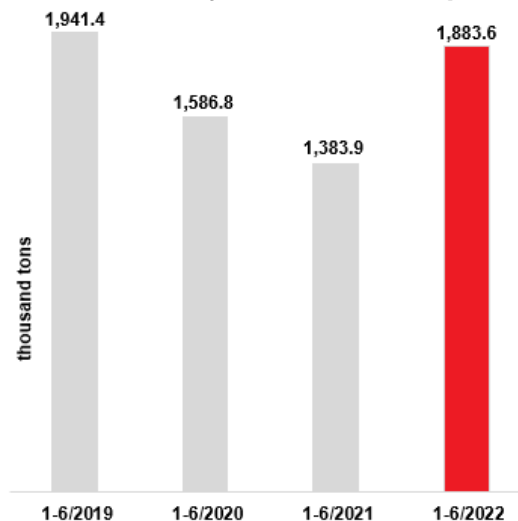
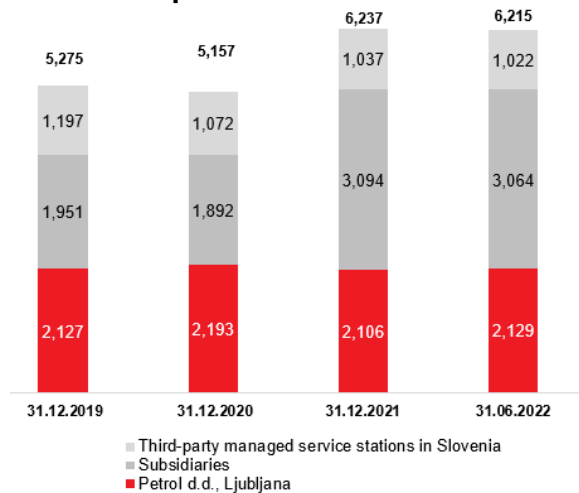
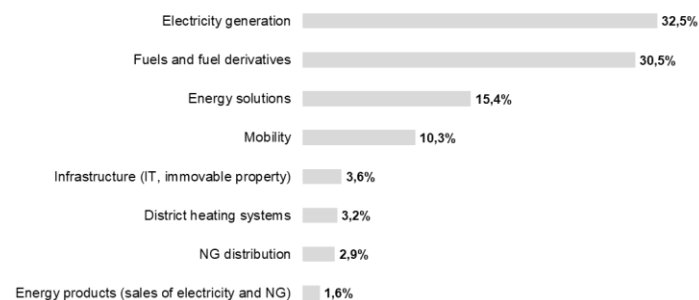
<sup>2</sup> EBITDA calculated at annual level.

<sup>3</sup> Data for 2021 as at 31 December.

<sup>4</sup> The data cannot be calculated because of the uncertainty regarding the government compensation for the economic loss resulting from the regulation of the retail prices of petroleum products and due to the uncertainty related to the regulatory framework of electricity and natural gas price regulation in the part referring to loss compensation.

The Petrol Group	Unit	30 June 2022	31 December 2021	Index 2022/2021
Number of employees		6,215	6,237	100
Number of service stations		593	593	100
Number of e-charging points operated by the Petrol Group		359	296	121
Number of electricity customers	thousand	225	225	100
Number of natural gas customers (data for the Geoplin Group are not included)	thousand	53	47	113



**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 fuels and fuel products sold by the Petrol Group**

**Figure 5: Number of employees in the Petrol Group**

**Figure 6: Breakdown of the Petrol Group's investments in the first six months of 2022**


## Strategic Orientation

### Our mission

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

### Our promise

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

### Our vision

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

### Our values

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

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

# BUSINESS REPORT

## **The Petrol Group's operations in the first six months of 2022**

We entered 2022 still faced with the Covid-19 epidemic. Economic growth was stable, although already accompanied by high prices of energy products which skyrocketed as the war began in Ukraine. The high energy prices and the increasing inflation were the reason for fuel price regulation in the markets where we operate. Following fuel prices, regulation was imposed on the prices of natural gas and electricity, all of which has affected the operations of the Petrol Group.

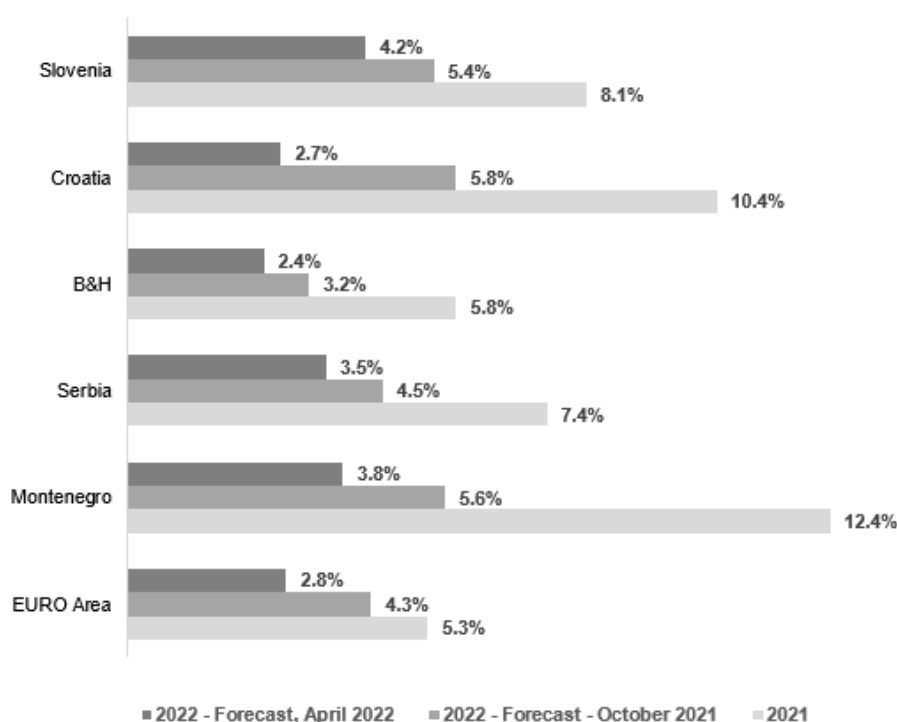
### **Business environment**

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 expected the economy to recover. However, the outlook has worsened substantially with Russian invasion of Ukraine at the end of February. In its April Forecast, the GDP growth in Slovenia was forecast to drop from 6.3 percent to 3.7 percent, whereas in Croatia, GDP is forecast to increase by 2.7 percent. According to IMAD's Spring Forecast, Slovenia's GDP is expected to increase by 4.2 percent in 2022, especially on account of domestic consumption.

The greatest risk to the forecast GDP growth is connected to war developments in Ukraine and the prices of energy products. The European Union is highly dependent on Russian gas imports. The already weakened trade flows with Russia have become even lower, which may additionally affect the economic growth. Potential new Covid-19 flare-ups remain an important risk to more stable recovery of certain activities.

**Figure 2: GDP 2021 and forecast for 2022**


Source: International Monetary Fund, World Economic Outlook, IMAD, April 2022

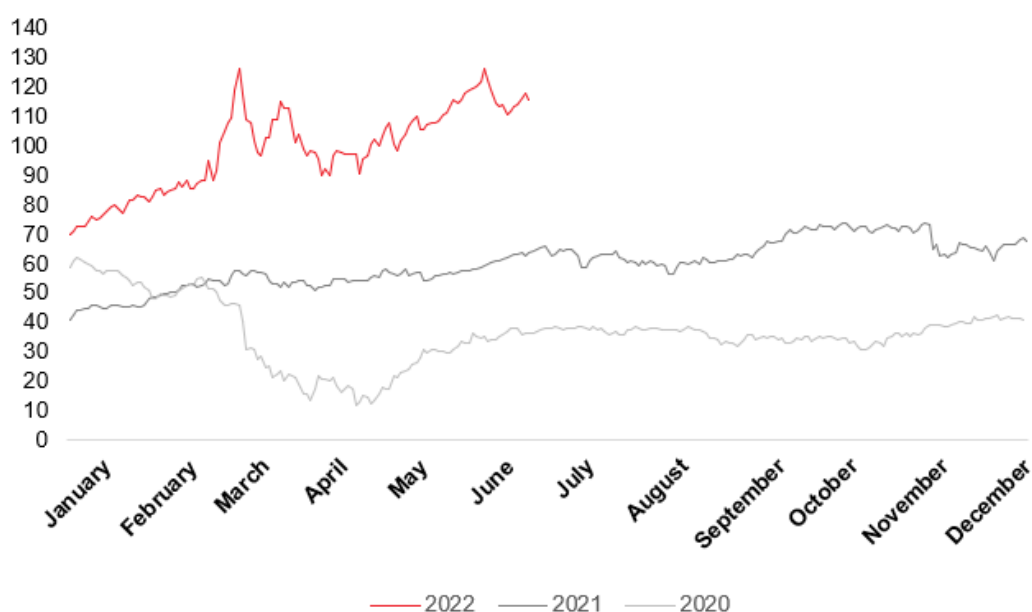
When preparing measures and putting them into practice, the Petrol Group complies fully, in all of its markets, with instructions issued by authorities. We complied with all instructions regarding the implementation of measures to curb the spread of SARS-CoV-2. Therefore, until 20 February 2022, entry to service stations was enabled solely to those who held a valid RVT certificate, which ended on 21 February 2022. We also comply with all decrees determining the prices of petroleum products on all markets where we operate.

The Petrol Group's operations are also significantly affected by changes in the prices of oil and petroleum products in the global market, the method of determining the retail prices of petroleum products, and changes in the USD/EUR exchange rate.

The average price of Brent Dated North Sea crude oil stood at USD 107.9 per barrel in the first six months of 2022, up by 66 percent year-on-year; the average price in euros increased by 84 percent year-on-year. In the period concerned, the price of Brent crude oil peaked on 8 March 2022, reaching USD 137.6 per barrel, and was the lowest on 4 January 2022 at USD 79.0 per barrel. The prices of petrol and middle distillates mostly followed the crude oil price trend, although their growth was much more intensive. The price of petrol grew higher than that of crude oil, yet it was far from the growth of diesel fuel, heating oil and kerosine prices.

**Figure 8: Changes in Brent Dated oil price in the first six months of 2022 in USD/barrel**


Source: Petrol, 2022

**Figure 9: Changes in Brent Dated oil price in the first six months of 2022 in EUR/barrel**


Source: Petrol, 2022

The prices of oil and petroleum products were slowly increasing in the beginning of this year, but after Russian invasion of Ukraine at the end of February 2022, we witnessed booming prices of oil and, consequently, all petroleum products. After initial shock, the steep growth settled down in the beginning of April, but they again started to increase sharply in mid-May.

Toward the end of June, the price growth again settled down. The highest increase was recorded for diesel, heating oil and kerosine.

Future oil price trends will be affected mostly by the situation in Ukraine, as well as OPEC's oil output agreements, prices of maritime transport and the confirmation of the forecasts about the global economy entering a recession. Petroleum product prices (especially in Europe) are more likely to increase than crude oil prices, since European refineries do not operate at full capacities due to the extreme growth of natural gas prices in Europe.

In **Slovenia**, the retail prices of NMB-95 petrol and diesel were market-determined until 14 March 2022 when the Government of the Republic of Slovenia adopted the Decree Determining the Prices of Certain Petroleum Products to set the maximum permitted retail price of NMB-95 petrol at EUR 1.503 per litre and diesel at EUR 1.541 per litre. On 31 March 2022, the adopted Decree Determining the Prices of Certain Petroleum Products further set the maximum permitted wholesale price of NMB-95 at EUR 1.483 per litre and diesel at EUR 1.521 per litre. The Decree was in effect for retail and wholesale prices until 30 April 2022. Prices were not regulated until 10 May, after which they were again regulated from 11 May to 10 August. The Government of the Republic of Slovenia capped the retail price of NMB-95 petrol at EUR 1.560 per litre and the wholesale price at EUR 1.540 per litre. The price of diesel was regulated at EUR 1.668 per litre in retail and at EUR 1.648 per litre in wholesale. The Decree was in effect until 20 June because the new government adopted a new Decree on 15 June 2022 to exclude prices of motor fuels at motorway and expressway service stations. The retail and wholesale prices at such service stations were market-determined (premium fuels NMB 100 and IQ Diesel are also excluded). By passing the Decree, the Government stopped the limitation of maximum prices and limited fuel retailers' and wholesalers' margins at EUR 0.0591 per litre for diesel and for NMB-95 at EUR 0.0607 per litre; after 17 August 2022, the margin for diesel is expected to amount to EUR 0.0983 per litre and for NMB-95 to EUR 0.0994 per litre. The Decree is in effect from 21 June for a period of one year. Pursuant to the Decree, the biocomponent markup is excluded from the model price calculation formula although it still needs to be added to fossil fuels pursuant to the Decree on renewable energy sources in transport.

In light of the high energy prices, the Government of the Republic of Slovenia adopted the Decree Determining the Prices of Petroleum Products on 20 October 2021, thereby reintroducing government regulation of extra light fuel oil (KOEL) prices. The maximum permitted margin was EUR 0.0600 per litre. The Decree was in force for three months and then extended by an additional three months on 20 January 2022. The regulation of margin at EUR 0.0600 per litre was extended by another month with a new Decree on 21 April 2022 and was in effect until 21 May when the regulation of the extra light heating oil prices ended.

In **Croatia**, 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, NN 17/2022) on 7 February 2022, setting the maximum prices of the following fuels for a period of 30 days: petrol (EurosUPER 95) at HRK 11.37 per litre (EUR 1.5 per litre), diesel (Eurodiesel) at HRK 11.29 per litre (EUR 1.49 per litre) and blue-dyed diesel (Eurodiesel BS plavi) at HRK 6.50 per litre (EUR 0.86 per litre). On 7 March 2022, the Government of the Republic of Croatia adopted new Regulation on the determination of the highest retail prices of petroleum products (Uredba o utvrđivanju najviših maloprodajnih cijena naftnih derivata, NN 28/2022), which sets a pricing model for petrol, diesel and blue-

dyed diesel. The Regulation also sets the maximum margin which can be charged by fuel retailers and wholesalers for: petrol (Eurosuper 95) at HRK 0.75 per litre (EUR 0.099 per litre), diesel (Eurodiesel) at HRK 0.75 per litre (EUR 0.099 per litre) and blue-dyed diesel at HRK 0.50 per litre (EUR 0.066 per litre). The Regulation can be in force up to 90 days.

On 17 March 2022, the Government of the Republic of Croatia adopted an amendment to Regulation (Uredba o izmjeni Uredbe o utvrđivanju najviših maloprodajnih cijena naftnih derivata; NN 35/2022), excluding bio-component markup from the maximum price calculation formula. On 17 March 2022, the Government of the Republic of Croatia adopted a new Regulation (Uredba o izmjeni Uredbe o posebnoj naknadi za okoliš zbog nestavljanja biogoriva na tržište; NN 35/2022), reducing the fine for not blending the bio-component.

On 7 June 2022, the Croatian government adopted a Regulation (Uredba o utvrđivanju najviših maloprodajnih cijena naftnih derivata, NN 64/2022) to decrease the regulated margins of fuel retailers and wholesales, namely for petrol (Eurosuper 95) and for diesel (Eurodiesel) to HRK 0.65 per litre (EUR 0.086 per litre) and for blue-dyed diesel to HRK 0.40 per litre (EUR 0.053 per litre). It also changed the retail price calculation method by extending the accounting period to 14 days (previously 7 days).

By amending Regulation on 20 June 2022 (NN 70/2022), the Croatian government separated regulation of the prices of fuel sold at motorway service stations from other locations. For fuels not sold at motorway service stations, it set the following maximum retail prices: petrol (Eurosuper 95) at HRK 13.50 per litre (EUR 1.794 per litre), diesel (Eurodiesel) at EUR 13.08 per litre (EUR 1.738 per litre) and blue-dyed diesel (Eurodiesel BS plavi) at HRK 9.45 per litre (EUR 1.256 per litre). For fuels sold at motorway locations, it regulated the margin for petrol (Eurosuper 95) at HRK 0.65 per litre (EUR 0.0863 per litre), diesel (Eurodiesel) at HRK 0.65 per litre (EUR 0.0863 per litre), and for blue-dyed diesel at HRK 0.40 per litre (EUR 0.0531 per litre).

In **Serbia**, the Government of the Republic of Serbia adopted Regulation on the limitation of prices of petroleum products, referring to Eurodiesel and unleaded petrol; the Regulation has been in force since 12 February 2022. By amending the Regulation on 11 March 2022, the maximum retail price including VAT for Eurodiesel and BMB 95 unleaded petrol was set in the amount of the average wholesale price of fuel products in Serbia, increased by RSD 6 per litre (EUR 5 cents per litre), and later (with amendment on 29 April 2022) increased by RSD 7 per litre. Prior to this, retail prices of petroleum products were market-determined. The Serbian government extends the duration of the regulation on a monthly basis; it is currently extended until 31 August 2022.

In **Bosnia and Herzegovina**, the maximum retail margin has been set at EUR 0.128 per litre (BAM 0.25) and the wholesale margin at BAM 0.06 (EUR 0.0307 per litre) since 3 April 2021; prior to this, retail prices of petroleum products were market-determined.

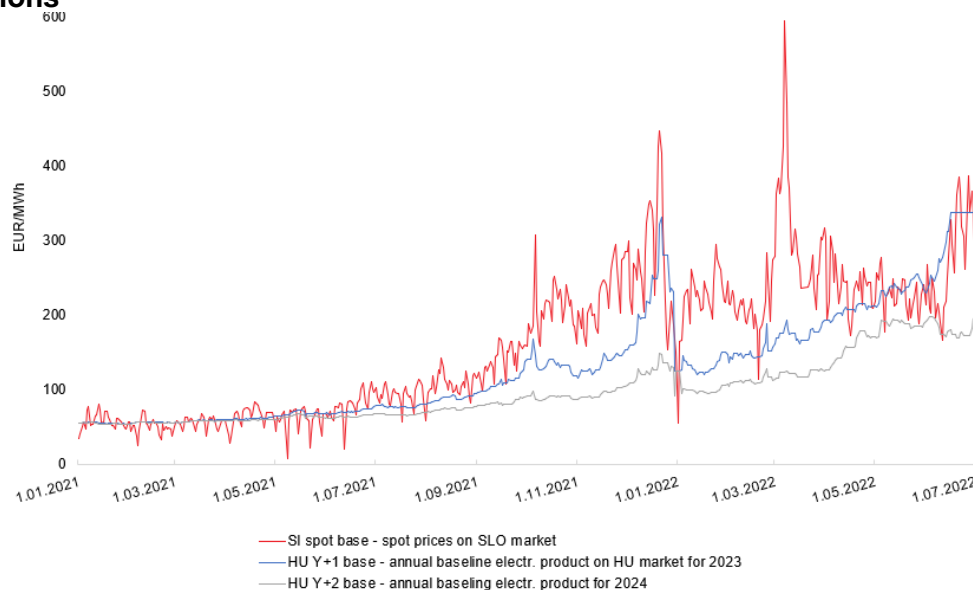
In **Montenegro**, the prices of petroleum products are set in accordance with the Regulation on the Method of Setting Maximum Retail Prices, which has been in force since March 2021. The prices change fortnightly, subject to changes on the oil market (Platts European Marketscan) and the exchange rate 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.



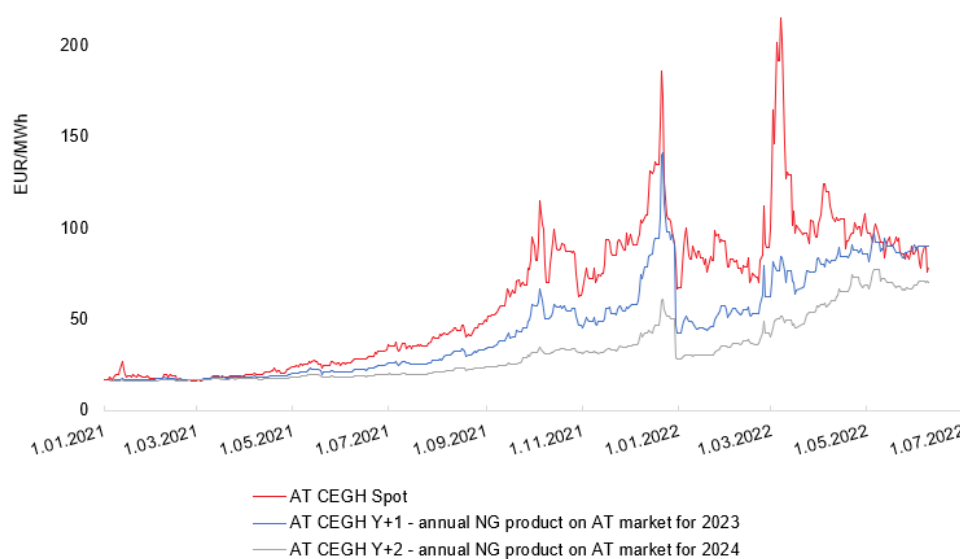
The electricity and natural gas prices also continue to grow, especially due to the war situation in Ukraine and the EU sanctions against Russia adopted in order to weaken Kremlin's ability to finance the war.

Fear of energy product shortage in the EU is still present. Gas supply from Russia has been decreasing and, additionally, the market situation has been weakened by the extremely dry weather with above-average temperatures and fear of natural gas shortage in the coming winter. As a result, the prices of natural gas and electricity have been increasing. The prices of energy products based on futures contracts (for 2024, 2025...) continue to rise, making it clear that the end of the energy-related challenges in the EU is still not on the horizon.

**Figure 10: Electricity price trends in 2021, in the first six months of 2022, and projections**



**Figure 11: Natural gas price trends in 2021, in the first six months of 2022 and projections**



The USD/EUR exchange rate ranged between 1.04 and 1.15 in the first half of 2022. The average exchange rate of the US dollar according to the exchange rate of the European Central Bank stood at USD 1.09 per euro in the period concerned.

## **The Petrol Group's business performance in the first six months of 2022**

In June 2021, the Petrol Group reorganised the Company and the Petrol Group with the purpose to achieve the strategic goals and position the Group in the context of a broader energy transition in line with the new vision of the Group. Reorganisation is reflected in a stronger connection of markets, regional approach and standardisation of business processes and it enables more efficient processes, the unification and optimisation of the operation of support functions, customer focus and a unified presence on the markets in subsidiaries.

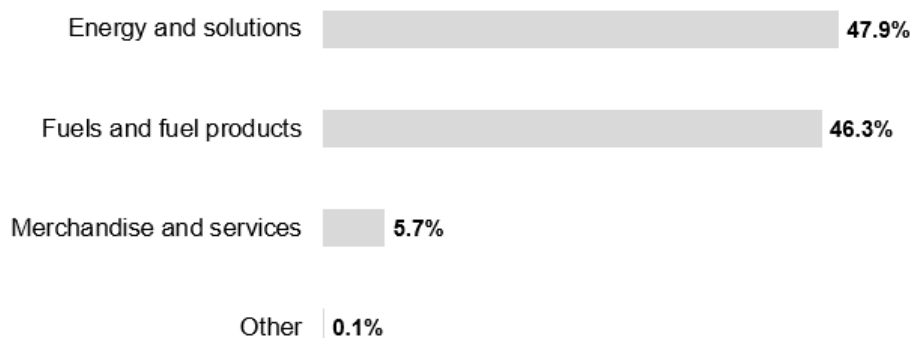
We separated sales, which is focused on customers with the goal to increase the time of engagement with customers and increase revenue, from product management, which is focused on developing products and managing their life cycle and on providing for a high customer experience and maximising product profitability in the Group.

In line with this, we have started to report operating results by the following product groups this year.

- **Fuels and fuel products**, including petroleum product sales, liquefied petroleum gas sales and other alternative energy products (compressed natural gas), transport, storage and transshipment of fuels, revenue from payment cards, and sales of biomass, tyres, inner tubes and batteries.
- **Merchandise and services**, including sales of food products, accessories, tobacco and lottery products, coupons and cards, coffee-to-go, Fresh products, automotive products and spare parts, and carwash services, sales promotion services, and other services, and catering facility rentals.
- **Energy and solutions**, including electricity and natural gas sales and trading, sales of energy solutions (systems of energy and environmental management of buildings, water supply systems, efficient lighting systems, district energy systems, water treatment, industry solutions), sales of heat systems, natural gas distribution, mobility and renewable electricity generation.
- **Other**: mining services, maintenance services, vacation rentals.

We have adjusted all data for the comparative period of 2021 and the plan for 2022 to the new reporting method.

In the first six months of 2022, the Petrol Group's **sales revenue** stood at EUR 4.2 billion, a year-on-year increase of 126 percent. In January and most of February 2022, the Petrol Group's operations were influenced by the measures to contain the Covid-19 pandemic. Until 20 February 2022, entry to service stations was enabled solely to those who held a valid RVT certificate; this rule ended on 21 February. The prices of energy products increased steadily throughout the relevant period, but they soared at the end of February when Russia invaded Ukraine. Compared to the same period last year, the growth of revenue was affected by, in addition to increased volumes of fuels and fuel products sold, the growth of energy prices and fuel price regulation which capped the maximum retail and wholesale price of the most widely sold fuels - unleaded motor fuel NMB-95 and diesel fuel.

**Figure 3: The Petrol Group's sales revenue by activity in the first six months of 2022**


In the first half of 2022, the Petrol Group sold 1,883.6 thousand tons of fuels and fuel products, a year-on-year increase of 36 percent, mostly because of the integration of Crodux derivati d.o.o. into the Petrol Group. In Slovenia, high growth was recorded in retail, especially because of the fuel price regulation in effect from 15 March 2022, which has resulted in the prices of fuels in Slovenia being much lower compared to the neighbouring countries; therefore, sales at state border service stations, especially the border with Italy, increased substantially; sales also increased to foreign truck operators at service stations in the hinterland area and, in the tourist season, to foreign nationals.

In the first six months of 2022, we generated a revenue of EUR 237.8 million from the sales of merchandise and services, a year-on-year decrease of 2 percent. The main reason for the drop is the Motorway Company of the Republic of Slovenia's (DARS) switch to electronic tolls – this way we no longer have Slovenian toll stickers in stock, so we now record as revenue only the difference between the final selling price and the cost, which we are entitled to based on the contract. Compared to the same period last year, revenue from the sales of warm beverages and food products decreased, whereas sales of tobacco products increased.

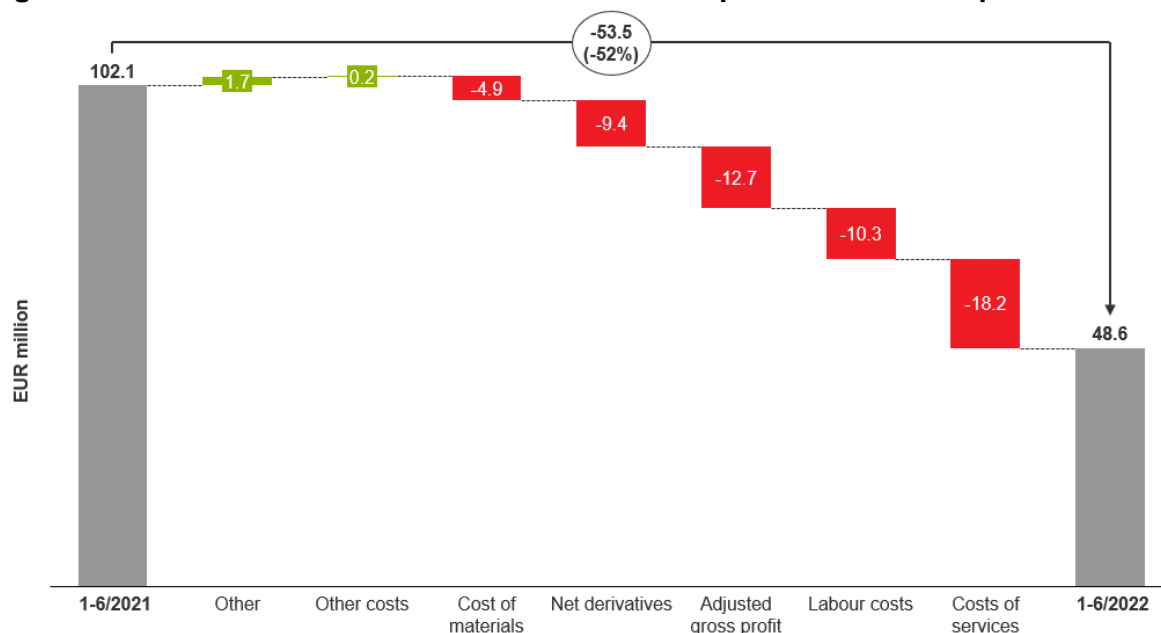
In the first half of 2022, we sold 10.1 TWh of natural gas, 5.8 TWh of electricity, and 99.7 thousand MWh of heat.

**EBITDA** stood at EUR 48.6 million in the first six months of 2022, down by 52 percent year-on-year. The positive effect of the integration of Crodux derivati d.o.o. into the Petrol Group on EBITDA and a good result in the field of electricity trading which was used to compensate for the poorer result in electricity supply to end consumers was annulled by the loss resulting from the regulated fuel prices in Slovenia and Croatia in the total amount of EUR 123.4 million. The results were also lower year-on-year in natural gas supply to end customers. In the difficult situation, we continue to focus greatly on cost management.

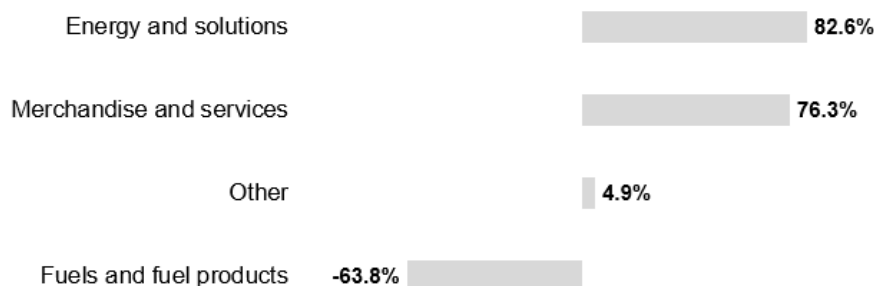
Petrol's business model as a fuel retailer and wholesaler does not enable us to cover all the costs in the period of retail price regulation in which refineries are making profits based on the cost of fuels. Due to the government measures in the market of motor fuels, the Petrol Group's EBITDA loss amounts to EUR 108.9 million in Slovenia and EUR 14.5 million in Croatia according to the Petrol Group's internal estimate. The Management Board of the Company has been making every effort to receive reimbursement for the economic loss resulting from the disproportionate measure of petroleum product retail price regulation. Due to the uncertain circumstances and the undefined amount of compensation from the Government, the receivable due from the Government has not been recognised in the financial statements of

Petrol d.d., Ljubljana, for the period of January–June 2022. The current Government terminated the retail price regulation measure with Decree of 15 June 2022 and, hence, prevented further loss from being incurred.

**Figure 4: EBITDA in the first six months of 2022 compared to the same period of 2021**



**Figure 14: The Petrol Group's EBITDA by activity in the first six months of 2022**



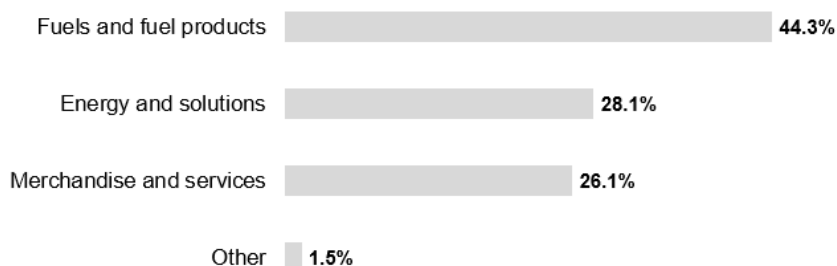
**Adjusted gross profit** stood at EUR 245.4 million in the period concerned, which is 5 percent less year-on-year. The integration of Crodux derivati d.o.o. into the Petrol Group positively contributed to the growth of the adjusted gross profit, but this was annulled by the effect of fuel price regulation in Slovenia and Croatia, since the regulated selling prices were below the cost of fuel throughout most of the period concerned. Due to the government measures on the motor fuel market, the Petrol Group's adjusted gross profit, based on its internal estimate, is lower, namely in the amount of EUR 108.9 million in Slovenia and EUR 14.5 million in Croatia.

In the first six months of 2022, we witnessed turbulent events on global markets, including the markets where we operate. The beginning of the year was still marked by the Covid-19 pandemic and a stable economic growth resulting from the increasing energy prices. Until 20 February, entry to Petrol's service stations in Slovenia was enabled solely to those who held a valid RVT certificate. At the end of February, however, as the war started in Ukraine, prices of all energy products started to soar. Several countries responded by limiting selling prices of

petroleum products. In Slovenia, the price of extra light heating oil has been regulated since 20 October 2021, and the prices of NMB-95 petrol and diesel since 15 March 2022, except for a brief period between 1 and 10 May. Selling prices were limited until 20 June and since 21 June, fuel retailers' and wholesalers' margins have been capped pursuant to a decree. In Slovenia, fuel prices were much lower than in most neighbouring countries during the selling price regulation period, which on the one hand gave a big boost to sales, but the regulated selling prices were set below the cost, even leading to us generating a negative margin in the period concerned. In Croatia, prices have been regulated since 7 February 2022. In the first month, maximum selling prices were determined pursuant to a regulation, but they were lower than the cost of regulated fuel; on 7 March, a regulation was passed to set the maximum margins which enable covering for the purchase price, but not all of the costs. In Serbia, price regulation has been in effect since 12 February 2022. All of this has resulted in a lower adjusted gross profit from the sales of petroleum products compared to the same period of last year.

We gained new buyers on the Italian market who have storage facilities with the option of intra-community supplies, and we managed to increase sales to Austria. Due to the high growth of purchase prices, we achieved a lower result from electricity supply to end users than in the previous year. On the other hand, we achieved good results in electricity trading. Due to the low temperatures during the heating season, our sales in the segment of district heating increased year-on-year, and we also increased renewable electricity generation.

**Figure 15: The Petrol Group's adjusted gross profit by activity in the first six months of 2022**



**Operating costs** stood at EUR 229.4 million in the first six months of 2022, a year-on-year increase of EUR 41.3 million or 22 percent, of which EUR 26.0 million because of the integration of Crodex derivati d.o.o. into the Petrol Group and the rest mainly on account of the growth in the prices of energy products and costs directly linked to a higher volume of fuels sold. The share of operating costs in the comparable adjusted gross profit for the period concerned stood at 93.5 percent compared to 72.9 percent in the same period of 2021, which is a result of the loss of adjusted gross profit due to fuel price regulation.

**Table 2: The Petrol Group's operating costs**

The Petrol Group (EUR)	1-6 2022	1-6 2021	Index 2022/2021
Cost of materials	19,236,296	14,327,945	134
Cost of services	85,114,627	66,955,449	127
Labour costs	66,102,420	55,822,369	118
Depreciation and amortisation	45,314,646	37,119,405	122
Other costs	13,659,773	13,883,159	98
<b>Operating costs</b>	<b>229,427,762</b>	<b>188,108,327</b>	<b>122</b>

In the first half of 2022, the costs of materials stood at EUR 19.2 million, an increase of 34 percent year-on-year, owing especially to the higher costs of energy (gas and electricity consumed – heat systems and energy solutions). Costs of consumables also increased due to the integration of Crodux derivati dva d.o.o. into the Petrol Group and the higher use of personal protective equipment and water.

The costs of services stood at EUR 85.1 million and were up by 27 percent year-on-year. The major year-on-year increase was recorded in the costs of transport services, by 44 percent, with just over a half of this due to the higher sales of fuels and fuel products in Slovenia and the rest because of the integration of Crodux derivati dva d.o.o. into the Petrol Group. Costs of maintenance increased largely as a result of the integration of Crodux derivati dva d.o.o. into the Petrol Group and because of the increased volume of building and equipment maintenance and the higher costs of cleaning and snow clearing at service stations. The costs of payment transactions and banking services increased year-on-year because of the higher prices of fuel and the integration of Crodux derivati dva d.o.o. into the Petrol Group. Lease payments increased primarily because of the IT equipment lease and the integration of Crodux derivati dva d.o.o. into the Petrol Group. The growth of the costs of professional services was affected by a larger number of students hired to check the RVT certificates at service stations in the beginning of the year, a higher volume of student work due to the shortage of service station staff, and an increased number of advisory services. The growth of insurance services is affected by the increase in prices on the insurance market and the expansion of operations. The cost of service station managers increased because of the aforementioned hiring of students to check the RVT certificates at services stations and the higher volume of student work due to the shortage of service station staff.

Labour costs, which stood at EUR 66.1 million, increased by 18 percent year-on-year, of which EUR 8.7 million because of the integration of Crodux derivati dva d.o.o. into the Petrol Group. At Petrol d.d., Ljubljana, costs also grew because of the minimum wage increase.

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 23.5 thousand in the first six months of 2022 (in the first half of 2021: EUR 0.5 million) and recorded the effects as a decrease in labour costs.

The amortisation and depreciation charge, which stood at EUR 45.3 million in the first six months of 2022, was up by EUR 8.2 million or 22 percent year-on-year, mostly because of the integration of Crodux derivati dva d.o.o. into the Petrol Group and the start of operation of Vjetroelektrana Ljubač d.o.o. in July 2021.

Other costs totalled EUR 13.7 million, a year-on-year decrease of 2 percent, especially because of the lower costs of impairments.

Various activities are in place to manage costs. We have reinforced a group which is preparing analyses and improvement proposals relating to both the optimisation of operations and functioning and use of technological equipment at service stations. Costs are regularly monitored and, in case of deviations, proper measures are taken.

**Other revenue** stood at EUR 200.4 million and was EUR 157.9 million higher than in the same period of 2021. Gain on derivatives totalled EUR 196.6 million, up by EUR 156.6 million



compared to the same period of 2021. **Other expenses** stood at EUR 213.1 million, which is EUR 165.6 million more than in the same period of 2021. Loss on derivatives totalled EUR 212.8 million, which is EUR 165.9 million more than in the same period of 2021. The Petrol Group is exposed to price and volumetric risks arising from energy operations (petroleum products, natural gas, electricity, LPG). The Petrol 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 Petrol 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 Petrol Group considers the counterparty default risk as minimal. The Petrol 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. The value of financial transactions changes annually based on market price trends and needs for our portfolio hedging.

**Operating profit** stood at EUR 3.3 million in the first half of 2022, a year-on-year decrease of EUR 61.7 million or 95 percent. As mentioned in the analysis of the adjusted gross profit, the majority of the drop results from the regulation of the selling prices of fuels, while we were successful in electricity trading, renewable electricity production and heating systems. The integration of Crodux derivati d.o.o. into the Petrol Group also had a positive effect on the operating profit.

The **share of profit from equity accounted investees** stood at EUR 0.8 million and was up by EUR 0.2 million year-on-year.

**Net finance expenses** of the Petrol Group stood at EUR 5.1 million in the first six months of 2022, which is EUR 0.8 million less than in the same period of 2021. Net foreign exchange losses were up by EUR 2.8 million, net interest expenses by EUR 3.8 million, and net expenses for value adjustment of operating receivables by EUR 4.8 million year-on-year. In the period concerned, net gains on derivatives were up by 8.9 million and net other finance revenue by EUR 2.4 million.

**Pre-tax operating profit** for the first six months of 2022 amounted to EUR -1.1 million compared to EUR 59.6 million in the same period last year. **Net profit** for the first six months of 2022 stood at EUR -1.3 million compared to EUR 49.4 million in the same period of 2021.

**Total assets** of the Petrol Group stood at EUR 2.7 billion EUR as at 30 June 2022, an increase of 13 percent compared to the end of 2021. Non-current assets totalled EUR 1.3 billion, which is at the same level as at the end of 2021, and current assets stood at EUR 1.4 billion, up by 29 percent compared to the end of 2021. Current operating receivables increased by EUR 144.7 million compared to the 2021 year-end, especially because of the steep increase of energy prices.

**Equity** of the Petrol Group stood at EUR 872.6 million as at 30 June 2022, a decrease of 4 percent compared to the end of 2021. **Net debt** totalled EUR 535.7 million, up by EUR 29.4 million compared to the end of 2021.

As at 30 June 2022, the Petrol Group's **working capital** stood at EUR 72.7 million, a decrease of EUR 53.9 million compared to the end of 2021 when it stood at EUR 126.6 million. The reason is in the increasing values of inventories, operating receivables and obligations because of the growth in energy prices and because of obligations referring to dividend payment.

With the current purchase prices and regulation of selling prices or margins in the period from 15 March to 20 June 2022, the Petrol Group's model as a fuel retailer and wholesaler does not enable it to cover all costs. Despite having responded quickly to changed market conditions, both by adjusting and diversifying its product range and streamlining and optimising costs, the Petrol Group did not manage to mitigate the negative effects of the fuel price regulation on its operations. The efforts and activities aimed at optimising costs and streamlining business operations had a positive impact on business results for the first half of 2022, since we managed to keep the costs which are not directly linked to the increased volumes of fuels sold and energy consumption within the planned values despite the high growth of prices and the increasing inflation. 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 the market situation.

Below is a detailed presentation of the Petrol Group's operations in the first six months of 2022 broken down by **product groups**:

- A. **Fuels and fuel products**, including petroleum product sales, liquefied petroleum gas sales, sales of other alternative energy products (compressed natural gas), transport, storage and transshipment of fuels, revenue from payment cards, and sales of biomass, tyres and batteries.
- B. **Merchandise and services**, including sales of food products, accessories, tobacco and lottery products, coupons and cards, coffee-to-go, Fresh products, automotive products and spare parts, and carwash services, sales promotion services, and other services, and catering facility rentals.
- C. **Energy and solutions**, including electricity and natural gas sales, sales of energy solutions (systems of energy and environmental management of buildings, water supply systems, efficient lighting systems, district energy systems, water treatment, industry solutions), sales of heat systems, natural gas distribution systems, mobility, and energy generation.



## **A. FUELS AND FUEL PRODUCTS**

In the first half of 2022 the Petrol Group generated a revenue of EUR 1,923.3 million with the Fuels and Fuel Products product group.

In the first six months of 2022, the Petrol Group sold 1,883.6 thousand tons of fuels and fuel products, a year-on-year increase of 36 percent.

In **Slovenia**, we sold 844.3 thousand tons of fuels and fuel products in the first six months of 2022, a year-on-year increase of 30 percent. Good sales results were achieved from the sale of motor fuels as well as heating oil and liquefied petroleum gas.

In **SEE markets**, we sold 678.2 thousand tons of fuels and fuel products in the first half of 2022, a year-on-year increase of 56 percent, especially because of the integration of Crodux derivati dva d.o.o. into the Petrol Group.

In **EU markets**, we sold 361.1 thousand tons of fuels and fuel products in the first half of 2022, a year-on-year increase of 20 percent, especially because of new petrol buyers in Italy who have storage facilities with the option of intra-community supplies and because of increased sales of diesel to the Austrian market resulting from the shortage of supply from the competitive Italian source and because of the reduced operations of the refinery in Vienna resulting from technical issues.

By integrating Crodux derivati dva d.o.o. into the Petrol Group, sales of fuels and fuel products in Slovenia decreased, while sales to SEE markets increased (1-6 2022: Slovenia 45 percent, SEE markets 36 percent and EU markets 19 percent; 1-6 2021: Slovenia 47 percent, SEE markets 31 percent and EU markets 22 percent).

Of 1,883.6 thousand tons of fuels and fuel products, 47 percent was sold in retail and 53 percent in wholesale. Retail sale increased by 44 percent; this year, growth was recorded primarily due to fuel price regulation in Slovenia. Prices of fuels were much lower than in the neighbouring countries, which significantly boosted sales at state border service stations, especially the border with Italy; sales also increased to foreign truck operators at service stations in the hinterland area. The integration of Crodux derivati dva d.o.o. into the Petrol Group also contributed significantly. Wholesale increased by 30 percent, especially on account of the integration of Crodux derivati dva d.o.o. into the Petrol Group, increased sales to EU markets, and the growth of wholesale in Slovenia.

At the end of June 2022, the Petrol Group's retail network consisted of 593 service stations, of which 318 in Slovenia, 202 in Croatia, 42 in Bosnia and Herzegovina, 16 in Serbia and 15 in Montenegro.

In the first half of the year, more than a half of the retail network was equipped with totem displays. The concept of the process is that employees at points of sale do not have any additional work with the setting of prices. We started selling Q Max iQ diesel fuel at 4 additional points of sale in Slovenia.

At the end of June 2022, the Petrol Group managed 5 concessions for liquefied petroleum gas supply in Slovenia. Furthermore, Petrol d.o.o. has two contracts concluded for liquefied petroleum gas supply in Šibenik and Rijeka. We also supply liquefied petroleum gas to buyers via gas storage tanks and with autogas at service stations.

## **B. MERCHANDISE AND SERVICES**

In the first six months of 2022, the Petrol Group generated a revenue of EUR 237.8 million from the sales of merchandise and services.

In **Slovenia**, a revenue of EUR 167.4 million was generated from the sale of merchandise and services in the first six months of 2022. The drop in revenue from the sale of merchandise and services was mostly affected by the Motorway Company of the Republic of Slovenia's (DARS) switch to the electronic tolling system – this way we no longer have Slovenian toll stickers in stock, so only the difference between the final selling price and the cost, which we are entitled to based on the contract, is recorded as revenue. We have, however, recorded a drop in sales of warm beverages, accessories and technical products, which were extremely high in the first quarter of 2021 because of the restrictive measures in other activities. We recorded good results especially from sales of tobacco products. In the field of services, the previous year's results were improved primarily by the operation of carwashes and entries to restrooms. We included digital Lottery Slovenia displays in more than 150 points of sale in Slovenia. The range of products and services sold at Petrol's points of sale is quickly adjusted to meet the needs of our service station customers.

In **SEE markets**, we generated EUR 70.4 million in revenue from the sales of merchandise and services in the first six months of 2022, a year-on-year increase of 85 percent, especially because of the integration of Crodux derivati dva d.o.o. into the Petrol Group. Other companies on SEE markets achieved good results especially from sales of tobacco and food products, whereas lower results, especially in Croatia (excluding the effect of the integration of Crodux derivati dva d.o.o. into the Petrol Group), were generated from sales of warm beverages. In Bosnia and Herzegovina, we introduced Loto – Bingo terminals at additional 16 locations and in Serbia we included electronic toll payment devices in 5 buildings.

In the retail network, we have been running various activities to increase focus on the customer. Different education contents are used to enhance key competencies of all employees. We monitor the quality of sales process implementation via outsourcers – mystery shoppers. We monitor customer satisfaction with the Transaction Net Promoter Score in which buyers give feedback regarding satisfaction with services at points of sale. Based on feedback, we renewed labels about payable toilet use and optimised crowd management procedures at points of sale. In the context of regular monitoring of the CEX (Customer Experience) indicator, 16 activities were defined to improve the customer experience, 10 of which were successfully completed. A big emphasis is put on the cleanliness and tidiness of service stations.

## **C. ENERGY AND SOLUTIONS**

In the first half of 2022, the Petrol Group generated EUR 1,989.8 million in sales revenue in the Energy and Solutions segment.

The Energy and Solutions segment includes products and services offered in the following fields:

- Energy solutions (systems of energy and environmental management of buildings, water systems, efficient lighting systems, district energy, water treatment, industrial solutions),
- Heat systems,
- Natural gas distribution,
- Energy products (electricity sales and trading, natural gas sales and trading),
- Mobility, and
- Electricity generation.

### **Energy solutions**

#### **Energy renovation of buildings**

We help public partners (municipalities, ministries, etc.) achieve a more efficient and environmentally friendly energy profile of buildings through performance contracting – public-private partnerships. Our solutions ensure the optimal use of energy from renewable sources in all types of buildings, while meeting the relevant user standards. We find an optimal investment solution for energy renovation and take care of the whole energy renovation process. After the renovation, we manage buildings throughout the contract period, thereby generating savings.

The EOL 3 project (Municipality of Ljubljana – improvement of energy and technological performance in buildings owned by the MOL) was completed in the first half of 2022, additional works on three facilities of the Municipality of Novo mesto were started in the context of the project Improvement of Energy Performance in Buildings Owned by the Municipality of Novo mesto, and concession agreements were signed for energy contracting under the principle of contractual provision of energy savings in the residential care home in Jesenice and in three buildings owned by the Municipality of Brezovica; works for the improvement of energy and technological performance were started in all of these buildings.

#### **Efficient public lighting**

We are replacing old energy-wasting lights with modern LED luminaires, which direct light where it is needed; this can reduce energy consumption by up to 80 percent. Through this comprehensive approach, we improve the quality of maintenance, general and traffic safety, as well as the service life of public lighting. At the same time, we reduce energy, maintenance and operational costs and, most importantly, light pollution.

In the first half of 2022, the Šentilj project, three projects in the field of energy efficient public lighting in Croatia (Sveti Ivan Zelina, Kraljevica, Oriovac) and projects in the field of energy efficient public lighting in Serbia (Šid and Kikinda) were completed. We provided services of

general economic interest in all projects in Slovenia and implemented energy management on all projects and all markets.

#### Optimisation of drinking water supply systems

We endeavour to ensure the quality of water resources in cities, as well as diligent and efficient water management. We provide our public partners with comprehensive support in improving the efficiency of the water supply system and help identify water losses and advise on measures to reduce these. This provides operators with greater reliability, improves their efficiency and reduces risks.

In the period discussed, activities continued on currently the major project of operational optimisation and drinking water savings provision in Croatia (ordered by Vodovod Slavonski Brod). We successfully completed the upgrade of the AQUIS software for efficient water distribution management within measuring areas of the water system managed by JP VOKA Snaga Ljubljana. A study was prepared to connect two water systems and two municipalities with two operators with the purpose to prevent risks in drinking water supply in case of an emergency situation – climate change (drought). Negotiations regarding the maintenance of the SCADA system at JP Komunala Novo mesto are in the final phase; this is the continuation of the largest drinking water supply telemetry digitalisation project to date which is financed from EU cohesion funds.

#### Optimisation of district heating systems

In the field of district heating and cooling, we offer a comprehensive solution for optimising district heating systems, which enables generating significant savings and developing a district heating system as part of the smart city infrastructure. By utilising optimal solutions, we manage the entire district heating process: heat generation, distribution and consumption or only a part of the process, as well as ensure significant savings and a more efficient service.

In the first half of 2022, we fulfilled our contractual obligations with an external partner to HEP on district heating projects (Zagreb, Sisak, Osijek), extended the contract with the partner Energetika Ljubljana for the provision of support and updating the Termis software, and maintained and updated the district heating system in Velenje.

#### Wastewater treatment

Ensuring safe and reliable water supply is one of the key challenges of the 21<sup>st</sup> century; therefore, the quality of water resources is of utmost importance. We build and operate industrial and municipal wastewater treatment plants for our public partners (communities) and manage concessions for performing the public utility service of treating municipal wastewater.

In the discussed period, the connection of boiler room to LPG was completed and the sludge drying process from purification plant launched. The procedures of phase II of the concession agreement or upgrade of the Sežana municipal purification plant from 6,000 PE to 12,000 PE were started. We successfully fulfilled all obligatory services of general economic interest for wastewater treatment on all projects.

## Industrial solutions

In the field of industrial solutions, we operate two closed economic areas situated in Ravne and Štore, a virtual power plant included in the tertiary power supply and a boiler room in Trebnje.

In addition to managing solutions in the fields of steam and heat, natural gas, technical gases and compressed air, water, waste heat, cooling systems and industrial treatment plants, and a virtual power plant, we pay special attention to preparing and ensuring comprehensive energy solutions for all consumers in the relevant fields.

In the first six months of the year, we focused particularly on finding solutions of renewable energy source provision, primarily for major users in both closed economic areas.

## Heat systems

District heat supply consists of heat 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:

- higher energy efficiency,
- friendlier to the environment,
- straightforward operation and maintenance, reliability, comfort, and convenience,
- lower cost of investment,
- lower costs of operation and maintenance.

In the first six months of 2022, the Petrol Group sold 99.7 thousand MWh of heat, a year-on-year increase of 10 percent.

## Natural gas distribution

At the end of June 2022, the Petrol Group operated 31 natural gas supply concessions in Slovenia. In Serbia, we supply natural gas to the municipalities of Bačka Topola and Pećinci and three municipalities in Belgrade. 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 and Zagreb Counties.

The first half of 2022 saw the final phase of gas pipeline construction in Idrija, the preparation of documentation and the start of gas pipeline construction in Vransko, the construction of a new measuring regulation station in the municipality of Črenšovci and connection to the gas pipeline network in the municipality of Beltinci.

In Croatia, we built primarily small connections and prepared for the start of works in four locations in the municipalities of Zabok and Veliko Trgovišće.

In Serbia, the network was extended mainly in Belgrade and the municipality of Pećinci. The majority of connections (more than a half of total connections in the first half of 2022) were built in the municipality of Čukarica.

In the first six months of 2022, the Petrol Group distributed 750.9 thousand MWh of natural gas, a year-on-year increase of 3 percent.

## **Energy products**

### **Natural gas sales and trading**

At the end of June 2022, the Petrol Group had more than 53 thousand users of natural gas (excluding consumers of the Geoplin Group). In the first six months of 2022, sales of natural gas to end users stood at 6.2 TWh, a year-on-year decrease of 58 percent as a result of a lower volume of sales on foreign markets (a one-off transaction abroad in the same period of last year, a part of sales that is usually realised in January was implemented already in December 2021). The volumes sold in trading stood at 4.0 TWh in the first six months of 2022.

### **Electricity sales and trading**

The Petrol Group has positioned itself as an important electricity market player. It has set up a complete infrastructure for wholesale electricity trading in Slovenia, EU countries and SE Europe countries. Electricity sales to end users (businesses and households) already in place in Slovenia are now being expanded to SE Europe. At the end of June 2022, the Petrol Group had more than 225 thousand electricity consumers.

Sales to end customers stood at 1.7 TWh in the first half of 2022, a year-on-year decrease of 5 percent. In the period concerned, the volumes sold in trading stood at 4.1 TWh.

Given the current situation on the electricity market, our result in electricity supply to end users is below that from the comparable period of last year. The lower result was balanced with better results in the field of electricity trading.

## **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.



In the first six months of 2022, the Petrol Group managed 268 ordinary charging stations (maximum capacity of 22 kW), 79 fast-charging stations (maximum capacity of 100 kW) and 12 ultra-fast charging stations (maximum capacity of 350 kW). In the period concerned, we successfully integrated all charging stations owned by E 3, d.o.o.

In 2022, we have continued our work on all three international projects for which we have received EU grants and established partnerships in order to co-finance charging point deployment at motorway service stations and in city centres in Slovenia and Croatia. We applied for the national Energy Award 2022 competition with our battery storage solution in connection with 1 fast and 2 ultra-fast chargers at Petrol's Kozina point of sale, which is part of the **NEXT-E project**, and won in the category Energy Efficiency in Transport and Logistics 2022.

As part of the **URBAN-E project**, we deployed 2 additional fast-charging stations for public use at Petrol's retail points of sale BS Barjanka and BS Rudnik zahod; we now have 7 out of the 9 planned fast-charging stations and 45 out of the 47 AC charging stations in use. In Croatia, we deployed 2 conventional and 3 fast-charging stations for public use as part of EU projects. In the context of the **MULTI-E project**, two public calls are underway for the selection and acquisition of charging infrastructure (mini ultra-fast chargers and an AC charging station with one charging point). We continue to discuss acquisitions of new locations with our strategic partners.

We continue to drive successful sales projects; at the end of March, we closed a major sales project **"BMW-BTC"** with which we ensured delivery, installation and activation of 16 chargers in front of the Crystal Palace business centre at BTC Ljubljana. In the second quarter of the year, we deployed a charging infrastructure and installed a total of 12 chargers at 3 locations for Nova KBM d.d.; we will manage the chargers.

At the end of June 2022, Petrol's charging stations had more than 18,200 users.

As a result of the growth of electric vehicles, new packages for users and increased roaming, we have recorded a four-fold increase of the charging service in the first half of 2022 compared to the same period of last year.

We have set up roaming at Petrol d.o.o. charging infrastructure and arranged contracts with foreign partners via the Hubject platform.

In the area of **mobility services**, we are developing services related to new concepts and types of mobility. We offer the **vehicle fleet management** service through Atet d.o.o. In addition, our goal is to establish partnerships with companies and municipalities in the green transition and achievement of their sustainability objectives through fleet electrification.

At the end of the first six months of 2022, we operated a total of 1,870 vehicles; of this, 410 vehicles were included in the management and optimisation service, 1,060 vehicles were used for the door-to-door services, 165 vehicles were used for long-term rentals, and 235 vehicles for short-term rentals.

We prepare various mobility and electricity service packages to even better tailor our offer to the needs of end users. We are currently in the process of selecting and testing solutions to provide digital support to vehicle fleet management.

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. For a company with a background mainly in petroleum product sales, this is a significant and important challenge.

## **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 a low-carbon society.

The Petrol Group has been present in electricity generation since 2003. We are present in Bosnia and Herzegovina and in Serbia with hydroelectric power generation; in Bosnia and Herzegovina, we produce hydroelectric power in five small hydropower plants. In the Republic of Serbia, we have completed an investment in cooperation with a business partner and, having obtained an operating permit in April 2022, we have launched the operation of the 1 MW Grajiči small hydropower plant.

We operate two wind power plants in Croatia – Glunča WPP and Ljubač WPP; following technical inspection in April, we obtained the operating permit for the latter. Additionally, we signed contracts for the construction of the Suknovci, Pliskovo and Vrbnik solar power plants in Croatia, with the total installed capacity of 22 MW; the operation of these is expected to be launched at the beginning of 2023.

In the first six months of 2022, the Petrol Group generated 92.3 thousand MWh of electricity, a year-on-year increase of 58 percent, especially due to the new Ljubač wind power plant.



## **Major corporate projects**

### **SAP ERP implementation**

We implemented new and renewed processes, all necessary organisational changes and migration to SAP ERP, which covers the field of finance, accounting, controlling, HR and salaries, energy supply and the entire added value chain in the fields of LPG and petroleum products and merchandise.

### **'Oil&Gas E2E' supply chain digitalisation**

The supply chain digitalisation project is in place in order to optimise logistics. The goals are:

- To digitalise the supply chain for service station supply heating oil and gas delivery and sales of cylinders;
- To optimise transportation (cost reduction, better transparency and control over the location of goods...);
- To track cylinders and liquefied petroleum gas (LPG) supply;
- To gradually migrate from the ERP system in PIS to SAP.

### **Crodux derivati dva d.o.o. – Integration project**

Since the Crodux derivati dva d.o.o. transaction closing, which took place on 6 October 2021, the project of its integration into the Petrol Group has been in place; it is expected to be completed by the end of 2022. Best practice transfer, optimisation and centralisation of the procurement chain, the implementation of the optimal supply to retail points of sale and the introduction of a new functional organisational structure is in place. In March 2022, we successfully migrated the first service station from Crodux derivati dva d.o.o., into Petrol's information system. As at the end of June 2022, Petrol's information system included 68 out of 93 service stations.

Activities for the merger of Crodux derivati dva d.o.o. with Petrol d.o.o., Zagreb, which is expected to be completed at the start of November 2022, are underway.

### **IT integration of E3 – technical integration of E 3, d.o.o.**

The main goal of the IT integration of E3 d.o.o. project is the standardisation of the support business processes and implementation of IT solutions from Petrol d.d., Ljubljana to E 3, d.o.o.

### **RES – Petrol green**

We will deploy solar power plants at several Petrol's points of sale, thereby pursuing the sustainable development commitments of the Petrol Group.

## **Sustainable development**

At Petrol, we embrace our responsibility and are aware of the importance and complexity of the energy transition to a low-carbon society in partnership with our employees and the social environment.

We prepared the Report on Sustainability Activities and Investments for Petrol d.d., Ljubljana for 2021 pursuant to the Taxonomy Regulation. In 2021, revenue from taxonomy-eligible activities accounted for 1.98 percent of total revenue in Petrol d.d., Ljubljana, of which the majority in energy. Investments in fixed assets from taxonomy-eligible activities amounted to EUR 14,706,557, accounting for 57.3 percent of total gross investments in fixed assets, excluding M&A projects, which points to a strong commitment towards energy transition, and revenue must be in line with this.

Our energy and environment team has set up an environment protection protocol, which defines a system of administrators for individual direct and indirect environmental impacts made by Petrol d.d., Ljubljana with its activities.

In our development strategy by 2025, we have set an ambitious goal to reduce Scope 1 and 2 carbon footprint for our own activity by 40 percent.

We began calculating carbon footprint already in 2020 when we started analytical data capturing to get a basis for an accurate and transparent carbon footprint calculation. To calculate the carbon footprint of Petrol d.d., Ljubljana, we used the international GHG protocol (Greenhouse Gas Protocol), a standard introduced by the World Resources Institute (WRI) in World Business Council For Sustainable Development (WBCSD).

Based on the collected data we calculated the baseline carbon footprint for 2021 for sales activities of petroleum product and merchandise which are carried out in the context of the parent company, Petrol d.d., Ljubljana, (including data for locations of business buildings, storage facilities, own and leased points of sale, vacation rentals...) and refer to own energy use (use of energy, water and refrigerant gases for own use while carrying out the activity and for the operation of devices). The energy products transformed into another form of energy for sales or supply to end consumers are not included in such data.

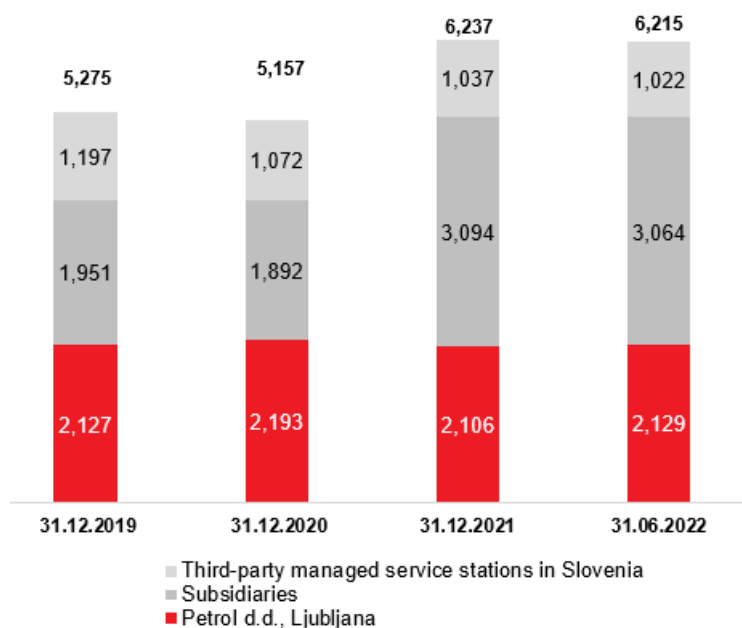
The total carbon footprint that determines the total volume of CO<sub>2-eq</sub> emissions in 2021 stands at 21,697.05 tons CO<sub>2-eq</sub> for Petrol d.d., Ljubljana (excluding Energy and Solutions OU). In the total carbon footprint, Scope 1 (direct emissions) accounts for 30 percent and amounts to 6,441 tons CO<sub>2-eq</sub>, whereas Scope 2 (indirect emissions) accounts for 70 percent of total carbon footprint and amounts to 15,256 tons CO<sub>2-eq</sub>.

The majority share of emissions in total carbon footprint is a consequence of electricity consumption (66.7 percent), followed by smaller shares: refrigerant gases (12.4 percent) diesel fuel (5.8 percent), heating oil (5.8 percent), natural gas (4.2 percent), district heating (3.6 percent). The shares equal or lower than 1 percent include: liquefied petroleum gas for heating (1.0 percent), petrol (0.6 percent) and liquefied petroleum gas for transport (0.01 percent).

## Employees

On 30 June 2022, the Petrol Group had 6,215 employees, of which 47 worked for subsidiaries abroad. The number of employees at the Petrol Group dropped by 22 year-on-year. At Petrol d.d., Ljubljana and third-party managed service stations, the number of employees increased by 8, whereas it reduced by 30 in subsidiaries. Recruiting new employees is currently slightly more challenging than in the past, especially on account of the complex events on the labour market and fluctuation. The major focus is on ensuring the operations at strategic locations.

**Figure 5: Changes in the number of employees of the Petrol Group and at third-party managed service stations in the period 2019–2022**



## Training

In the first six months of 2022, the Petrol Group provided more than 64.5 thousand teaching hours of training (more than 16.4 thousand attendances).

The Petrol Group has an internal training system in place to provide training to all employees in a systematic and comprehensive manner.

We organised various workshops and events in relation to the Company's strategy and the presentation of segments and projects. Employees attend events and trainings in the fields of sustainable development, occupational health, know-how and skills, and developments in projects, and have an option to take part in discussions in round tables with the management or experts in individual fields. We started the modular training for the management, Strategy in Action, in cooperation with the renowned IEDC international school; moreover, we offer employees the option to attend language, computer and specialised courses.

In the period concerned, we organised the following e-courses: Corporate Integrity, How We Communicate at Petrol for our new employees, and Evacuation of Tall Buildings for all employees in our Ljubljana business building. As soon as the Covid-19 measures were released, we again organised education and training events at various locations, enhanced

the intensity of the legally required programmes and started a new skills training in retail, which is set as a project and includes all management levels.

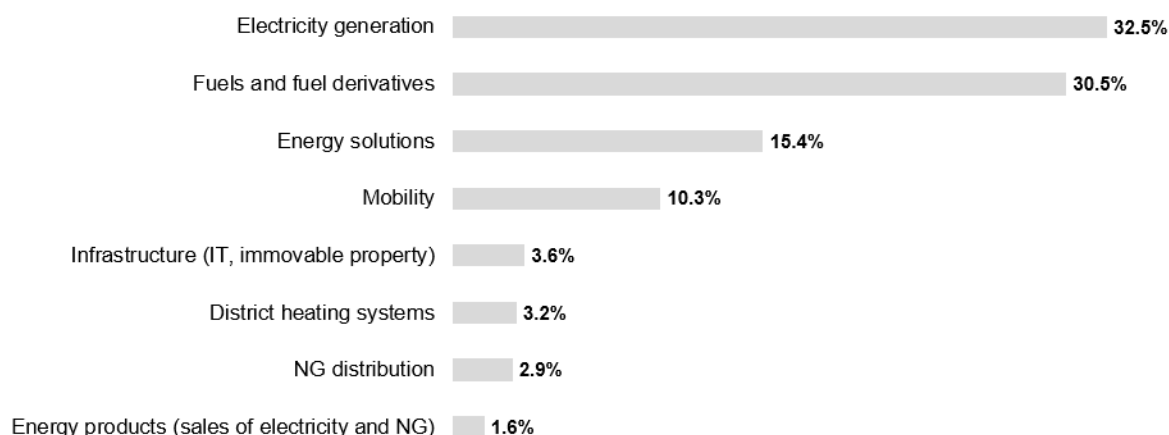
In the Retail segment, we organised an in-house training Business Tools to Facilitate Point of Sale Management for managers and training to get to know the work at our Fresh cafes for our managers. Our new employees at points of sale attended the e-course How to Sell at Points of Sale 2022. We also enabled students who work at points of sale to attend two e-courses, Card Transaction Safety and Occupational Safety and Health and Fire Safety.

The internal SAP implementation knowledge transfer was carried out at E 3, d.o.o. Training on change implementation in the context of the integration was organised for Crodux derivati dva d.o.o. employees.

## **Investments**

In the first half of 2022, we earmarked a net of EUR 23.2 million for investments in property, plant and equipment, intangible assets and long-term investments, of which 30.5 percent for sales of fuels and fuel products, 3.6 percent for infrastructure (IT, immovable property), 19.3 percent for energy solutions, 15.4 percent for renewable electricity generation, 32.5 percent for mobility activities, 2.9 percent for natural gas distribution, 3.2 percent for district heating systems, and 1.6 percent for energy products. In the first six months of 2022, 65.9 percent of investments were earmarked for energy transition.

**Figure 6: Breakdown of the Petrol Group's investments in the first six months of 2022**



## **The quality management system**

We continuously upgrade and expand the quality systems. At Petrol, we have certified systems of quality management (ISO 9001), environmental management (ISO 14001) and energy management (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 SIST ISO 27001.

Regular activities related to the maintenance of the quality management systems have been in place in 2022.

At the end of 2021, a recertification audit of the energy management system was implemented at Petrol d.d., Ljubljana. The energy management system was tailored to the requirements of the new ISO 50001:2018. We received the ISO 50001:2018 certificate in January 2022, which is valid until January 2025.

At Petrol d.o.o., Beograd, the second ISO 9001, ISO 14001 and ISO 45001 surveillance audit was carried out in January 2022 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 2022. The validity of the certificate was preserved.

At Petrol d.d., Ljubljana, a report was prepared to extend the Responsible Care Certificate (POR), which is now valid until January 2023.

At Petrol Laboratory, a surveillance visit by SA for quality management system was implemented in June 2022 in line with the SIST EN ISO/IEC 17025:2021 standard requirements. The Petrol Laboratory currently has 52 test methods accredited.

In April, a surveillance audit of the quality management system and fulfilment of FSC principles was implemented at Petrol d.d., Ljubljana by an FSC authorised authority. The validity of the certificate was preserved.

In May, recertification audit of the ISO 9001 quality system and ISO 14001 environment management system was conducted at Petrol d.o.o. No inconsistencies were found and the certificate validity will be extended until 2025.

In June 2022, a surveillance certification audit of the ISO 9001 quality system and ISO 14001 environment management system was conducted at. No inconsistencies were recorded.

**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 50001:2018	SIST EN ISO/IEC 17025:2017, SIST EN ISO/IEC 17020:2012	ISCC, AEO***, RC*, 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 14001:2015	/	/	ISO 45001:2015

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

\*\* Petrol d.d., Ljubljana is a holder of an FSC certificate for FSC certified product sale. 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 to ensure that the key risks the Company is exposed to 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 operations. 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 risk appetite.

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

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

A detailed report on the impact of the Covid-19 pandemic on the Petrol Group's operations and risk management is presented in section "The Petrol Group's operations in the first six months of 2022".

In the first six months of 2022, the trend of the booming prices of all energy products continued. We closely monitored the Russo-Ukrainian situation which further affected the prices and, consequently, the operations of the Petrol Group. Moreover, the first six months of 2022 also saw changes or limitations regarding the setting of retail and wholesale petroleum product prices in Slovenia, Croatia and Serbia as adopted by governments of individual countries where the Petrol Group is present, which has further affected the operations. Decrees and regulations adopted by individual countries are described in detail in section "The Petrol Group's operations in the first six months of 2022" and sub-chapter "Business Environment".

At Petrol d.d., Ljubljana, we keep a close eye on events in the business environment and will take the necessary measures to protect the interests of the Company in the future.

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

- Environment risks, and
- Performance risks.

Risks at the Petrol Group were reassessed in 2021. Based on the new 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 risks, volumetric risks, and 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. The war in Ukraine has resulted in uncertainty and challenges in deliveries of petroleum products. A crisis team was appointed to regularly address these challenges. Despite the intensified situation, the uninterrupted supply of petroleum products was ensured and no major challenges are expected in the coming months in this field, despite the adopted sanctions on Russian origin commodities where no additional early tightening will occur as compared to the transitional period for sanctions and concluded contracts at Petrol.

Electricity operations expose the Group to price and volumetric risks. In the first six months of 2022, the prices of electricity, based on the Hungarian power futures in 2023, gradually increased, since the beginning of 2022 by approximately 145 percent, from EUR 127 per MWh to EUR 311 per MWh. The main reason for the steep growth of electricity prices is the surge in natural gas prices as a result of the closure of nuclear power plants in Germany and the war in Ukraine. Such high rise in energy prices leads to substantially higher price risks, which the Group manages with an assortment of limit systems defined depending on the business partner, value at risk, and volumetric exposure, 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 also exposed, to some degree, 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 the current difficult time, 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), which proved to be a big challenge last year. 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 SEE 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 related economic downturn, companies were faced with liquidity shocks leading to our customers being exposed to a higher credit risk; furthermore, high prices of energy products in recent months have been an additional challenge. In the first six months of 2022, 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 cannot fully avoid the consequences of bankruptcies, compulsory composition proceedings and personal bankruptcies. Given the substantial increase in energy prices, we expect credit risks to increase over the period of the next few years. This refers specially to partners in the electricity and natural gas sales segment where the futures price for 2023, as at 29 July 2022, exceeded the price for this year from a



year ago by 463 percent (electricity) and 641 percent (natural gas) – for comparison: this factor for diesel futures price for next month is 108 percent.

We estimate that the Petrol Group has been satisfactorily managing credit risk. Our estimate is based on the type of products that we sell, the market share, a large customer base, a high number of security instruments, a high volume of secured receivables, and a low level of overdue receivables. 64 percent of receivables from legal entities are secured, with credit insurance and offsetting against trade liabilities being most widely used insurance instruments, together accounting for 92 percent.

## **Liquidity risk**

The Petrol Group's stability is affirmed by the long-term BBB-credit rating with a stable outlook, which was confirmed by Standard & Poor's in 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. On 20 July 2022, Standard & Poor's Rating Services announced on Bloomberg website that it has placed Petrol d.d., Ljubljana's long-term rating of BBB- and short-term rating of A-3 on CreditWatch Negative because of the consequences of the negative intervention on the motor fuel market where sellers were forced to sell motor fuels even below the cost as a result of the selling price regulation, and uncertainty as regards the compensation for the loss incurred and the risks related to potential additional interventions on the energy market. Nevertheless, Standard & Poor's Rating Services estimates that, given the current situation, the financial risk of Petrol d.d., Ljubljana has not deteriorated.

In the first six months of 2022, average petroleum product prices were much higher year-on-year, meaning that slightly more working capital is needed. Despite the constant growth of energy prices, the Petrol Group's liquidity situation has remained stable, both at the Group level and the level of subsidiaries. Through appropriate structure and volume of long-term and short-term credit lines, we have been able to ensure continued liquidity of the Petrol Group. Even if the economic situation deteriorates, the current volume of credit lines will help us to ensure appropriate liquidity structure of the Petrol Group in accordance with S&P criteria.

The current events in the business and broader social environment in the EU and globally are strongly affected by the war in Ukraine, the energy crisis (high prices and unstable fuel and energy product supply), and consequently the various national approaches to motor fuel price regulation aimed at mitigating the effect of the energy crisis on the population and companies, and high inflation. The Company hence continues to work intensely, paying close attention and prudence to cash flow management of the Petrol Group, especially as regards the planning of cash inflows from layaway sales, this being the main source of liquidity and, consequently, credit risks. Furthermore, we pay close attention to the internal liquidity management in the Petrol Group companies and the full integration of Crodux derivati dva d.o.o., which we acquired in the last quarter of 2021.

The Petrol Group settles all liabilities as they fall due, thanks to its relatively low debt levels and strong liquidity position.

## **Interest rate risk**

Interest rate risk is a risk that changes in market interest rates could negatively affect the operations of the Petrol Group. The Petrol Group's exposure to the interest rate arises from the potential change of the EURIBOR reference interest rate. The Petrol Group regularly monitors its exposure to the interest rate risk. 82 percent of the Group's non-current financial liabilities have a variable interest rate linked to EURIBOR. In the first half of 2022, the average values of EURIBOR surpassed the values from the end of 2021.

The Petrol Group also manages the interest rate risk by concluding traditional derivative financial instruments (interest swaps and forward interest rate agreements). The Petrol Group has derivative financial instruments for all concluded and drawn long-term loans with a variable interest rate, thereby protecting its interest position. We did not take up any new interest collateral in the first half of 2022.

The interest rate risk referring to short-term financial resources is managed in the context of the Petrol Group's liquidity risks and policies.

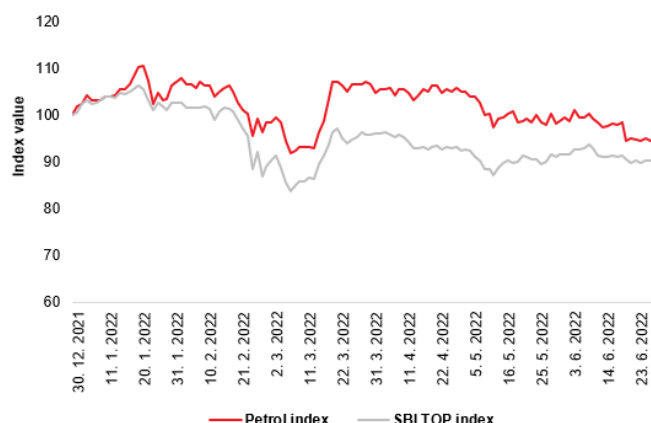
## **Petrol's shares**

In the first half of 2022<sup>1</sup>, prices of shares on the Ljubljana Stock Exchange were to a large extent affected by the escalation of tensions and war in Ukraine. 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 and which includes Petrol's shares) stood at 1,118.5 at the end of June 2022, down by 11.1 percent compared to the end of 2021 when it stood at 1,258.8, since many shares recorded significant drops in value. In the same period, the price of Petrol's share lost 6.7 percent in value. In terms of trading volume, which in the case of Petrol's share amounted to EUR 26.2 million between January and June 2022 (including batch trading totalling EUR 1.7 million), the Petrol's share was ranked 3<sup>rd</sup> among the shares traded on the Ljubljana Stock Exchange. In terms of market capitalisation, which stood at EUR 988.9 million as at 30 June 2022, the Petrol's share was ranked third and accounted for 12.4 percent of the total Slovenian stock market capitalisation on the said date.

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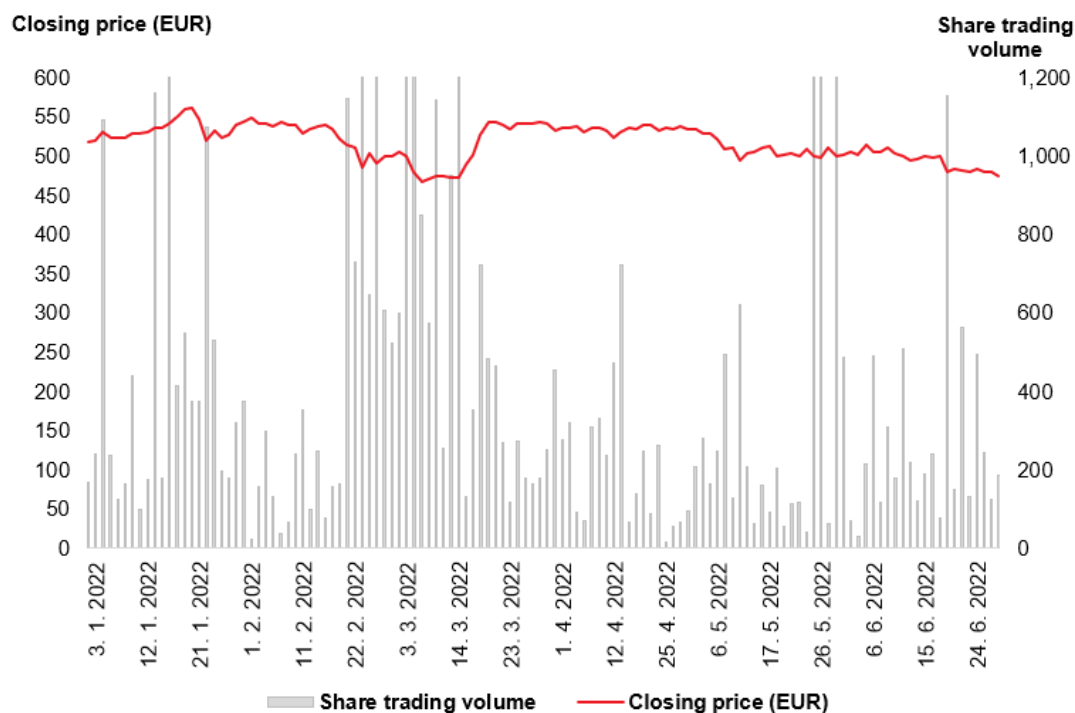
<sup>1</sup> Sources of data for chapter "Petrol's shares": Ljubljana Stock Exchange website, Petrol share register, statements of the Petrol Group for January–June 2022.

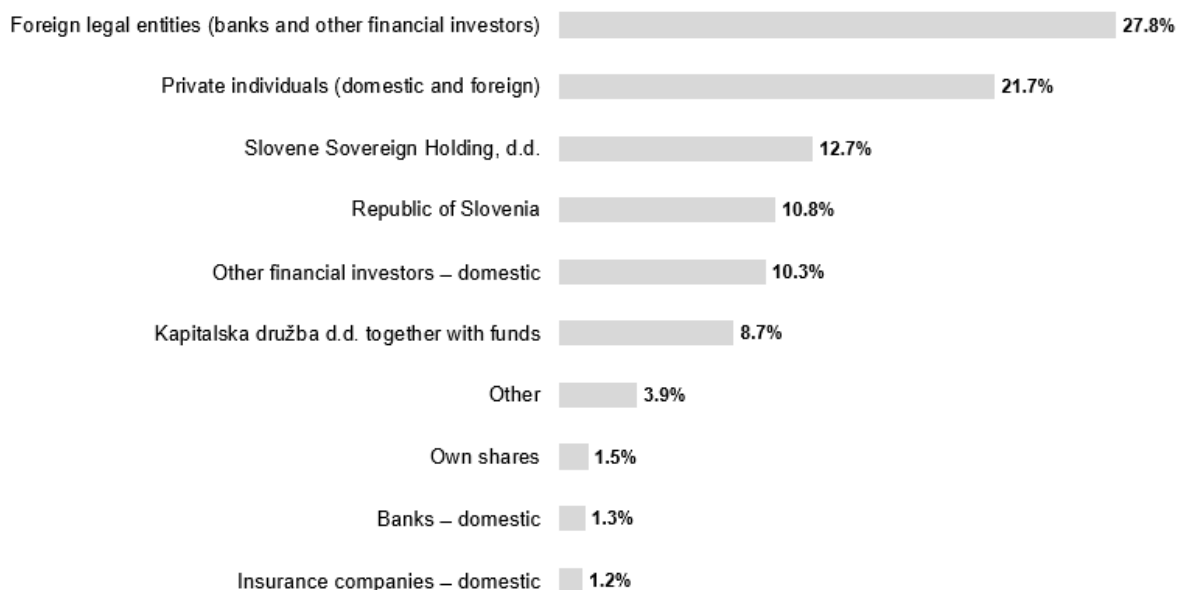
**Figure 7: Base index changes for Petrol d.d., Ljubljana's closing share price against the SBITOP index in the first six months of 2022 compared to the end of 2021**



In the first half of 2022, the closing Petrol share price ranged between EUR 467.0 and EUR 562.0 per share. The average price for the period stood at EUR 517.4; at the end of June 2022, it stood at EUR 474.0. The earnings per share (EPS) of the Petrol Group's majority shareholders stood at EUR -2.6; the book value per share stood at EUR 418.3. As at 30 June 2022, Petrol d.d., Ljubljana had 21,142 shareholders. At the end of June 2022, 582,108 shares or 27.90 percent of all shares were held by foreign legal entities or natural persons. Compared to the end of 2021, the share of foreign shareholders increased by 0.5 percentage points.

**Figure 8: Closing price and the volume of trading in Petrol's shares in the first six months of 2022**



**Figure 20: Ownership structure of Petrol d.d., Ljubljana as at 30 June 2022**

**Table 4: Changes in the ownership structure of Petrol d.d., Ljubljana (comparison between 30 June 2022 and 31 December 2021)**

Petrol d.d., Ljubljana	30 June 2022		31 December 2021	
	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	182,390	8.7%	182,543	8.7%
Republic of Slovenia	225,699	10.8%	225,699	10.8%
Other institutional investors - domestic	215,298	10.3%	218,818	10.5%
Banks - domestic	27,581	1.3%	28,415	1.4%
Insurers - domestic	25,177	1.2%	25,479	1.2%
Foreign legal entities (banks and other inst. inv.)	579,712	27.8%	568,942	27.3%
Private individuals (domestic and foreign)	453,428	21.7%	459,646	22.0%
Own shares	30,723	1.5%	30,723	1.5%
Others	81,777	3.9%	81,520	3.9%
<b>Total</b>	<b>2,086,301</b>	<b>100.0%</b>	<b>2,086,301</b>	<b>100.0%</b>

**Table 5: 10 largest shareholders of Petrol d.d., Ljubljana as at 30 June 2022**

	Shareholder	Address	Number of shares	Holding in %
1	Clearstream Banking SA - fiduciary account	42 Avenue J. F. Kennedy, L-1855, Luxembourg	322,530	15.46%
2	Slovene Sovereign Holding, d.d.	Mala ulica 5, 1000 Ljubljana	264,516	12.68%
3	Republic of Slovenia	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 - fiduciary	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	66,572	3.19%
8	Erste Group Bank AG - PBZ Croatia Osigur	Am Belvedere Wien, Austria	37,206	1.78%
9	Perspektiva FT d.o.o.	Dunajska cesta 156, 1000 Ljubljana	36,262	1.74%
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 Board as at 30 June 2022**

Name and Surname	Position	Shares owned	Equity share
<b>Supervisory Board</b>		<b>88</b>	<b>0.0042%</b>
<b>Internal members</b>		<b>88</b>	<b>0.0042%</b>
1. Marko Šavli	Member of the Supervisory Board	88	0.0042%
2. Alen Mihelčič	Member of the Supervisory Board	0	0.0000%
3. Robert Ravnikar	Member of the Supervisory Board	0	0.0000%
<b>External members</b>		<b>0</b>	<b>0.0000%</b>
1. Janez Žlak	President of the Supervisory Board	0	0.0000%
2. Borut Vrvščar	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. Mário Selecký	Member of the Supervisory Board	0	0.0000%
<b>Management Board</b>		<b>4</b>	<b>0.0002%</b>
1. Nada Drobne Popović	President of the Management Board	4	0.0002%
2. Matija Bitenc	Member of the Management Board	0	0.0000%
3. Jože Bajuk	Member of the Management Board	0	0.0000%
4. Jože Smolič	Member of the Management Board	0	0.0000%
5. Zoran Gračner	Member of the Management Board and Worker Director	0	0.0000%

### Contingent increase in share capital

In the period up to 30 June 2022, the General Meeting of Petrol d.d., Ljubljana did not adopt any resolutions regarding the contingent increase in share capital.

### Dividends

In accordance with a resolution adopted at the 34<sup>th</sup> General Meeting held on 21 April 2022, Petrol d.d., Ljubljana paid a gross dividend of EUR 30.00 per share for 2021 on 5 August 2022. In 2021, the gross dividend was paid in the amount of EUR 22.00 per share.

### The Petrol (PETG) share split

As proposed by the Management and Supervisory Boards of the Company, the 34<sup>th</sup> General Meeting of Shareholders of Petrol d.d., Ljubljana, held on 21 April 2022, adopted a resolution on the PETG share split. The Petrol share is traded on the Prime Market under the symbol PETG; it has been listed on the Ljubljana Stock Exchange since 5 May 1997. The share capital of Petrol d.d. Ljubljana in the amount of EUR 52,240,977.04 is divided into 2,086,301 ordinary registered no-par value shares. The General Meeting agreed to the 1:20 split ratio, meaning that with the amendment to the Articles of Association and the split, the total number of shares will be multiplied by 20, from the current 2,086,301 to 41,726,020. After the PETG share split, the share capital of Petrol d.d., Ljubljana in the amount of EUR 52,240,977.04 will stay the same.

Among the shares listed on the Prime Market, the price of the PETG share is the highest. By splitting the PETG share, Petrol d.d., Ljubljana wants to increase the liquidity of shares and attract new investors by enabling minor investors to purchase and trade in PETG shares more easily.

The amendment to the Articles of Association regarding the PETG share split shall enter into effect on 19 August 2022. The Management Board of the Company will execute the PETG share split in accordance with the General Meeting resolution after the effective date of the resolution on the amendment to the Articles of Association, by entering the amendment of the Articles of Association into the Court Register of Companies and implementing a corporate action and the stipulated procedures in the Central Book-Entry Securities Register at KDD d.o.o. and Ljubljanska borza, d.d., Ljubljana.

The PETG share split procedures commenced on 19 August 2022. The shareholders will be informed on the decisive dates concerning the PETG share split via announcement to KDD members, the LJSE's SEOnet system and Petrol's website.

### **Own shares**

Petrol d.d., Ljubljana, did not repurchase its own shares in the period from January to June 2022. As at 30 June 2022, the number of own shares stood at 30,723, representing 1.5 percent of the share capital. This includes 24,703 own shares that were acquired by Petrol d.d., Ljubljana in the period from 1997 to 1999. Their total cost equalled EUR 2.6 million as at 30 June 2022 and was EUR 9.1 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.

Pursuant to the resolution adopted at the 34<sup>th</sup> General Meeting held on 21 April 2022, the Management Board of Petrol d.d., Ljubljana is authorised to purchase own shares over a period of 12 months starting on the effective date of the resolution. The authorisation applies for the acquisition of a maximum of such number of shares that the total percentage of the shares acquired based on this authorisation, together with other own shares already held by the Company on this authorisation adoption date, does not exceed 2% of the Company's share capital. The Company may acquire own shares by way of transactions concluded on the regulated market at the market price as valid at the respective time. The Company may also acquire own shares on the over-the-counter market. In acquiring shares on the regulated or over-the-counter market, the purchase price of shares cannot be lower than 50% of the book value per share calculated based on the last published audited annual statements of the Petrol Group. Likewise, the purchase price of shares cannot be higher than 11-times the amount of earnings per share (EPS) calculated based on the last published audited annual financial statements of the Petrol Group. Pursuant to the third and fourth paragraphs of Article 381 of the ZGD-1, the Company may reduce (one-time or successively) its share capital through the

withdrawal of all own shares acquired based on this authorisation (but not also those own shares acquired previously) under the simplified procedure and to the debit of other profit reserves based on the Supervisory Board's consent. The Company may use own shares acquired based on this authorisation solely in accordance with this resolution. The resolution shall enter into effect on 30 November 2022, but not prior to the PETG share split.

### **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 half of 2022, we held some videoconferences with investors and analysts. In March, we took part in the Ljubljana Stock Exchange's webinar "Slovenian Stock Companies Online" and in May in the conference "Slovenian and Croatian Investor Day" organised by the Ljubljana Stock Exchange in cooperation with the Zagreb Stock Exchange. In May, we also took part in the Ljubljana Stock Exchange's event "Trade on the Stock Exchange".

### **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. On 20 July 2022, Standard & Poor's Rating Services announced on Bloomberg website that it has placed Petrol d.d., Ljubljana's long-term rating of BBB- and short-term rating of A-3 on CreditWatch Negative because of the consequences of the negative intervention on the motor fuel market where sellers were forced to sell motor fuels even below the cost as a result of the selling price regulation, and uncertainty as regards the compensation for the loss incurred and the risks related to potential additional interventions on the energy market. Nevertheless, Standard & Poor's Rating Services estimates that, given the current situation, the financial risk of Petrol d.d., Ljubljana has not deteriorated.

### **General Meeting resolutions**

Resolutions adopted at the 34<sup>th</sup> General Meeting of Petrol d.d., Ljubljana held on 21 April 2022 (available [here](#)):

1. 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 General Meeting is informed that the notarial protocol will be drawn up by Bojan Podgoršek, Notary Public from Ljubljana.
2. 2.1. The profit for appropriation as of 31 December 2021, amounting to EUR 61,847,940 will be distributed as follows:
  - part of the profit for appropriation amounting to EUR 61,667,340 will be distributed as dividend payments to shareholders: gross dividend of EUR 30.00 per share (own shares do not participate),
  - the remaining part of the profit for appropriation in the amount of EUR 180,600 and any amounts which may result from the number of own shares on the record



date and from rounding off the dividend payment figures, will be transferred to other profit reserves. The Company will pay out dividends on 5 August 2022 to all shareholders registered at KDD (Central Securities Clearing Corporation) as of 4 August 2022.

**2.2.** The General Meeting has taken note and hereby endorses the Report on Remuneration to Management and Supervisory Bodies of Petrol d.d., Ljubljana in the financial year 2021.

**2.3.** The General Meeting gives a discharge to the Management Board of the Company for the financial year 2021.

**2.4.** The General Meeting gives a discharge to the Supervisory Board of the Company for the financial year 2021.

**3. 3.1.** The General Meeting has taken note and hereby endorses the Remuneration Policy for Management and Supervisory Bodies of Petrol d.d., Ljubljana.

**4. 4.1.** Pricewaterhousecoopers d.o.o., Cesta v Kleče 15, 1000 Ljubljana is appointed as the Company auditor for the financial years of 2022, 2023 and 2024.

**5. 5.1.** With the aim to align the Company's Articles of Association with the provision of the third paragraph of Article 297 of the ZGD-1, point 11.07 of 11.00, Chapter IV., shall be amended to read as follows: "Only those shareholders who have registered for participation in the General Meeting not later than at the end of the fourth day prior to the General Meeting, and who have been registered in the Central Book-Entry Securities Register as of the end of the seventh day prior to the General Meeting, shall be entitled to participate in the General Meeting and exercise their voting rights."

**6. 6.1.** Each ordinary registered no-par value share of the Company with the PETG symbol shall be split into 20 ordinary registered no-par value shares of the Company.

**6.2.** In the Company's Articles of Association, point 04.01. of Article 04.00 Share capital, number and types of shares, Chapter II. Share capital and shares shall be amended to read as follows:

"The Company's share capital amounts to EUR 52,240,977.04 (fifty-two million, two hundred and forty thousand, nine hundred and seventy-seven euros and four cents) and is divided into 41,726,020 (forty-one million, seven hundred and twenty-six thousand and twenty) ordinary registered no-par value shares."

**6.3.** A new point 18.03. shall be added in Article 18.00. Articles of Association and general acts of Chapter VIII. Articles of Association and general acts of the Company's Articles of Association, which reads as follows: "The Company has 2,086,301 (two million, eighty-six thousand, three hundred and one) ordinary registered no-par value shares in the Central Book-Entry Securities Register until the total number of Company's shares in the Central Book-Entry Securities Register is aligned with point 04.01 of these Articles of Association with the entry of the split of each share into 20 (twenty) parts."

**6.4.** Points of resolutions 6.1. to 6.3., inclusive, shall enter into effect on 19 August 2022.

**6.5.** The General Meeting hereby authorises the Supervisory Board to align the text of the Articles of Association in accordance with the points of resolutions 6.1. to 6.4., inclusive, and draw up a clean copy of the Articles of Association.

The Management Board of the Company shall implement the necessary procedures for the PETG share split after the entry of the Articles of Association amendment into the Court Register of Companies.

**7. 7.1.** The General Meeting authorises the Management Board of the Company to purchase own shares over a period of 12 months starting on the effective date of this

resolution. The authorisation applies for the acquisition of a maximum of such number of shares that the total percentage of the shares acquired based on this authorisation, together with other own shares already held by the Company on this authorisation adoption date, does not exceed 2% of the Company's share capital.

The Company may acquire own shares by way of transactions concluded on the regulated market at the market price as valid at the respective time. The Company may also acquire own shares on the over-the-counter market. In acquiring shares on the regulated or over-the-counter market, the purchase price of shares cannot be lower than 50% of the book value per share calculated based on the last published audited annual statements of the Petrol Group. Likewise, the purchase price of shares cannot be higher than 11-times the amount of earnings per share (EPS) calculated based on the last published audited annual financial statements of the Petrol Group.

Pursuant to the third and fourth paragraphs of Article 381 of the ZGD-1, the Company may reduce (one-time or successively) its share capital through the withdrawal of all own shares acquired based on this authorisation (but not also those own shares acquired previously) under the simplified procedure and to the debit of other profit reserves based on the Supervisory Board's consent. The Company may use own shares acquired based on this authorisation solely in accordance with this resolution.

7.2. Resolution 7.1 shall enter into effect on 30 November 2022, but not prior to the PETG share split execution, pursuant to General Meeting resolutions 6.1. to 6.5., in the Central Book-Entry Securities Register.

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

Composition of the Supervisory Board did not change in the first six months of. It consists of President Janez Žlak, Deputy President Borut Vrviščar, and Members Mário Selecký, Mladen Kaliterna, Alenka Urnaut Ropoša, Aleksander Zupančič, Alen Mihelčič, Robert Ravnikar and Marko Šavli.

## **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 2021–2025 period 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; and
- 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 below 1. In the period of 2021–2025, 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:**

- 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-to-EBITDA ratio <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 2022**

Energy market participants are faced with great challenges and changes. On the one hand, we are faced with an extremely complex 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 SE Europe, the Petrol Group took on an active role in increasing energy independence, energy efficiency and the share of renewables. To this end, the Petrol Group will further endeavour to reduce its carbon footprint also in 2022.

The sales of merchandise and services make up an important part of the Petrol Group's revenue, which is why the situation in the trade sector has a major impact on operations. Digitalisation has changed consumers' expectations and shopping habits, as well as sales

channels. The pandemic has further highlighted the need to reduce and control costs by optimising supply and sales chains, thereby ensuring point-of-sale profitability.

Providing a full range of customer-focused products and services 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 upgrade our internal operating processes, which enable us to develop new solutions and sustainable models.

The Petrol Group's main operating targets for 2022:

- Sales revenue of EUR 5.9 billion,
- Adjusted gross profit of EUR 643.9 million,
- EBITDA of EUR 297.8 million,
- Net profit of EUR 158.3 million,
- net debt-to-EBITDA ratio of 1.6,
- sales of petroleum products in the amount of 3.6 million tons,
- sales of liquefied petroleum gas in the amount of 162.4 thousand tons,
- sales of natural gas in the amount of 24.2 TWh,
- revenue from sales of merchandise<sup>2</sup> in the amount of EUR 532.2 million.

### **Risks to achieving the plan**

At the Petrol Group, we are aware that despite careful preparation, informed business decisions, quick response to change 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.

The main risk underlying the achievement of the set plan in 2022 was the negative impact of the energy crisis on inflation and, consequently, on the growth of living expenses and the management of higher operating costs. In the first half of the year, energy prices further increased because of the war situation in Ukraine.

The extremely tense and unpredictable situation, resulting in the realisation of certain risks which we identified when preparing the plan:

- the tightening of purchase conditions in the purchase of petroleum products,
- regulation of selling prices of energy products,
- negative effects of the energy crisis on inflation and, consequently, on the growth of the cost of living and decline in economic growth,

have resulted in a result that is below the plan in the first half of the year.

### **Energy price regulation**

When adopting the plan for 2022, the Petrol Group indicated the introduction of the regulation of selling prices of energy products as a risk to not meeting the plan. In a way, we were faced with the fuel price regulation on all markets where we operate. In the first half of the year, the operations of the Petrol Group were mostly affected by the price regulation in Slovenia and Croatia, which is described in detail in the section about the business environment.

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<sup>2</sup> Non-oil merchandise usually sold under segment B Merchandise and services and partly under segment A Fuels and Fuel Products (biomass, tyres, batteries)

When adopting the new Decree Determining the Prices of Certain Petroleum Products on 10 May 2022, the Slovenian Government communicated that after the end of the measure, it would compensate the companies which will have suffered significant loss because of the measure during the effective period of the measure.

The Management Board of the Company presented the Report on the Effect of Fuel and Energy Product Price Regulation on the Petrol Group's Business Plan for 2022, including the possible scenarios, to the Supervisory Board, with a focus on the estimation of the effect of the fuel price regulation measures already in force in the first half of 2022 and the scenarios of the energy product price regulation measures forecast for the second half of 2022. Owing to the high uncertainty regarding the compensation for the economic loss and the lost profit of the Petrol Group resulting from the limitation of prices of motor fuels and other energy commodities (electricity and natural gas) in Slovenia and Croatia in 2022, the effect of the measures on the realisation of the Petrol Group's Business Plan for 2022 cannot be estimated as of yet and, as a result, the Petrol Group's Revised Business Plan for 2022 cannot be prepared.

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

The Government of the Republic of Croatia adopted Regulation (NN 76/2022) on 4 July 2022, separating regulation of the prices of fuel sold at motorway service stations from other locations, the same as in the previous regulation of 20 June 2022. Additionally, the wholesale price was regulated for the first time in Croatia; it cannot be higher than the retail price determined for non-motorway retail points of sale.

On 18 July 2022, the Government of the Republic of Croatia adopted new Regulation (NN 83/2022), reintroducing the regulation of margins for motor fuels (Eurosuper 95) in the amount of HRK 0.65 per litre and for diesel (Eurodiesel) in the amount of HRK 0.65 per litre, while the regulated maximum retail price for blue-dyed diesel remained at HRK 9.45 per litre. On 25 July 2022, the Croatian government adopted an annex to Regulation (NN 86/2022), regulating fuel retailers' and wholesalers' margin for blue-dyed diesel at HRK 0.40 per litre. The method of calculating the retail price was also changed by shortening the accounting period to 7 days (previously 14 days).

The Government of the Republic of Slovenia adopted the Decree Determining the Prices of Electricity on 14 July 2022, capping the maximum permitted retail prices of electricity for households and small business consumers (Official Gazette of the RS, No. 95/22), as determined by the Electricity Supply Act (Official Gazette of the RS, No. 172/21), and for consumption in common areas of multi-apartment buildings and common areas in mixed multi-apartment and business buildings.

On 21 July 2022, the Government of the Republic of Slovenia further adopted the Decree Determining the Prices of Natural Gas from the Gas System (Official Gazette of the RS, No. 98/22), which sets the maximum permitted retail price of natural gas from the transport and distribution network gas system for household consumers, end gas users supplying heat to several apartments via a shared heating device owned or co-owned by such households, essential social services such as determined in the second bullet of the first paragraph of Article 117 of the Electricity Supply Act (Official Gazette of the RS, No. 204/21), and consumers



who, on the Decree enforcement date, are small business consumers as determined by the Electricity Supply Act (Official Gazette of the RS, No. 204/21).

Both Decrees set the maximum permitted retail price of energy products, which will be in effect from 1 September 2022 to 31 August 2023.

On 21 July 2022, the Government of the Republic of Slovenia issued a decision calling upon Eles, d.o.o. and Plinovodi d.o.o. to prepare and submit within three months an analysis about a potential mechanism to determine the entitlement to compensation for the companies which could suffer substantial loss because of the temporary electricity and natural gas price control measure. Since the incurred loss settlement method and amount are not known as of yet, it is not possible to make an estimate of the total price regulation effect and the expected loss compensation from the State. Due to the fact that both Decrees were adopted after 30 June 2022 and the aforementioned uncertainties, the conditions to recognise the effects of electricity and natural gas price regulation were not fulfilled on 30 June 2022 yet.

There were no other events after the reporting date that would significantly affect the financial statements for the first six months of year 2022.



# FINANCIAL REPORT

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

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

(in EUR)	Note	The Petrol Group		Petrol d.d.	
		1-6 2022	1-6 2021	1-6 2022	1-6 2021
<b>Sales revenue</b>	1	<b>4,154,687,779</b>	<b>1,840,250,601</b>	<b>3,115,337,204</b>	<b>1,284,382,961</b>
<b>Cost of goods sold</b>		<b>(3,909,294,980)</b>	<b>(1,582,158,968)</b>	<b>(2,992,243,228)</b>	<b>(1,108,820,283)</b>
Costs of materials	2	(19,236,296)	(14,327,945)	(14,985,063)	(11,920,260)
Costs of services	3	(85,114,627)	(66,955,449)	(64,932,879)	(54,105,936)
Labour costs	4	(66,102,420)	(55,822,369)	(41,199,084)	(39,893,710)
Depreciation and amortisation	5	(45,314,646)	(37,119,405)	(22,846,146)	(23,235,067)
Other costs	6	(13,659,773)	(13,883,159)	(9,664,669)	(10,719,357)
<b>Operating costs</b>		<b>(229,427,762)</b>	<b>(188,108,327)</b>	<b>(153,627,841)</b>	<b>(139,874,330)</b>
Other income	7	200,371,016	42,497,825	204,055,597	42,217,664
Other expenses	8	(213,071,271)	(47,481,049)	(207,478,808)	(46,662,941)
<b>Operating profit or loss</b>		<b>3,264,782</b>	<b>65,000,082</b>	<b>(33,957,076)</b>	<b>31,243,071</b>
<b>Share of profit or loss of equity accounted investees</b>		<b>785,172</b>	<b>544,489</b>	-	-
<b>Finance income from dividends paid by subsidiaries, associates and jointly controlled entities</b>		-	-	<b>929,655</b>	<b>899,458</b>
Other finance income	9	51,912,854	12,598,688	48,934,987	9,790,209
Other finance expenses	9	(57,026,897)	(18,527,391)	(49,699,715)	(14,432,115)
<b>Net finance expense</b>		<b>(5,114,043)</b>	<b>(5,928,703)</b>	<b>(764,728)</b>	<b>(4,641,906)</b>
<b>Profit before tax</b>		<b>(1,064,089)</b>	<b>59,615,868</b>	<b>(33,792,149)</b>	<b>27,500,623</b>
Tax expense		(6,382,648)	(10,613,997)	-	(4,592,663)
Deferred tax		6,102,588	398,212	6,153,907	(405,831)
<b>Corporate income tax</b>		<b>(280,060)</b>	<b>(10,215,785)</b>	<b>6,153,907</b>	<b>(4,998,494)</b>
<b>Net profit for the period</b>		<b>(1,344,149)</b>	<b>49,400,083</b>	<b>(27,638,242)</b>	<b>22,502,129</b>
Net profit for the period attributable to:					
Owners of the controlling company		(5,268,048)	46,854,935	(27,638,242)	22,502,129
Non-controlling interest		3,923,899	2,545,148	-	-
Basic and diluted earnings per share attributable to owners of the controlling company	10	(2.56)	22.79	(13.41)	10.91

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

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

(in EUR)	The Petrol Group		Petrol d.d.	
	1-6 2022	1-6 2021	1-6 2022	1-6 2021
<b>Net profit for the period</b>	<b>(1,344,149)</b>	<b>49,400,083</b>	<b>(27,638,242)</b>	<b>22,502,129</b>
Effective portion of changes in the fair value of cash flow variability hedging	33,981,170	2,279,757	31,592,901	1,867,043
Change in deferred taxes	(6,432,539)	(429,027)	(6,002,651)	(354,738)
Change in the fair value of financial assets through other comprehensive income	-	(61,866)	-	-
Change in deferred taxes	-	11,755	-	-
Foreign exchange differences	(492,940)	1,776,418	-	-
<b>Other comprehensive income to be recognised in the statement of profit or loss in the future</b>	<b>27,055,691</b>	<b>3,577,037</b>	<b>25,590,250</b>	<b>1,512,305</b>
Attribution of changes in the equity of subsidiaries	-	-	-	-
Change in deferred taxes	-	-	-	-
Attribution of changes in the equity of associates	-	-	-	-
Change in deferred taxes	-	-	-	-
<b>Total other comprehensive income to be recognised in the statement of profit or loss in the future</b>	<b>27,055,691</b>	<b>3,577,037</b>	<b>25,590,250</b>	<b>1,512,305</b>
Unrealised actuarial gains and losses	-	-	-	-
<b>Other comprehensive income not to be recognised in the statement of profit or loss in the future</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Attribution of changes in the equity of subsidiaries	-	-	-	-
Attribution of changes in the equity of associates	-	-	-	-
<b>Total other comprehensive income not to be recognised in the statement of profit or loss in the future</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Total other comprehensive income after tax	27,055,691	3,577,037	25,590,250	1,512,305
<b>Total comprehensive income for the year</b>	<b>25,711,542</b>	<b>52,977,120</b>	<b>(2,047,992)</b>	<b>24,014,434</b>
Total comprehensive income attributable to:				
Owners of the controlling company	21,788,559	50,436,523	(2,047,992)	24,014,434
Non-controlling interest	3,922,983	2,540,597	-	-

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

**Statement of financial position of the Petrol Group and Petrol d.d., Ljubljana**

		The Petrol Group		Petrol d.d.	
(in EUR)	Note	30 June 2022	31 December 2021	30 June 2022	31 December 2021
<b>ASSETS</b>					
<b>Non-current (long-term) assets</b>					
Intangible assets	11	341,002,529	345,329,895	152,712,578	155,524,818
Right-of-use assets	12	110,973,199	102,621,512	29,173,576	27,874,823
Property, plant and equipment	13	758,153,460	767,704,711	361,061,427	366,262,157
Investment property		15,665,086	16,139,743	11,819,908	12,335,994
Investments in subsidiaries	14	-	-	554,032,932	553,970,331
Investments in jointly controlled entities	15	945,364	704,501	233,000	210,000
Investments in associates	16	54,757,462	55,169,626	26,610,477	26,610,477
Financial assets at fair value through other comprehensive income	17	4,133,044	4,133,044	2,117,914	2,117,914
Financial receivables		2,053,705	991,831	89,209,186	83,299,185
Operating receivables		7,534,115	8,228,771	7,515,588	8,219,107
Deferred tax assets		12,446,724	11,379,674	8,306,769	8,155,514
		<b>1,307,664,688</b>	<b>1,312,403,308</b>	<b>1,242,793,355</b>	<b>1,244,580,320</b>
<b>Current assets</b>					
Inventories	18	339,206,936	178,191,288	202,645,710	96,573,239
Contract assets		4,008,500	3,338,893	3,667,298	7,604,649
Financial receivables	19	436,285	16,168,692	29,554,180	16,181,049
Operating receivables	20	795,054,617	650,343,180	565,051,866	385,829,891
Corporate income tax assets		10,680,212	616,729	7,912,182	-
Financial assets at fair value through profit or loss	21	41,090,988	34,666,891	39,786,663	34,561,544
Financial assets at fair value through other comprehensive income	22	33,257,742	1,776,801	30,189,382	1,100,446
Prepayments and other assets	23	99,539,648	85,718,759	49,428,969	50,728,784
Cash and cash equivalents		58,972,981	100,226,890	26,413,874	57,567,397
		<b>1,382,247,909</b>	<b>1,071,048,123</b>	<b>954,650,124</b>	<b>650,146,999</b>
<b>Total assets</b>		<b>2,689,912,597</b>	<b>2,383,451,431</b>	<b>2,197,443,479</b>	<b>1,894,727,319</b>
<b>EQUITY AND LIABILITIES</b>					
<b>Equity attributable to owners of the controlling company</b>					
Called-up capital		52,240,977	52,240,977	52,240,977	52,240,977
Capital surplus		80,991,385	80,991,385	80,991,385	80,991,385
Legal reserves		61,987,955	61,987,955	61,749,884	61,749,884
Reserves for own shares		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		290,134,267	318,523,082	312,488,747	340,914,615
Fair value reserve		(789,611)	(789,611)	39,809,449	39,809,449
Hedging reserve		26,690,047	(858,584)	24,453,399	(1,136,850)
Foreign exchange differences		(9,126,444)	(8,634,420)	-	-
Retained earnings		323,675,332	362,184,854	(27,638,242)	33,241,471
		<b>825,803,908</b>	<b>865,645,638</b>	<b>546,199,288</b>	<b>609,914,620</b>
<b>Non-controlling interest</b>		<b>46,796,901</b>	<b>43,052,367</b>	<b>-</b>	<b>-</b>
<b>Total equity</b>		<b>872,600,809</b>	<b>908,698,005</b>	<b>546,199,288</b>	<b>609,914,620</b>
<b>Non-current liabilities</b>					
Provisions for employee post-employment and other long-term benefits		9,520,054	9,516,091	7,969,809	7,969,809
Other provisions		38,706,861	34,323,479	23,505,795	17,606,490
Long-term deferred revenue		35,704,806	34,447,444	30,125,610	29,459,071
Financial liabilities	24	421,982,017	433,812,995	392,687,343	404,555,761
Lease liabilities	25	99,345,720	92,991,633	28,212,326	26,735,533
Operating liabilities		5,661,782	5,661,782	5,661,782	5,661,782
Deferred tax liabilities		2,948,755	1,583,658	-	-
		<b>613,869,995</b>	<b>612,337,082</b>	<b>488,162,665</b>	<b>491,988,446</b>
<b>Current liabilities</b>					
Financial liabilities	24	57,484,202	65,958,447	299,331,973	272,485,762
Lease liabilities	25	15,908,209	13,768,130	2,717,596	2,717,596
Operating liabilities	26	1,045,912,907	690,456,613	795,888,335	442,507,932
Corporate income tax liabilities		1,290,492	18,786,511	-	16,353,199
Contract liabilities	27	19,687,676	14,828,344	12,612,230	7,905,838
Other liabilities	28	63,158,307	58,618,299	52,531,392	50,853,926
		<b>1,203,441,793</b>	<b>862,416,344</b>	<b>1,163,081,526</b>	<b>792,824,253</b>
<b>Total liabilities</b>		<b>1,817,311,788</b>	<b>1,474,753,426</b>	<b>1,651,244,191</b>	<b>1,284,812,699</b>
<b>Total equity and liabilities</b>		<b>2,689,912,597</b>	<b>2,383,451,431</b>	<b>2,197,443,479</b>	<b>1,894,727,319</b>

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							
<b>As at 1 January 2021</b>	52,240,977	80,991,385	61,987,955	4,708,359	(4,708,359)	316,057,569 (30,775,958)	(753,447)	(4,195,723)	(9,126,807)	290,793,508 (14,446,758)	787,995,417 (45,222,716)	38,674,020	826,669,437 (45,222,716)
Dividend payments for 2020													(331,803)
Increase/(decrease) in non-controlling interest													
<b>Transactions with owners</b>	-	-	-	-	-	(30,775,958)	-	-	-	(14,446,758)	(45,222,716)	(331,803)	(45,554,519)
Net profit for the current year										46,854,935	46,854,935	2,545,148	49,400,083
Other changes in other comprehensive income							(37,222)	1,850,730	1,768,080		3,581,588	(4,551)	3,577,037
<b>Total changes in total comprehensive income</b>	-	-	-	-	-	-	(37,222)	1,850,730	1,768,080	46,854,935	50,436,523	2,540,597	52,977,120
<b>As at 30 June 2021</b>	52,240,977	80,991,385	61,987,955	4,708,359	(4,708,359)	285,281,611	(790,669)	(2,344,993)	(7,358,727)	323,201,685	793,209,224	40,882,814	834,092,038
<b>As at 1 January 2022</b>	52,240,977	80,991,385	61,987,955	4,708,359	(4,708,359)	318,523,082 (28,425,869)	(789,611)	(858,584)	(8,634,420)	362,184,854 (33,241,474)	865,645,638 (61,667,343)	43,052,367	908,698,005 (61,667,343)
Dividend payments for 2021						37,054					37,054	(178,449)	(141,395)
Increase/(decrease) in non-controlling interest													
<b>Transactions with owners</b>	-	-	-	-	-	(28,388,815)	-	-	-	(33,241,474)	(61,630,289)	(178,449)	(61,808,738)
Net profit for the current year										(5,268,048)	(5,268,048)	3,923,899	(1,344,149)
Other changes in other comprehensive income								27,548,631	(492,024)		27,056,607	(916)	27,055,691
<b>Total changes in total comprehensive income</b>	-	-	-	-	-	-	-	27,548,631	(492,024)	(5,268,048)	21,788,559	3,922,983	25,711,542
<b>As at 30 June 2022</b>	52,240,977	80,991,385	61,987,955	4,708,359	(4,708,359)	290,134,267	(789,611)	26,690,047	(9,126,444)	323,675,332	825,803,908	46,796,901	872,600,809

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



Report on the operations of the Petrol Group and the company Petrol d.d., Ljubljana in the first six months of 2022

## 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 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	-	-	-	-	-	(30,775,958)	-	-	(14,446,758)	(45,222,716)
Net profit for the current year									22,502,129	22,502,129
Other changes in other comprehensive income								1,512,305		1,512,305
Total changes in total comprehensive income	-	-	-	-	-	-	-	1,512,305	22,502,129	24,014,434
As at 30 June 2021	52,240,977	80,991,385	61,749,884	4,708,359	(2,604,670)	307,673,144	39,796,454	(2,284,576)	22,502,129	564,773,086
As at 1 January 2022	52,240,977	80,991,385	61,749,884	4,708,359	(2,604,670)	340,914,615	39,809,449	(1,136,850)	33,241,471	609,914,620
Dividend payments for 2021						(28,425,869)			(33,241,474)	(61,667,343)
Transactions with owners	-	-	-	-	-	(28,425,869)	-	-	(33,241,474)	(61,667,343)
Net profit for the current year									(27,638,242)	(27,638,242)
Other changes in other comprehensive income								25,590,250		25,590,250
Total changes in total comprehensive income	-	-	-	-	-	-	-	25,590,250	(27,638,242)	(2,047,992)
As at 30 June 2022	52,240,977	80,991,385	61,749,884	4,708,359	(2,604,670)	312,488,747	39,809,449	24,453,399	(27,638,242)	546,199,288

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

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

(in EUR)	Note	The Petrol Group		Petrol d.d.	
		1-6 2022	1-6 2021	1-6 2022	1-6 2021
<b>Cash flows from operating activities</b>					
<b>Net profit</b>		<b>(1,344,149)</b>	<b>49,400,083</b>	<b>(27,638,242)</b>	<b>22,502,129</b>
<b>Adjustment for:</b>					
Corporate income tax		280,060	10,215,785	(6,153,907)	4,998,493
Depreciation of property, plant and equipment, investment property and right-of-use assets	5	38,280,156	30,870,662	17,899,003	18,475,089
Amortisation of intangible assets	5	7,034,490	6,248,743	4,947,143	4,759,978
(Gain)/loss on disposal of property, plant and equipment	6, 7	(423,746)	441,879	(326,572)	377,182
Impairment, write-down/(reversed impairment) of assets		-	2,865,045	-	1,320,938
Revenue from assets under management		(32,438)	(32,438)	(32,438)	(32,438)
Net (decrease in)/creation of provisions for long-term employee benefits		4,443	(7,230)	-	-
Net (decrease in)/creation of other provisions and long-term deferred revenue		5,648,460	6,788,007	6,565,843	6,847,083
Net goods surpluses		1,872,853	1,157,024	700,761	752,199
Net (decrease in)/creation of allowance for receivables	9	6,243,572	1,455,014	3,848,129	34,724
Net finance (income)/expense	9	3,670,022	2,312,330	2,169,922	3,043,620
Impairment of investments	9	-	873,367	-	943,000
Share of profit of jointly controlled entities		(333,075)	(137,174)	-	-
Share of profit of associates		(452,097)	(407,315)	-	-
Finance income from dividends received from jointly controlled entities		-	-	(115,217)	(135,495)
Finance income from dividends received from associates		-	-	(814,437)	(763,964)
<b>Cash flow from operating activities before changes in working capital</b>		<b>60,448,551</b>	<b>112,043,782</b>	<b>1,049,988</b>	<b>63,122,536</b>
Net (decrease in)/creation of other liabilities	28	4,549,797	(120,105)	1,677,467	31,575
Net decrease in/(creation) of other assets	23	(2,041,997)	(20,037,006)	(442,237)	(13,954,183)
Change in inventories	18	(162,873,260)	(34,843,409)	(106,773,232)	(13,873,638)
Change in operating and other receivables and contract assets	20	(150,882,982)	(1,194,426)	(179,696,775)	(15,450,674)
Change in operating and other liabilities and contract liabilities	26, 27	309,947,155	32,659,100	316,222,501	9,718,823
<b>Cash generated from operating activities</b>		<b>59,147,264</b>	<b>88,507,936</b>	<b>32,037,712</b>	<b>29,594,440</b>
Interest paid	9	(7,729,964)	(4,148,567)	(5,115,543)	(3,483,569)
Taxes paid		(33,482,178)	(4,278,146)	(24,222,199)	5,364,506
<b>Net cash from (used in) operating activities</b>		<b>17,935,122</b>	<b>80,081,223</b>	<b>2,699,970</b>	<b>31,475,377</b>
<b>Cash flows from investing activities</b>					
Payments for investments in subsidiaries	14	(70,482)	(14,950,000)	(70,482)	(22,450,000)
Receipts from investments in subsidiaries	9	3,063,000	-	3,063,000	-
Payments for investments in jointly controlled entities	6,20	(23,000)	-	(23,000)	-
Receipts from investments in associates	16	-	2,575,000	-	2,575,000
Receipts from intangible assets	11	105,731	6,646	105,016	6,646
Payments for intangible assets	11	(3,820,662)	(2,849,215)	(2,044,683)	(1,894,570)
Receipts from property, plant and equipment	13	1,426,776	1,426,442	588,897	255,601
Payments for property, plant and equipment	13	(34,444,620)	(27,334,826)	(16,396,646)	(11,471,894)
Receipts from investment property		21,725	-	21,725	-
Payments for investment property		(225,636)	-	-	-
Receipts from loans granted	19	15,056,111	2,139,621	61,807,164	61,627,614
Payments for loans granted	19	(154,528)	(16,300)	(80,350,596)	(52,823,720)
Interest received	9	1,537,331	1,271,982	1,117,683	910,338
Dividends received from jointly controlled entities		115,217	135,495	115,217	135,495
Dividends received from associates		864,261	839,083	814,437	763,964
Dividends received from others		110,000	110,000	-	-
<b>Net cash from (used in) investing activities</b>		<b>(16,438,776)</b>	<b>(36,646,072)</b>	<b>(31,252,268)</b>	<b>(22,365,526)</b>
<b>Cash flows from financing activities</b>					
Payments for right-of-use assets	25	(7,992,597)	(4,711,580)	(1,779,763)	(1,792,589)
Proceeds from borrowings	24	625,065,525	364,862,886	917,676,389	452,972,127
Repayment of borrowings	24	(659,771,633)	(433,204,412)	(918,496,833)	(483,882,880)
Dividends paid to shareholders		(1,018)	(174)	(1,018)	(174)
<b>Net cash from (used in) financing activities</b>		<b>(42,699,723)</b>	<b>(73,053,280)</b>	<b>(2,601,225)</b>	<b>(32,703,516)</b>
Increase/(decrease) in cash and cash equivalents		(41,203,377)	(29,618,129)	(31,153,523)	(23,593,665)
<b>Changes in cash and cash equivalents</b>					
<b>At the beginning of the year</b>		<b>100,226,890</b>	<b>88,674,952</b>	<b>57,567,397</b>	<b>44,670,525</b>
Foreign exchange differences		(50,532)	156,603	-	-
Cash acquired through acquisition of companies		-	792,219	-	-
Increase/(decrease)		(41,203,377)	(29,618,129)	(31,153,523)	(23,593,665)
<b>At the end of the period</b>		<b>58,972,981</b>	<b>60,005,645</b>	<b>26,413,874</b>	<b>21,076,861</b>

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



## Notes to the financial statements

### **Reporting entity**

Petrol d.d., Ljubljana (hereinafter the "Company") is a company domiciled in Slovenia. Its registered office is at Dunajska cesta 50, 1000 Ljubljana. Below we present consolidated financial statements of the Group for the period ended 30 June 2022 and separate financial statements of the company Petrol d.d., Ljubljana for the period ended 30 June 2022. 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 18 August 2022.

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 2021.

The financial statements for the period from January – June 2022 are prepared based on the same accounting policies used for the preparation of financial statements for the year ended 31 December 2021.

#### **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,
- estimate of provisions for onerous contracts,
- assessing the possibility of using deferred tax assets.

#### **e. Changes of financial statement presentation**

The Group/Company did not change its accounting policies and financial statement presentation in 2022.

### **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.

In June 2021, the Petrol Group adopted new organisation of the company and the Petrol Group. Reorganisation was implemented in order for the Group to achieve the strategic goals and position itself in the context of a broader energy transition in line with the new vision of the Group. Reorganisation is reflected in stronger connection of markets, regional approach and standardisation of business processes. It enables more efficient processes, unification and optimisation of support functions, customer centricity and unified appearance on markers in subsidiaries.

Since 1 January 2022 the management monitors information on four levels.

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

- fuels and fuel products,
- merchandise and services,
- energy and solutions,
- other.

Fuels and fuel products consist of:

- petroleum product sales,
- liquefied petroleum gas sales and other alternative energy products,
- transport, storage and transshipment of fuels,
- revenue from payment cards,
- sales of biomass,
- sales of tyres, inner tubes and batteries.

Merchandise and services consist of:

- sales of food products, accessories, tobacco and lottery products, coupons and cards,
- sales of coffee-to-go, Fresh products,
- sales of automotive products, spare parts, and carwash services,
- sales promotion services, and other services,
- catering facility rentals.

Energy and solutions consist of:

- electricity and natural gas sales and trading,
- sales of energy solutions,
- sales of heat systems,
- natural gas distribution,
- mobility and
- production of renewable electricity.

Other consist of:

- mining services,
- maintenance services,
- vacation rental lease.

The data for the comparative period are also adjusted to the new method of segment reporting.

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

(in EUR)	Fuels and fuel products	Merchandise and services	Energy and solutions	Other	Total	Statement of profit or loss/ Statement of financial position
Sales revenue	918,862,554	242,240,224	898,302,799	4,299,444	2,063,705,021	
Revenue from subsidiaries	(190,127,452)	(198,331)	(31,977,672)	(1,150,965)	(223,454,420)	
Sales revenue	728,735,102	242,041,893	866,325,127	3,148,479	1,840,250,601	1,840,250,601
Operating profit or loss	23,936,914	31,644,158	9,263,705	155,305	65,000,082	65,000,082
Depreciation of property, plant and equipment, depreciation of right-of-use assets, depreciation of investment property and amortisation of intangible assets	(21,151,262)	(4,454,357)	(11,197,604)	(316,182)	(37,119,405)	(37,119,405)
Share of profit or loss of equity accounted investees	-	-	544,489	-	544,489	544,489

## The Group's operating segments in the period 1 January - 30 June 2022:

(in EUR)	Fuels and fuel products	Merchandise and services	Energy and solutions	Other	Total	Statement of profit or loss/ Statement of financial position
Sales revenue	2,583,835,696	237,874,191	2,154,741,456	5,534,840	4,981,986,183	
Revenue from subsidiaries	(660,501,983)	(76,899)	(164,899,239)	(1,820,283)	(827,298,404)	
Sales revenue	1,923,333,713	237,797,292	1,989,842,217	3,714,557	4,154,687,779	4,154,687,779
Operating profit or loss	(57,670,342)	32,766,623	26,112,429	2,056,072	3,264,782	3,264,782
Depreciation of property, plant and equipment, depreciation of right-of-use assets, depreciation of investment property and amortisation of intangible assets	(26,678,487)	(4,296,026)	(14,000,703)	(339,430)	(45,314,646)	(45,314,646)
Share of profit or loss of equity accounted investees	-	-	785,172	-	785,172	785,172

## Additional information about geographic areas in which the Group operates:

(in EUR)	Sales revenue		Total assets		Net investments	
	1-6 2022	1-6 2021	30 June 2022	31 December 2021	1-6 2022	1-6 2021
Slovenia	1,844,543,301	912,041,786	1,593,014,648	1,385,093,355	16,839,989	20,619,851
Croatia	665,207,084	407,464,341	782,260,035	708,835,851	649,833	3,463,617
Austria	146,961,536	62,766,314	6,079,758	2,521,013	-	-
Bosnia and Herzegovina	144,700,454	51,785,104	100,656,755	84,410,027	3,712,032	91,927
Serbia	111,735,511	43,399,501	103,224,858	97,542,278	1,861,696	2,022,829
Montenegro	35,737,198	17,452,014	33,842,607	34,663,240	170,991	135,730
Macedonia	4,008,895	3,391,508	231,740	737,181	-	-
Romania	2,508,180	20,449,349	533,442	474,400	-	-
Other countries	1,199,285,620	321,500,684	1,919,204	1,920,285	-	-
	<b>4,154,687,779</b>	<b>1,840,250,601</b>	<b>2,621,763,047</b>	<b>2,316,197,630</b>	<b>23,234,541</b>	<b>26,333,954</b>

Jointly controlled entities  
Associates  
Unallocated assets  
**Total assets**

945,364	704,501
54,757,462	55,169,626
12,446,724	11,379,674
<b>2,689,912,597</b>	<b>2,383,451,431</b>

## Notes to individual items in the financial statements

### 1. Sales revenue

(in EUR)	The Petrol Group		Petrol d.d.	
	1-6 2022	1-6 2021	1-6 2022	1-6 2021
Domestic sales revenue	1,844,543,301	912,041,786	1,620,547,328	831,747,720
EU market sales revenue	1,780,616,223	747,568,912	1,247,989,485	388,612,192
Non-EU market sales revenue	529,528,255	180,639,903	246,800,391	64,023,049
<b>Total revenue</b>	<b>4,154,687,779</b>	<b>1,840,250,601</b>	<b>3,115,337,204</b>	<b>1,284,382,961</b>

(in EUR)	The Petrol Group		Petrol d.d.	
	1-6 2022	1-6 2021	1-6 2022	1-6 2021
Fuels and fuel products	1,923,333,713	728,735,102	1,653,757,158	655,258,128
Merchandise and services	237,797,292	242,041,893	165,934,706	203,170,332
Energy and solutions	1,989,842,217	866,325,127	1,292,967,779	423,827,044
Other	3,714,557	3,148,479	2,677,561	2,127,457
<b>Total revenue</b>	<b>4,154,687,779</b>	<b>1,840,250,601</b>	<b>3,115,337,204</b>	<b>1,284,382,961</b>

### 2. Costs of material

(in EUR)	The Petrol Group		Petrol d.d.	
	1-6 2022	1-6 2021	1-6 2022	1-6 2021
Costs of energy	15,048,974	10,893,016	12,558,456	9,473,425
Costs of consumables	3,658,016	3,080,197	2,210,046	2,273,982
Write-off of small tools	41,451	55,230	11,240	27,211
Other costs of materials	487,855	299,502	205,321	145,642
<b>Total costs of materials</b>	<b>19,236,296</b>	<b>14,327,945</b>	<b>14,985,063</b>	<b>11,920,260</b>

### 3. Costs of services

(in EUR)	The Petrol Group		Petrol d.d.	
	1-6 2022	1-6 2021	1-6 2022	1-6 2021
Costs of transport services	20,132,998	13,933,430	14,970,827	11,496,963
Costs of service station managers	15,886,211	14,604,660	15,886,211	14,604,660
Costs of fixed-asset maintenance services	13,903,315	11,517,530	9,861,153	9,043,424
Costs of payment transactions and bank services	8,568,397	5,938,409	5,027,033	3,761,395
Lease payments	5,772,670	4,433,932	5,143,881	3,572,027
Costs of professional services	5,748,283	4,101,607	4,416,103	3,185,940
Costs of fairs, advertising and entertainment	3,843,694	3,499,122	2,323,516	2,201,948
Costs of insurance premiums	2,966,135	2,030,228	1,698,427	1,135,291
Outsourcing costs	1,913,750	1,682,301	1,756,230	1,547,972
Costs of fire protection and physical and technical security	1,234,970	1,269,978	784,741	1,067,290
Costs of environmental protection services	927,696	917,243	632,760	591,180
Property management	682,297	535,065	570,369	430,244
Reimbursement of work-related costs to employees	676,327	388,754	419,751	227,901
Membership fees	561,373	330,653	116,620	89,288
Other costs of services	2,296,511	1,772,537	1,325,257	1,150,413
<b>Total costs of services</b>	<b>85,114,627</b>	<b>66,955,449</b>	<b>64,932,879</b>	<b>54,105,936</b>

## Lease expenses

(in EUR)	The Petrol Group		Petrol d.d.	
	1-6 2022	1-6 2021	1-6 2022	1-6 2021
Depreciation of right-of-use assets	8,760,808	5,082,446	1,956,773	1,995,602
Finance expenses	2,326,282	898,357	637,106	653,829
Lease expenses	5,772,670	4,433,932	5,143,881	3,572,027
<b>Total recognised costs/expenses</b>	<b>16,859,760</b>	<b>10,414,735</b>	<b>7,737,760</b>	<b>6,221,459</b>

## 4. Labour costs

(in EUR)	The Petrol Group		Petrol d.d.	
	1-6 2022	1-6 2021	1-6 2022	1-6 2021
Salaries	48,781,968	41,093,376	30,320,250	29,688,290
Costs of other social insurance	4,609,245	2,731,212	2,322,083	2,091,606
Costs of pension insurance	3,297,591	4,422,402	2,686,247	2,874,437
Transport allowance	2,018,079	1,559,451	998,486	929,483
Meal allowance	1,945,107	1,692,875	1,324,328	1,359,354
Annual leave allowance	1,937,940	1,566,243	1,644,483	1,161,230
Supplementary pension insurance	913,737	823,117	848,766	758,550
Other allowances and reimbursements	2,598,753	1,933,693	1,054,441	1,030,760
<b>Total labour costs</b>	<b>66,102,420</b>	<b>55,822,369</b>	<b>41,199,084</b>	<b>39,893,710</b>

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

In line with the measures taken by countries to contain the coronavirus (COVID-19) epidemic in the first six months, the Group made use of measures relating to the unconditional reimbursement of labour costs of EUR 23,505 (1-6 2021: EUR 518.108) recording their effects as a decrease in labour costs.

In line with the measures taken by the state to contain the coronavirus (COVID-19) epidemic in the first six months, the Company made use of measures relating to the unconditional reimbursement of labour costs of EUR 23,505 (1-6 2021: EUR 344.694) recording it as a decrease in labour costs.

## 5. Depreciation and amortisation

(in EUR)	The Petrol Group		Petrol d.d.	
	1-6 2022	1-6 2021	1-6 2022	1-6 2021
Depreciation of property, plant and equipment	29,000,485	25,402,001	15,604,533	16,103,141
Depreciation of right-of-use assets	8,760,808	5,082,446	1,956,773	1,995,602
Amortisation of intangible assets	7,034,490	6,248,743	4,947,143	4,759,978
Depreciation of investment property	518,863	386,215	337,697	376,346
<b>Total depreciation and amortisation</b>	<b>45,314,646</b>	<b>37,119,405</b>	<b>22,846,146</b>	<b>23,235,067</b>

## 6. Other costs

(in EUR)	The Petrol Group		Petrol d.d.	
	1-6 2022	1-6 2021	1-6 2022	1-6 2021
Environmental charges and charges unrelated to operations	2,971,325	3,160,051	1,657,345	2,151,167
Sponsorships and donations	1,068,043	792,967	877,284	703,864
Disposals/impairment of assets	131,434	3,488,833	104,580	1,804,973
Other costs	9,488,971	6,441,308	7,025,460	6,059,353
<b>Total other costs</b>	<b>13,659,773</b>	<b>13,883,159</b>	<b>9,664,669</b>	<b>10,719,357</b>

## 7. Other revenue

(in EUR)	The Petrol Group		Petrol d.d.	
	1-6 2022	1-6 2021	1-6 2022	1-6 2021
Gain on derivatives	196,572,839	39,999,164	202,053,032	40,399,158
Gain on disposal of fixed assets	555,180	181,909	431,152	106,852
Compensation received from insurance companies	174,780	55,491	55,448	20,775
Compensation, lawsuits, contractual penalties received	122,658	118,894	27,725	79,598
Other income	2,945,559	2,142,367	1,488,240	1,611,281
<b>Total other income</b>	<b>200,371,016</b>	<b>42,497,825</b>	<b>204,055,597</b>	<b>42,217,664</b>

## 8. Other expenses

(in EUR)	The Petrol Group		Petrol d.d.	
	1-6 2022	1-6 2021	1-6 2022	1-6 2021
Loss on derivatives	212,824,137	46,879,037	207,462,403	46,660,472
Other expenses	247,134	602,012	16,405	2,469
<b>Total other expenses</b>	<b>213,071,271</b>	<b>47,481,049</b>	<b>207,478,808</b>	<b>46,662,941</b>

## 9. Other financial income and expenses

(in EUR)	The Petrol Group		Petrol d.d.	
	1-6 2022	1-6 2021	1-6 2022	1-6 2021
Foreign exchange differences	35,771,965	7,928,276	32,767,473	5,610,728
Gain on derivatives	11,206,492	2,579,927	11,206,492	2,579,927
Interest income	1,529,858	1,495,529	1,607,971	1,343,481
Loss allowances for rec. reversed and bad debt recovered	228,825	229,621	221,194	225,889
Other finance income	3,175,714	365,335	3,131,857	30,184
<b>Total other finance income</b>	<b>51,912,854</b>	<b>12,598,688</b>	<b>48,934,987</b>	<b>9,790,209</b>
Foreign exchange differences	(41,019,556)	(10,367,039)	(37,561,292)	(7,382,061)
Interest expense	(7,693,267)	(3,895,884)	(6,252,535)	(4,158,939)
Allowance for operating receivables	(6,472,397)	(1,684,635)	(4,069,323)	(260,613)
Loss on derivatives	(1,159,350)	(1,429,156)	(1,159,350)	(1,429,156)
Impairment of investments and of goodwill	-	(873,367)	-	(943,000)
Other finance expenses	(682,327)	(277,310)	(657,215)	(258,347)
<b>Total other finance expenses</b>	<b>(57,026,897)</b>	<b>(18,527,391)</b>	<b>(49,699,715)</b>	<b>(14,432,115)</b>
<b>Net finance expense</b>	<b>(5,114,043)</b>	<b>(5,928,703)</b>	<b>(764,728)</b>	<b>(4,641,906)</b>

## 10. Earnings per share

	The Petrol Group		Petrol d.d.	
	1-6 2022	1-6 2021	1-6 2022	1-6 2021
Net profit attributable to owners of the controlling company (in EUR)	(5,268,048)	46,854,935	(27,638,242)	22,502,129
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 year	30,723	30,723	24,703	24,703
Number of own shares at the end of the year	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
<b>Basic and diluted earnings per share attributable to owners of the controlling company (EUR/share)</b>	<b>(2.56)</b>	<b>22.79</b>	<b>(13.41)</b>	<b>10.91</b>



Basic earnings per share are calculated by dividing the owners' net profit by the weighted average number of ordinary shares, excluding ordinary shares owned by the Group/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 costs	Total
<b>Cost</b>						
<b>As at 1 January 2021</b>	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	-	1,594,719	-	97,923	18,950	1,711,592
New acquisitions	41,539	43,888	-	2,463,724	300,064	2,849,215
Disposals/impairments	-	-	(873,367)	(6,646)	-	(880,013)
Transfers between asset categories	-	-	-	58,027	-	58,027
Transfer from ongoing investments	5,860,995	798,089	-	(6,659,084)	-	-
Foreign exchange differences	49,384	69,867	113,778	2,041	-	235,070
<b>As at 30 June 2021</b>	<b>50,707,911</b>	<b>124,623,709</b>	<b>105,135,567</b>	<b>2,961,555</b>	<b>683,973</b>	<b>284,112,715</b>
<b>Accumulated amortisation</b>						
<b>As at 1 January 2021</b>	(26,023,005)	(59,455,652)	(13,536)	-	-	(85,492,193)
New acquisitions as a result of control obtained	-	(1,246,868)	-	-	-	(1,246,868)
Amortisation	(3,589,208)	(2,659,535)	-	-	-	(6,248,743)
Foreign exchange differences	(19,843)	(30,490)	(2,755)	-	-	(53,088)
<b>As at 30 June 2021</b>	<b>(29,632,056)</b>	<b>(63,392,545)</b>	<b>(16,291)</b>	<b>-</b>	<b>-</b>	<b>(93,040,892)</b>
<b>Net carrying amount as at 1 January 2021</b>	<b>18,732,988</b>	<b>62,661,494</b>	<b>105,881,620</b>	<b>7,005,570</b>	<b>364,959</b>	<b>194,646,631</b>
<b>Net carrying amount as at 30 June 2021</b>	<b>21,075,855</b>	<b>61,231,164</b>	<b>105,119,276</b>	<b>2,961,555</b>	<b>683,973</b>	<b>191,071,823</b>

(in EUR)	Material and other rights	Right to use concession infrastructure	Goodwill	Ongoing investments	Long-term deferred costs	Total
<b>Cost</b>						
<b>As at 1 January 2022</b>	60,786,152	135,753,954	253,652,998	4,485,643	291,102	454,969,849
New acquisitions	314,424	16,346	-	3,373,829	116,063	3,820,662
Disposals/impairments	(164,513)	(5,151)	(19,303)	(3,115)	(9,205)	(201,287)
Transfers between asset categories	(43,434)	551,705	-	(999,320)	-	(491,049)
Transfer from ongoing investments	2,015,974	1,249,415	-	(3,265,389)	-	-
Foreign exchange differences	(10,259)	(22,480)	(164,189)	(1,072)	-	(198,000)
<b>As at 30 June 2022</b>	<b>62,898,344</b>	<b>137,543,789</b>	<b>253,469,506</b>	<b>3,590,576</b>	<b>397,960</b>	<b>457,900,175</b>
<b>Accumulated amortisation</b>						
<b>As at 1 January 2022</b>	(36,992,140)	(72,628,511)	(19,303)	-	-	(109,639,954)
Amortisation	(4,116,559)	(2,917,931)	-	-	-	(7,034,490)
Disposals/impairments	71,102	5,151	19,303	-	-	95,556
Transfers between asset categories	15,560	(352,482)	-	-	-	(336,922)
Foreign exchange differences	4,216	13,948	-	-	-	18,164
<b>As at 30 June 2022</b>	<b>(41,017,821)</b>	<b>(75,879,825)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(116,897,646)</b>
<b>Net carrying amount as at 1 January 2022</b>	<b>23,794,012</b>	<b>63,125,443</b>	<b>253,633,695</b>	<b>4,485,643</b>	<b>291,102</b>	<b>345,329,895</b>
<b>Net carrying amount as at 30 June 2022</b>	<b>21,880,523</b>	<b>61,663,964</b>	<b>253,469,506</b>	<b>3,590,576</b>	<b>397,960</b>	<b>341,002,529</b>

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

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

(in EUR)	Material and other rights	Right to use concession infrastructure	Goodwill	Ongoing investments	Long-term deferred costs	Total
<b>Cost</b>						
<b>As at 1 January 2022</b>	<b>41,934,032</b>	<b>112,044,827</b>	<b>85,266,022</b>	<b>1,879,712</b>	<b>276,793</b>	<b>241,401,386</b>
New acquisitions	-	1,406	-	1,927,214	116,063	2,044,683
Disposals	(114,059)	-	-	(2,400)	(9,205)	(125,664)
Transfer between asset categories	(12,656)	551,705	-	-	-	539,049
Transfer from ongoing investments	1,999,204	503,412	-	(2,502,616)	-	-
<b>As at 30 June 2022</b>	<b>43,806,521</b>	<b>113,101,350</b>	<b>85,266,022</b>	<b>1,301,910</b>	<b>383,651</b>	<b>243,859,454</b>
<b>Accumulated amortisation</b>						
<b>As at 1 January 2022</b>	<b>(27,058,108)</b>	<b>(58,818,460)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(85,876,568)</b>
Amortisation	(2,862,566)	(2,084,577)	-	-	-	(4,947,143)
Disposals	20,648	-	-	-	-	20,648
Transfer between asset categories	8,669	(352,482)	-	-	-	(343,813)
<b>As at 30 June 2022</b>	<b>(29,891,357)</b>	<b>(61,255,519)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(91,146,876)</b>
<b>Net carrying amount as at 1 January 2022</b>	<b>14,875,924</b>	<b>53,226,367</b>	<b>85,266,022</b>	<b>1,879,712</b>	<b>276,793</b>	<b>155,524,818</b>
<b>Net carrying amount as at 30 June 2022</b>	<b>13,915,164</b>	<b>51,845,831</b>	<b>85,266,022</b>	<b>1,301,910</b>	<b>383,651</b>	<b>152,712,578</b>

## 12. Right to use of leased assets

### Right to use of leased assets of the Petrol Group

(in EUR)	Right to use land	Right to use buildings	Right to use equipment	Total
<b>Cost</b>				
<b>As at 1 January 2021</b>	<b>43,684,979</b>	<b>31,791,552</b>	<b>5,965,717</b>	<b>81,442,248</b>
New acquisitions as a result of control obtained	-	76,277	120,037	196,314
New acquisitions	-	3,548,651	87,837	3,636,488
Disposals	(3,399,228)	(7,513,225)	(279,320)	(11,191,773)
Foreign exchange differences	51,503	103,162	914	155,579
<b>As at 30 June 2021</b>	<b>40,337,254</b>	<b>28,006,417</b>	<b>5,895,185</b>	<b>74,238,856</b>
<b>Accumulated depreciation</b>				
<b>As at 1 January 2021</b>	<b>(6,197,450)</b>	<b>(9,367,210)</b>	<b>(3,475,982)</b>	<b>(19,040,642)</b>
New acquisitions as a result of control obtained	-	(39,323)	(37,623)	(76,946)
Depreciation	(1,461,274)	(2,813,722)	(807,450)	(5,082,446)
Disposals	1,908,482	6,950,023	350,654	9,209,159
Foreign exchange differences	(1,732)	(11,656)	(342)	(13,730)
<b>As at 30 June 2021</b>	<b>(5,751,974)</b>	<b>(5,281,888)</b>	<b>(3,970,743)</b>	<b>(15,004,605)</b>
<b>Net carrying amount as at 1 January 2021</b>	<b>37,487,529</b>	<b>22,424,342</b>	<b>2,489,735</b>	<b>62,401,606</b>
<b>Net carrying amount as at 30 June 2021</b>	<b>34,585,280</b>	<b>22,724,529</b>	<b>1,924,442</b>	<b>59,234,251</b>

(in EUR)	Right to use land	Right to use buildings	Right to use equipment	Total
<b>Cost</b>				
<b>As at 1 January 2022</b>	<b>67,588,414</b>	<b>68,591,211</b>	<b>6,766,803</b>	<b>142,946,428</b>
New acquisitions	3,391,848	45,043,482	124,909	48,560,239
Disposals	(3,558,254)	(33,270,257)	(177,753)	(37,006,264)
Foreign exchange differences	(36,923)	(38,953)	(994)	(76,870)
<b>As at 30 June 2022</b>	<b>67,385,085</b>	<b>80,325,483</b>	<b>6,712,965</b>	<b>154,423,533</b>
<b>Accumulated depreciation</b>				
<b>As at 1 January 2022</b>	<b>(14,413,611)</b>	<b>(21,033,533)</b>	<b>(4,877,772)</b>	<b>(40,324,916)</b>
Depreciation	(2,592,531)	(5,646,600)	(521,677)	(8,760,808)
Disposals	870,441	4,593,171	147,348	5,610,960
Foreign exchange differences	6,797	17,368	265	24,430
<b>As at 30 June 2022</b>	<b>(16,128,904)</b>	<b>(22,069,594)</b>	<b>(5,251,836)</b>	<b>(43,450,334)</b>
<b>Net carrying amount as at 1 January 2022</b>	<b>53,174,803</b>	<b>47,557,678</b>	<b>1,889,031</b>	<b>102,621,512</b>
<b>Net carrying amount as at 30 June 2022</b>	<b>51,256,181</b>	<b>58,255,889</b>	<b>1,461,129</b>	<b>110,973,199</b>

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

(in EUR)	Right to use land	Right to use buildings	Right to use equipment	Total
<b>Cost</b>				
<b>As at 1 January 2021</b>	<b>32,218,878</b>	<b>930,231</b>	<b>5,338,513</b>	<b>38,487,622</b>
New acquisitions	-	898,834	53,531	952,364
Disposals/Impairments			(45,167)	(45,167)
<b>As at 30 June 2021</b>	<b>32,218,878</b>	<b>1,829,065</b>	<b>5,346,876</b>	<b>39,394,819</b>
<b>Accumulated depreciation</b>				
<b>As at 1 January 2021</b>	<b>(4,287,714)</b>	<b>(428,912)</b>	<b>(3,054,348)</b>	<b>(7,770,974)</b>
Depreciation	(1,053,585)	(258,816)	(683,202)	(1,995,602)
Disposals/Impairments	0	0	45,167	45,167
<b>As at 30 June 2021</b>	<b>(5,341,299)</b>	<b>(687,728)</b>	<b>(3,692,383)</b>	<b>(9,721,409)</b>
<b>Net carrying amount as at 1 January 2021</b>	<b>27,931,164</b>	<b>501,319</b>	<b>2,284,165</b>	<b>30,716,648</b>
<b>Net carrying amount as at 30 June 2021</b>	<b>26,877,579</b>	<b>1,141,337</b>	<b>1,654,494</b>	<b>29,673,410</b>

(in EUR)	Right to use land	Right to use buildings	Right to use equipment	Total
<b>Cost</b>				
<b>As at 1 January 2022</b>	<b>32,218,878</b>	<b>1,878,132</b>	<b>5,397,463</b>	<b>39,494,473</b>
New acquisitions	1,207,486	1,008,263	1,066,691	3,282,440
Disposals	-	(91,031)	(141,097)	(232,128)
<b>As at 30 June 2022</b>	<b>33,426,364</b>	<b>2,795,364</b>	<b>6,323,057</b>	<b>42,544,785</b>
<b>Accumulated depreciation</b>				
<b>As at 1 January 2022</b>	<b>(6,409,800)</b>	<b>(966,818)</b>	<b>(4,243,032)</b>	<b>(11,619,650)</b>
Depreciation	(1,118,398)	(361,682)	(476,693)	(1,956,773)
Disposals	-	91,031	114,183	205,214
<b>As at 30 June 2022</b>	<b>(7,528,198)</b>	<b>(1,237,469)</b>	<b>(4,605,542)</b>	<b>(13,371,209)</b>
<b>Net carrying amount as at 1 January 2022</b>	<b>25,809,078</b>	<b>911,314</b>	<b>1,154,431</b>	<b>27,874,823</b>
<b>Net carrying amount as at 30 June 2022</b>	<b>25,898,166</b>	<b>1,557,895</b>	<b>1,717,515</b>	<b>29,173,576</b>

## 13. Property, plant and equipment

### Property, plant and equipment of the Petrol Group

(in EUR)	Land	Buildings	Machinery	Equipment	Ongoing investments	Total
<b>Cost</b>						
<b>As at 1 January 2021</b>	<b>218,294,380</b>	<b>746,545,163</b>	<b>4,955,314</b>	<b>347,831,422</b>	<b>51,259,979</b>	<b>1,368,886,258</b>
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	-	57,904	415	2,933,241	14,093,760	17,085,320
Disposals/Impairments	(1,576,129)	(1,987,463)	(553)	(3,668,335)	(317,279)	(7,549,759)
Transfer between asset categories	-	307,567	(306,624)	(943)	(58,027)	(58,027)
Transfer from ongoing investments	1,322,857	8,150,542	24,322	6,254,388	(15,752,109)	-
Transfer to investment property	-	-	-	-	(2,350)	(2,350)
Transfer from investment property	-	490,562	-	-	-	490,562
Foreign exchange differences	447,627	902,704	2,485	538,886	217,288	2,108,990
<b>As at 30 June 2021</b>	<b>218,762,408</b>	<b>759,982,105</b>	<b>11,622,919</b>	<b>353,890,059</b>	<b>50,755,435</b>	<b>1,395,012,926</b>
<b>Accumulated depreciation</b>						
<b>As at 1 January 2021</b>	<b>-</b>	<b>(448,659,582)</b>	<b>(2,403,660)</b>	<b>(207,615,395)</b>	<b>-</b>	<b>(658,678,637)</b>
New acquisitions as a result of control obtained	-	(1,897,350)	(4,413,176)	-	-	(6,310,526)
Depreciation	-	(12,528,077)	(387,437)	(12,486,487)	-	(25,402,001)
Disposals/Impairments	-	716,588	553	2,099,256	-	2,816,397
Transfer between asset categories	-	1,984	(2,408)	424	-	-
Transfer from investment property	-	(281,466)	-	-	-	(281,466)
Foreign exchange differences	-	(461,430)	(2,451)	(343,243)	-	(807,124)
<b>As at 30 June 2021</b>	<b>-</b>	<b>(463,109,333)</b>	<b>(7,208,579)</b>	<b>(218,345,445)</b>	<b>-</b>	<b>(688,663,357)</b>
<b>Net carrying amount as at 1 January 2021</b>	<b>218,294,380</b>	<b>297,885,581</b>	<b>2,551,654</b>	<b>140,216,027</b>	<b>51,259,979</b>	<b>710,207,621</b>
<b>Net carrying amount as at 30 June 2021</b>	<b>218,762,408</b>	<b>296,872,772</b>	<b>4,414,340</b>	<b>135,544,614</b>	<b>50,755,435</b>	<b>706,349,569</b>

(in EUR)	Land	Buildings	Machinery	Equipment	Ongoing investments	Total
<b>Cost</b>						
<b>As at 1 January 2022</b>	<b>247,096,244</b>	<b>866,962,764</b>	<b>13,216,106</b>	<b>388,021,185</b>	<b>60,437,164</b>	<b>1,575,733,463</b>
New acquisitions	-	29,170	22,585	3,471,169	16,674,898	20,197,822
Disposals/Impairments	(212,776)	(499,616)	(31,275)	(2,456,350)	-	(3,200,017)
Transfer between asset categories	106,699	345,167	(2,138,926)	809,622	191,475	(685,963)
Transfer from ongoing investments	348,145	6,812,979	96,222	36,103,801	(43,361,147)	-
Transfer to investment property	-	-	-	-	(18,470)	(18,470)
Foreign exchange differences	(104,881)	(263,934)	(2,144)	(68,615)	(89,388)	(528,962)
<b>As at 30 June 2022</b>	<b>247,233,431</b>	<b>873,386,530</b>	<b>11,162,568</b>	<b>425,880,812</b>	<b>33,834,532</b>	<b>1,591,497,873</b>
<b>Accumulated depreciation</b>						
<b>As at 1 January 2022</b>	-	(548,773,598)	(8,931,936)	(250,323,218)	-	(808,028,752)
Depreciation	-	(13,969,922)	(195,123)	(14,835,440)	-	(29,000,485)
Disposals/Impairments	-	459,156	19,729	1,294,356	-	1,773,241
Transfer between asset categories	-	266,561	1,230,394	192,114	-	1,689,069
Foreign exchange differences	-	145,112	1,509	75,893	-	222,514
<b>As at 30 June 2022</b>	-	(561,872,691)	(7,875,427)	(263,596,295)	-	(833,344,413)
<b>Net carrying amount as at 1 January 2022</b>	<b>247,096,244</b>	<b>318,189,166</b>	<b>4,284,170</b>	<b>137,697,967</b>	<b>60,437,164</b>	<b>767,704,711</b>
<b>Net carrying amount as at 30 June 2022</b>	<b>247,233,431</b>	<b>311,513,839</b>	<b>3,287,141</b>	<b>162,284,517</b>	<b>33,834,532</b>	<b>758,153,460</b>

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

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

(in EUR)	Land	Buildings	Equipment	Ongoing investments	Total
<b>Cost</b>					
<b>As at 1 January 2022</b>	<b>102,794,116</b>	<b>577,375,427</b>	<b>266,626,550</b>	<b>14,315,883</b>	<b>961,111,976</b>
New acquisitions	-	-	-	10,704,700	10,704,700
Disposals/Impairments	(206,005)	(485,122)	(480,199)	-	(1,171,326)
Transfers between asset categories	193,874	(119,811)	(141,808)	-	(67,745)
Transfer from ongoing investments	126	1,956,321	3,735,541	(5,691,988)	-
Transfer from investment property	-	-	-	(18,470)	(18,470)
<b>As at 30 June 2022</b>	<b>102,782,111</b>	<b>578,726,815</b>	<b>269,740,084</b>	<b>19,310,125</b>	<b>970,559,135</b>
<b>Accumulated depreciation</b>					
<b>As at 1 January 2022</b>	-	(415,142,838)	(179,706,981)	-	(594,849,819)
Depreciation	-	(7,734,756)	(7,869,777)	-	(15,604,533)
Disposals/Impairments	-	480,986	428,015	-	909,001
Transfers between asset categories	-	(143,235)	190,878	-	47,643
<b>As at 30 June 2022</b>	-	(422,539,843)	(186,957,865)	-	(609,497,708)
<b>Net carrying amount as at 1 January 2022</b>	<b>102,794,116</b>	<b>162,232,589</b>	<b>86,919,569</b>	<b>14,315,883</b>	<b>366,262,157</b>
<b>Net carrying amount as at 30 June 2022</b>	<b>102,782,111</b>	<b>156,186,972</b>	<b>82,782,219</b>	<b>19,310,125</b>	<b>361,061,427</b>

## 14. Investment in subsidiaries

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

(in EUR)	Petrol d.d. 2022	2021
<b>As at 1 January</b>	<b>553,970,331</b>	<b>351,013,627</b>
New acquisitions	62,600	22,450,000
Impairment	-	(943,000)
<b>As at 30 June</b>	<b>554,032,932</b>	<b>372,520,627</b>

## 15. Investments in jointly controlled entities

(in EUR)	The Petrol Group 2022	2021	Petrol d.d. 2022	2021
<b>As at 1 January</b>	<b>704,501</b>	<b>562,016</b>	<b>210,000</b>	<b>233,000</b>
Attributed profit/loss	333,075	137,174	-	-
Dividends received	(115,217)	(135,495)	-	-
New acquisitions	23,000	-	23,000	-
Disposals	-	(22,060)	-	(23,000)
Foreign exchange differences	5	-	-	-
<b>As at 30 June</b>	<b>945,364</b>	<b>541,634</b>	<b>233,000</b>	<b>210,000</b>

## 16. Investments in associates

(in EUR)	The Petrol Group 2022	2021	Petrol d.d. 2022	2021
<b>As at 1 January</b>	<b>55,169,626</b>	<b>55,953,391</b>	<b>26,610,477</b>	<b>29,185,477</b>
Attributed profit/loss	452,097	407,315	-	-
Dividends received	(864,261)	(839,083)	-	-
New acquisitions	-	483,993	-	-
Decrease	-	(2,558,145)	-	(2,575,000)
<b>As at 30 June</b>	<b>54,757,462</b>	<b>53,447,471</b>	<b>26,610,477</b>	<b>26,610,477</b>

## 17. Non-current financial assets at fair value through other comprehensive income

(in EUR)	The Petrol Group 2022	2021	Petrol d.d. 2022	2021
<b>As at 1 January</b>	<b>4,133,044</b>	<b>4,528,987</b>	<b>2,117,914</b>	<b>2,117,914</b>
Impairment	-	(61,866)	-	-
<b>As at 30 June</b>	<b>4,133,044</b>	<b>4,467,120</b>	<b>2,117,914</b>	<b>2,117,914</b>

## 18. Inventories

(in EUR)	The Petrol Group 30 June 2022	31 December 2021	Petrol d.d. 30 June 2022	31 December 2021
Spare parts and materials	3,264,377	9,990,768	2,601,924	2,393,989
Merchandise:	335,942,559	168,200,520	200,043,786	94,179,250
- fuel	284,038,763	109,844,027	160,815,626	64,589,822
- other petroleum products	138,614	98,160	127,067	95,334
- other merchandise	51,765,182	58,258,333	39,101,093	29,494,094
<b>Total inventories</b>	<b>339,206,936</b>	<b>178,191,288</b>	<b>202,645,710</b>	<b>96,573,239</b>

## 19. Current financial receivables

(in EUR)	The Petrol Group		Petrol d.d.	
	30 June 2022	31 December 2021	30 June 2022	31 December 2021
Loans granted	3,908,267	19,371,415	29,042,170	16,427,850
Adjustment to the value of loans granted	(3,533,191)	(3,751,210)	(1,070,103)	(1,285,380)
Time deposits with banks (3 months to 1 year)	15,669	517,546	-	-
Interest receivables	307,518	293,088	1,670,508	5,424,514
Allowance for interest receivables	(261,978)	(262,147)	(88,395)	(4,385,935)
<b>Total current financial receivables</b>	<b>436,285</b>	<b>16,168,692</b>	<b>29,554,180</b>	<b>16,181,049</b>

## 20. Current operating receivables

(in EUR)	The Petrol Group		Petrol d.d.	
	30 June 2022	31 December 2021	30 June 2022	31 December 2021
Trade receivables	826,948,986	692,538,011	580,486,655	409,335,386
Allowance for trade receivables	(59,792,166)	(57,553,745)	(31,690,933)	(31,098,414)
Operating receivables from state and other institutions	4,572,242	5,450,026	26,706	244,934
Operating interest receivables	1,330,768	1,364,467	2,182,152	2,335,796
Allowance for interest receivables	(1,181,332)	(1,192,941)	(793,266)	(943,204)
Receivables from insurance companies (loss events)	104,281	67,157	85,572	45,955
Other operating receivables	24,935,502	10,997,013	15,897,637	6,734,226
Allowance for other receivables	(1,863,664)	(1,326,808)	(1,142,657)	(824,788)
<b>Total current operating receivables</b>	<b>795,054,617</b>	<b>650,343,180</b>	<b>565,051,866</b>	<b>385,829,891</b>

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

(in EUR)	The Petrol Group		Petrol d.d.	
	30 June 2022	31 December 2021	30 June 2022	31 December 2021
Assets arising from commodity swaps	38,876,834	34,337,157	37,572,509	34,231,810
Assets arising from interest rate swaps	-	329,734	-	329,734
Assets arising from forward contracts	2,214,154	-	2,214,154	-
<b>Total financial assets at fair value through profit or loss</b>	<b>41,090,988</b>	<b>34,666,891</b>	<b>39,786,663</b>	<b>34,561,544</b>

## 22. Financial assets at fair value through other comprehensive income

(in EUR)	The Petrol Group		Petrol d.d.	
	30 June 2022	31 December 2021	30 June 2022	31 December 2021
Assets arising from interest rate swaps	21,834,773	1,420,486	19,100,490	1,078,208
Assets arising from commodity swaps	11,088,892	22,238	11,088,892	22,238
Bonds	334,077	334,077	-	-
<b>Current balance of financial assets at fair value through other comprehensive income</b>	<b>33,257,742</b>	<b>1,776,801</b>	<b>30,189,382</b>	<b>1,100,446</b>

## 23. Prepayments and other assets

(in EUR)	The Petrol Group		Petrol d.d.	
	30 June 2022	31 December 2021	30 June 2022	31 December 2021
Prepayments and collaterals	73,357,575	61,569,731	33,005,456	34,494,898
Prepaid licences, subscriptions, specialised literature, etc.	3,815,438	3,573,415	2,911,957	2,841,366
Prepaid insurance premiums	286,916	1,332,648	41,208	971,052
Other deferred costs	22,079,719	19,242,965	13,470,348	12,421,468
<b>Total prepayments and other assets</b>	<b>99,539,648</b>	<b>85,718,759</b>	<b>49,428,969</b>	<b>50,728,784</b>

## 24. Financial liabilities

(in EUR)	The Petrol Group		Petrol d.d.	
	30 June 2022	31 December 2021	30 June 2022	31 December 2021
<b>Current financial liabilities</b>				
Bank loans	38,287,188	61,575,727	35,284,704	61,575,727
Liabilities arising from commodity swaps	17,416,386	116,341	17,416,386	116,341
Liabilities to banks arising from forward contracts	153,621	287,484	153,621	287,484
Bonds issued	49,096	246,928	49,096	246,928
Liabilities to banks arising from interest rate swaps	-	2,503,965	-	2,503,965
Other loans and financial liabilities	1,577,911	1,228,002	246,428,166	207,755,317
	<b>57,484,202</b>	<b>65,958,447</b>	<b>299,331,973</b>	<b>272,485,762</b>
<b>Non-current financial liabilities</b>				
Bank loans	377,789,800	389,623,422	327,874,208	339,746,359
Bonds issued	43,813,135	43,809,402	43,813,135	43,809,402
Loans obtained from other companies	379,082	380,171	21,000,000	21,000,000
	<b>421,982,017</b>	<b>433,812,995</b>	<b>392,687,343</b>	<b>404,555,761</b>
<b>Total financial liabilities</b>	<b>479,466,219</b>	<b>499,771,442</b>	<b>692,019,316</b>	<b>677,041,523</b>

## 25. Lease liabilities

(in EUR)	The Petrol Group		Petrol d.d.	
	30 June 2022	31 December 2021	30 June 2022	31 December 2021
Non-current lease liabilities	99,345,720	92,991,633	28,212,326	26,735,533
Current lease liabilities	15,908,209	13,768,130	2,717,596	2,717,596
<b>Total lease liabilities</b>	<b>115,253,929</b>	<b>106,759,763</b>	<b>30,929,922</b>	<b>29,453,129</b>

## 26. Current operating liabilities

(in EUR)	The Petrol Group		Petrol d.d.	
	30 June 2022	31 December 2021	30 June 2022	31 December 2021
Trade liabilities	756,386,574	549,530,229	569,165,995	349,637,848
Excise duty liabilities	122,884,448	61,892,936	103,013,283	44,570,278
Value added tax liabilities	68,178,705	44,535,860	36,834,623	22,003,518
Liabilities associated with the allocation of profit or loss	62,442,134	775,812	62,442,134	775,812
Liabilities to employees	9,507,056	9,130,848	5,486,435	5,709,649
Liabilities for environmental charges and contributions	7,730,171	8,503,921	7,391,711	8,476,548
Other liabilities to the state and other state institutions	6,452,610	3,758,297	3,700,523	1,181,150
Liabilities arising from interests acquired	5,947,693	6,597,693	5,450,000	6,100,000
Import duty liabilities	2,742,195	596,054	-	-
Social security contribution liabilities	1,869,742	1,742,750	789,352	815,529
Other liabilities	1,771,579	3,392,213	1,614,279	3,237,600
<b>Total current operating and other liabilities</b>	<b>1,045,912,907</b>	<b>690,456,613</b>	<b>795,888,335</b>	<b>442,507,932</b>



## 27. Contract liabilities

(in EUR)	The Petrol Group		Petrol d.d.	
	30 June 2022	31 December 2021	30 June 2022	31 December 2021
Short-term prepayments and collaterals given	16,218,199	12,053,171	10,140,778	5,973,801
Deferred prepaid card revenue	1,985,710	2,611,155	1,387,353	1,932,037
Deferred revenue from rebates and discounts granted	1,483,767	164,018	1,084,099	-
<b>Total contract liabilities</b>	<b>19,687,676</b>	<b>14,828,344</b>	<b>12,612,230</b>	<b>7,905,838</b>

## 28. Other liabilities

(in EUR)	The Petrol Group		Petrol d.d.	
	30 June 2022	31 December 2021	30 June 2022	31 December 2021
Accrued annual leave expenses	3,145,103	3,229,710	1,755,565	1,755,565
Accrued expenses for tanker demurrage	595,574	502,794	595,574	502,794
Accrued concession fee costs	230,552	433,122	172,682	316,567
Accrued motorway site lease payments	62,444	592,868	62,444	592,868
Other accrued costs	56,471,550	50,674,221	47,376,613	44,592,856
Other deferred revenue	2,653,084	3,185,584	2,568,514	3,093,276
<b>Total other liabilities</b>	<b>63,158,307</b>	<b>58,618,299</b>	<b>52,531,392</b>	<b>50,853,926</b>

## 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 six months of 2022*.

### Credit risk

In the first six months of the year 2022 the Group/Company continued to actively monitor the balances of trade receivables and to apply strict terms on which sales on open accounts is approved, requiring an adequate range of high-quality collaterals and pursuing active collection of receivables.

Maximum exposure to credit risk represents the carrying amount of financial assets which was the following as at 30 June 2022:

(in EUR)	The Petrol Group		Petrol d.d.	
	30 June 2022	31 December 2021	30 June 2022	31 December 2021
Financial assets at fair value through other comprehensive income	37,390,786	5,909,845	32,307,296	3,218,360
Non-current financial receivables	2,053,705	991,831	89,209,186	83,299,185
Non-current operating receivables	7,534,115	8,228,771	7,515,588	8,219,107
Contract assets	4,008,500	3,338,893	3,667,298	7,604,649
Current financial receivables	436,285	16,168,692	29,554,180	16,181,049
Current operating receivables (excluding rec. from the state)	790,482,375	644,893,154	565,025,160	385,584,957
Financial assets at fair value through profit or loss	41,090,988	34,666,891	39,786,663	34,561,544
Cash and cash equivalents	58,972,981	100,226,890	26,413,874	57,567,397
<b>Total assets</b>	<b>941,969,735</b>	<b>814,424,967</b>	<b>793,479,245</b>	<b>596,236,248</b>

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	Including 30 to 60 days overdue	Including 60 to 90 days overdue	More than 90 days overdue	
Trade receivables	572,251,531	51,421,340	7,287,064	1,296,628	2,727,703	634,984,266
Interest receivables	72,904	16,001	12,008	18,108	52,505	171,526
Other receivables (excluding receivables from the state)	9,234,027	371,413	-	-	131,922	9,737,362
<b>Total as at 31 December 2021</b>	<b>581,558,462</b>	<b>51,808,754</b>	<b>7,299,072</b>	<b>1,314,736</b>	<b>2,912,130</b>	<b>644,893,154</b>
(in EUR)	Breakdown by maturity					Total
	Not yet due	Up to 30 days overdue	Including 30 to 60 days overdue	Including 60 to 90 days overdue	More than 90 days overdue	
Trade receivables	690,399,869	61,828,358	9,015,942	2,851,642	3,061,009	767,156,820
Interest receivables	33,281	7,135	8,524	12,805	87,691	149,436
Other receivables (excluding receivables from the state)	20,558,533	2,508,925	3,858	3,749	101,054	23,176,119
<b>Total as at 30 June 2022</b>	<b>710,991,683</b>	<b>64,344,418</b>	<b>9,028,324</b>	<b>2,868,196</b>	<b>3,249,754</b>	<b>790,482,375</b>

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

(in EUR)	Breakdown by maturity					Total
	Not yet due	Up to 30 days overdue	Including 30 to 60 days overdue	Including 60 to 90 days overdue	More than 90 days overdue	
Trade receivables	342,546,756	20,534,767	3,623,504	814,462	10,717,483	378,236,972
Interest receivables	-	-	-	-	1,392,592	1,392,592
Other receivables (excluding receivables from the state)	5,818,887	136,506	-	-	-	5,955,393
<b>Total as at 31 December 2021</b>	<b>348,365,643</b>	<b>20,671,273</b>	<b>3,623,504</b>	<b>814,462</b>	<b>12,110,075</b>	<b>385,584,957</b>
(in EUR)	Breakdown by maturity					Total
	Not yet due	Up to 30 days overdue	Including 30 to 60 days overdue	Including 60 to 90 days overdue	More than 90 days overdue	
Trade receivables	496,900,654	34,316,644	5,959,597	3,691,205	7,927,622	548,795,722
Interest receivables	-	-	-	-	1,388,886	1,388,886
Other receivables (excluding receivables from the state)	12,822,374	2,018,178	-	-	-	14,840,552
<b>Total as at 30 June 2022</b>	<b>509,723,028</b>	<b>36,334,822</b>	<b>5,959,597</b>	<b>3,691,205</b>	<b>9,316,508</b>	<b>565,025,160</b>

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

(in days)	The Petrol Group		Petrol d.d.	
	1-6 2022	1-12 2021	1-6 2022	1-12 2021
<b>Days sales outstanding</b>				
Contract days	30	36	26	31
Overdue receivables in days	3	4	3	3
<b>Total days sales outstanding</b>	<b>33</b>	<b>40</b>	<b>29</b>	<b>34</b>

## Liquidity risk

The current global economic events and activity in wider social environment of the EU and globally are strongly influenced by the Ukraine war, the situation on the energy markets (high prices and uncertain supply of fuels and energy products) and different national approaches to regulate the fuel prices to lower the impact of energy crisis for the population and companies and inflation as well. Therefore, the Petrol Group continues with intensive activities and pays extra attention and caution to manage 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 local and foreign financial markets,
- 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.

Despite Ukraine war effects, situation on the energy markets and effects of different national approaches on fuel and energy regulations on domestic market and southeast European markets, where the Group is present, which represent additional uncertainties in the Group's operations, we optimized cash flow planning and mastered all challenges in a timely manner and ensured the Group's optimal and strong liquidity. A strong liquidity position also enables us to settle all obligations on the due date.

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.

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 2021 by maturity:

(in EUR)	Carrying amount of liabilities	Contractual cash flows				More than 5 years
		Liability	0 to 6 months	6 to 12 months	1 to 5 years	
Non-current financial liabilities	433,812,995	449,991,568	-	-	193,267,964	256,723,604
Non-current lease liabilities	92,991,633	102,794,713	-	-	50,827,716	51,966,997
Non-current operating liabilities (excluding other liabilities)	5,024,000	5,024,000	-	-	5,024,000	-
Current financial liabilities	65,958,447	71,080,903	51,230,909	19,849,994	-	-
Current lease liabilities	13,768,130	19,086,349	9,565,561	9,520,788	-	-
Liabilities arising from commodity forward contracts*	-	694,778,063	362,868,525	280,035,717	51,873,821	-
Current operating liabilities (excluding liabilities to the state, employees and arising from advance payments)	560,295,947	560,295,947	554,989,616	5,306,331	-	-
<b>As at 31 December 2021</b>	<b>1,171,851,152</b>	<b>1,903,051,543</b>	<b>978,654,611</b>	<b>314,712,830</b>	<b>300,993,501</b>	<b>308,690,601</b>

The Group's liabilities as at 30 June 2022 by maturity:

(in EUR)	Carrying amount of liabilities	Contractual cash flows				More than 5 years
		Liability	0 to 6 months	6 to 12 months	1 to 5 years	
Non-current financial liabilities	421,982,017	430,742,929	-	-	385,375,039	45,367,890
Non-current lease liabilities	99,345,720	112,615,875	-	-	58,963,699	53,652,176
Non-current operating liabilities (excluding other liabilities)	5,024,000	5,024,000	-	-	5,024,000	-
Current financial liabilities	57,484,202	61,836,930	47,666,716	14,170,214	-	-
Current lease liabilities	15,908,209	18,313,770	9,315,269	8,998,501	-	-
Liabilities arising from commodity forward contracts*	-	862,030,504	513,819,885	158,158,032	190,052,587	-
Current operating liabilities (excluding liabilities to the state, employees and arising from advance payments)	826,547,980	826,547,980	826,288,887	259,093	-	-
<b>As at 30 June 2022</b>	<b>1,426,292,128</b>	<b>2,317,111,988</b>	<b>1,397,090,757</b>	<b>181,585,840</b>	<b>639,415,325</b>	<b>99,020,066</b>

## The Company's liabilities as at 31 December 2021 by maturity:

(in EUR)	Carrying amount of liabilities	Contractual cash flows				
		Liability	0 to 6 months	6 to 12 months	1 to 5 years	More than 5 years
Non-current financial liabilities	404,555,761	419,129,334	-	-	141,756,803	277,372,531
Non-current lease liabilities	26,735,533	36,574,884	-	-	12,633,019	23,941,865
Non-current operating liabilities (excluding other liabilities)	5,024,000	5,024,000	-	-	5,024,000	-
Current financial liabilities	272,485,762	279,304,500	106,105,302	173,199,198	-	-
Current lease liabilities	2,717,596	3,901,293	2,111,294	1,789,999	-	-
Liabilities arising from commodity forward contracts*	-	692,870,222	360,984,978	280,011,423	51,873,821	-
Current operating liabilities (excluding liabilities to the state, employees and arising from advance payments)	359,751,260	359,751,260	354,459,153	5,292,107	-	-
Contingent liabilities for guarantees issued**	-	317,210,161	317,210,161	-	-	-
<b>As at 31 December 2021</b>	<b>1,071,269,912</b>	<b>2,113,765,654</b>	<b>1,140,870,888</b>	<b>460,292,727</b>	<b>211,287,643</b>	<b>301,314,396</b>

## The Company's liabilities as at 30 June 2022 by maturity:

(in EUR)	Carrying amount of liabilities	Contractual cash flows				
		Liability	0 to 6 months	6 to 12 months	1 to 5 years	More than 5 years
Non-current financial liabilities	392,687,343	401,490,255	-	-	343,122,364	58,367,891
Non-current lease liabilities	28,212,326	37,622,069	-	-	14,301,528	23,320,541
Non-current operating liabilities (excluding other liabilities)	5,024,000	5,024,000	-	-	5,024,000	-
Current financial liabilities	299,331,973	304,788,770	192,521,508	112,267,262	-	-
Current lease liabilities	2,717,596	4,137,220	2,114,857	2,022,363	-	-
Liabilities arising from commodity forward contracts*	-	861,907,425	513,696,806	158,158,032	190,052,587	-
Current operating liabilities (excluding liabilities to the state, employees and arising from advance payments)	638,672,408	638,672,408	638,545,319	127,089	-	-
Contingent liabilities for guarantees issued**	-	315,525,350	315,525,350	-	-	-
<b>As at 30 June 2022</b>	<b>1,366,645,646</b>	<b>2,569,167,497</b>	<b>1,662,403,840</b>	<b>272,574,746</b>	<b>552,500,479</b>	<b>81,688,432</b>

\*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 six months of 2022, 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 4,441,458, 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.

In the first six months of 2022, there were also changes or restrictions regarding pricing of oil derivatives on the markets of Slovenia, Croatia and Serbia, both in retail and wholesale, accepted by individual governments of the countries where the Petrol Group operates, which additionally affected operations. Details of regulations by country are described in the Business environment chapter.

As part of the volumetric and price risk management, adjustments to retail and wholesale plans were regularly made and appropriate financial hedging transactions were concluded. Changes of the Decrees did not affect the price and volumetric risk management system itself, but it did affect the sale of petroleum products. The government (Slovenia) is expected to settle the loss incurred during the relevant period affected by the Decree which limited the selling prices of petroleum products.

Electricity operations expose the Group to price and volumetric risks. In the first six months of 2022, the price of electricity, based on the Hungarian power futures in 2023, gradually increased, since the beginning of 2022 by approximately 145 percent, from EUR 127 per MWh to EUR 311 per MWh. The main reason for the high growth of electricity prices is a steep growth of natural gas prices as result of the closure of nuclear power plants in Germany and the war in Ukraine. Such high rise in energy prices leads to substantially higher price risks, which the Group manages with an assortment of limit systems defined depending on the business partner, value at risk, and volumetric exposure, 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.

### **Interest rate risk**

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

In the first six months of 2022, 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 overdue operating receivables being EURIBOR-based,
- partly through interest rate swaps and
- funding with a fixed interest rate.

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

## Capital Adequacy Management

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

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

In the first six months of 2022 the Petrol Group continued to pursue its strategic orientation in the area of financial debt and to maintain the net debt to equity ratio at the end of 2021 level through good operating performance.

## Carrying amount and fair value of financial instruments

(in EUR)	The Petrol Group			
	30 June 2022 Carrying amount	Fair value	31 December 2021 Carrying amount	Fair value
<b>Non-derivative financial assets at fair value</b>				
Financial assets at fair value through other comprehensive income	37,390,786	37,390,786	5,909,845	5,909,845
<b>Non-derivative financial assets at amortised cost</b>				
Fin. receivables (excluding derivative financial instruments)	2,489,990	2,489,990	17,160,523	17,160,523
Operating receivables (excluding receivables from the state)	798,016,490	798,016,490	653,121,925	653,121,925
Contract assets	4,008,500	4,008,500	3,338,893	3,338,893
Cash and cash equivalents	58,972,981	58,972,981	100,226,890	100,226,890
<b>Total non-derivative financial assets</b>	<b>900,878,747</b>	<b>900,878,747</b>	<b>779,758,076</b>	<b>779,758,076</b>
<b>Non-derivative financial liabilities at amortised cost</b>				
Bank loans and other financial liabilities (excluding derivative fin.instr.)	(461,896,212)	(461,896,212)	(496,863,652)	(496,863,652)
Lease liabilities	(115,253,929)	(115,253,929)	(106,759,763)	(106,759,763)
Operating liabilities (excluding other non-current liabilities and current liabilities to the state, employees and arising from advance payments)	(831,571,980)	(831,571,980)	(565,319,947)	(565,319,947)
<b>Total non-derivative financial liabilities</b>	<b>(1,408,722,121)</b>	<b>(1,408,722,121)</b>	<b>(1,168,943,362)</b>	<b>(1,168,943,362)</b>
<b>Derivative financial instruments at fair value</b>				
Derivative financial instruments (assets)	41,090,988	41,090,988	34,666,891	34,666,891
Derivative financial instruments (liabilities)	(17,570,007)	(17,570,007)	(2,907,790)	(2,907,790)
<b>Total derivative financial instruments</b>	<b>23,520,981</b>	<b>23,520,981</b>	<b>31,759,101</b>	<b>31,759,101</b>

(in EUR)	Petrol d.d.			
	30 June 2022		31 December 2021	
	Carrying amount	Fair value	Carrying amount	Fair value
<b>Non-derivative financial assets at fair value</b>				
Financial assets at fair value through other comprehensive income	32,307,296	32,307,296	3,218,360	3,218,360
<b>Non-derivative financial assets at amortised cost</b>				
Fin. receivables (excluding derivative financial instruments)	118,763,366	118,763,366	99,480,234	99,480,234
Operating receivables (excluding receivables from the state)	572,540,748	572,540,748	393,804,064	393,804,064
Contract assets	3,667,298	3,667,298	7,604,649	7,604,649
Cash and cash equivalents	26,413,874	26,413,874	57,567,397	57,567,397
<b>Total non-derivative financial assets</b>	<b>753,692,582</b>	<b>753,692,582</b>	<b>561,674,704</b>	<b>561,674,704</b>
<b>Non-derivative financial liabilities at amortised cost</b>				
Bank loans and other financial liabilities (excluding derivative fin.instr.)	(674,449,309)	(674,449,309)	(674,133,733)	(674,133,733)
Lease liabilities	(30,929,922)	(30,929,922)	(29,453,129)	(29,453,129)
Operating liabilities (excluding other non-current liabilities and current liabilities to the state, employees and arising from advance payments)	(643,696,408)	(643,696,408)	(364,775,260)	(364,775,260)
<b>Total non-derivative financial liabilities</b>	<b>(1,349,075,639)</b>	<b>(1,349,075,639)</b>	<b>(1,068,362,122)</b>	<b>(1,068,362,122)</b>
<b>Derivative financial instruments at fair value</b>				
Derivative financial instruments (assets)	39,786,663	39,786,663	34,561,544	34,561,544
Derivative financial instruments (liabilities)	(17,570,007)	(17,570,007)	(2,907,790)	(2,907,790)
<b>Total derivative financial instruments</b>	<b>22,216,656</b>	<b>22,216,656</b>	<b>31,653,754</b>	<b>31,653,754</b>

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

## The Petrol Group

### Fair value of assets

(in EUR)	30 June 2022				31 December 2021			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss	41,090,988	-	-	41,090,988	34,666,891	-	-	34,666,891
Financial assets at fair value through other comprehensive income	32,923,665	-	4,467,121	37,390,786	1,442,724	-	4,467,121	5,909,845
<b>Total assets at fair value</b>	<b>74,014,653</b>	<b>-</b>	<b>4,467,121</b>	<b>78,481,774</b>	<b>36,109,615</b>	<b>-</b>	<b>4,467,121</b>	<b>40,576,736</b>
Non-current financial receivables	-	-	2,053,705	2,053,705	-	-	991,831	991,831
Current financial receivables	-	-	436,285	436,285	-	-	16,168,692	16,168,692
Non-current operating receivables	-	-	7,534,115	7,534,115	-	-	8,228,771	8,228,771
Current operating receivables (excluding rec. from the state)	-	-	790,482,375	790,482,375	-	-	644,893,154	644,893,154
Contract assets	-	-	4,008,500	4,008,500	-	-	3,338,893	3,338,893
Cash and cash equivalents	-	-	58,972,981	58,972,981	-	-	100,226,890	100,226,890
<b>Total assets with fair value disclosure</b>	<b>-</b>	<b>-</b>	<b>863,487,961</b>	<b>863,487,961</b>	<b>-</b>	<b>-</b>	<b>773,848,231</b>	<b>773,848,231</b>
<b>Total assets</b>	<b>74,014,653</b>	<b>-</b>	<b>867,955,082</b>	<b>941,969,735</b>	<b>36,109,615</b>	<b>-</b>	<b>778,315,352</b>	<b>814,424,967</b>

### Fair value of liabilities

(in EUR)	30 June 2022				31 December 2021			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial liabilities at fair value through profit or loss	(17,570,007)	-	-	(17,570,007)	(2,907,790)	-	-	(2,907,790)
<b>Total liabilities at fair value</b>	<b>(17,570,007)</b>	<b>-</b>	<b>-</b>	<b>(17,570,007)</b>	<b>(2,907,790)</b>	<b>-</b>	<b>-</b>	<b>(2,907,790)</b>
Non-current financial liabilities	-	-	(421,982,017)	(421,982,017)	-	-	(433,812,995)	(433,812,995)
Non-current lease liabilities	-	-	(99,345,720)	(99,345,720)	-	-	(92,991,633)	(92,991,633)
Current financial liabilities (excluding liabilities at fair value)	-	-	(39,914,195)	(39,914,195)	-	-	(63,050,657)	(63,050,657)
Current lease liabilities	-	-	(15,908,209)	(15,908,209)	-	-	(13,768,130)	(13,768,130)
Non-current operating liabilities (excluding other liabilities)	-	-	(5,024,000)	(5,024,000)	-	-	(5,024,000)	(5,024,000)
Current operating liabilities (excluding liabilities to the state, employees and arising from advance payments)	-	-	(826,547,980)	(826,547,980)	-	-	(560,295,947)	(560,295,947)
<b>Total liabilities with fair value disclosure</b>	<b>-</b>	<b>-</b>	<b>(1,408,722,121)</b>	<b>(1,408,722,121)</b>	<b>-</b>	<b>-</b>	<b>(1,168,943,362)</b>	<b>(1,168,943,362)</b>
<b>Total liabilities</b>	<b>(17,570,007)</b>	<b>-</b>	<b>(1,408,722,121)</b>	<b>(1,426,292,128)</b>	<b>(2,907,790)</b>	<b>-</b>	<b>(1,168,943,362)</b>	<b>(1,171,851,152)</b>



## Petrol d.d., Ljubljana

### Fair value of assets

(in EUR)	30 June 2022				31 December 2021			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss	39,786,663	-	-	39,786,663	34,561,544	-	-	34,561,544
Financial assets at fair value through other comprehensive income	30,189,382	-	2,117,914	32,307,296	1,100,446	-	2,117,914	3,218,360
<b>Total assets at fair value</b>	<b>69,976,045</b>	<b>-</b>	<b>2,117,914</b>	<b>72,093,959</b>	<b>35,661,990</b>	<b>-</b>	<b>2,117,914</b>	<b>37,779,904</b>
Non-current financial receivables	-	-	89,209,186	89,209,186	-	-	83,299,185	83,299,185
Current financial receivables	-	-	29,554,180	29,554,180	-	-	16,181,049	16,181,049
Non-current operating receivables	-	-	7,515,588	7,515,588	-	-	8,219,107	8,219,107
Current operating receivables (excluding rec. from the state)	-	-	565,025,160	565,025,160	-	-	385,584,957	385,584,957
Contract assets	-	-	3,667,298	3,667,298	-	-	7,604,649	7,604,649
Cash and cash equivalents	-	-	26,413,874	26,413,874	-	-	57,567,397	57,567,397
<b>Total assets with fair value disclosure</b>	<b>-</b>	<b>-</b>	<b>721,385,286</b>	<b>721,385,286</b>	<b>-</b>	<b>-</b>	<b>558,456,344</b>	<b>558,456,344</b>
<b>Total assets</b>	<b>69,976,045</b>	<b>-</b>	<b>723,503,200</b>	<b>793,479,245</b>	<b>35,661,990</b>	<b>-</b>	<b>560,574,258</b>	<b>596,236,248</b>

### Fair value of liabilities

(in EUR)	30 June 2022				31 December 2021			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial liabilities at fair value through profit or loss	(17,570,007)	-	-	(17,570,007)	(2,907,790)	-	-	(2,907,790)
<b>Total liabilities at fair value</b>	<b>(17,570,007)</b>	<b>-</b>	<b>-</b>	<b>(17,570,007)</b>	<b>(2,907,790)</b>	<b>-</b>	<b>-</b>	<b>(2,907,790)</b>
Non-current financial liabilities	-	-	(392,687,343)	(392,687,343)	-	-	(404,555,761)	(404,555,761)
Non-current lease liabilities	-	-	(28,212,326)	(28,212,326)	-	-	(26,735,533)	(26,735,533)
Current financial liabilities (excluding liabilities at fair value)	-	-	(281,761,966)	(281,761,966)	-	-	(269,577,972)	(269,577,972)
Current lease liabilities	-	-	(2,717,596)	(2,717,596)	-	-	(2,717,596)	(2,717,596)
Non-current operating liabilities (excluding other liabilities)	-	-	(5,024,000)	(5,024,000)	-	-	(5,024,000)	(5,024,000)
Current operating liabilities (excluding liabilities to the state, employees and arising from advance payments)	-	-	(638,672,408)	(638,672,408)	-	-	(359,751,260)	(359,751,260)
<b>Total liabilities with fair value disclosure</b>	<b>-</b>	<b>-</b>	<b>(1,349,075,639)</b>	<b>(1,349,075,639)</b>	<b>-</b>	<b>-</b>	<b>(1,068,362,122)</b>	<b>(1,068,362,122)</b>
<b>Total liabilities</b>	<b>(17,570,007)</b>	<b>-</b>	<b>(1,349,075,639)</b>	<b>(1,366,645,646)</b>	<b>(2,907,790)</b>	<b>-</b>	<b>(1,068,362,122)</b>	<b>(1,071,269,912)</b>

### Changes in Level 3 assets measured at fair value

(in EUR)	The Petrol Group		Petrol d.d.	
	2022	2021	2022	2021
<b>As at 1 January</b>	<b>4,467,121</b>	<b>4,528,987</b>	<b>2,117,914</b>	<b>2,117,914</b>
Total profit or losses recognised in the statement of comprehensive income	-	(61,866)	-	-
<b>As at 30 June</b>	<b>4,467,121</b>	<b>4,467,120</b>	<b>2,117,914</b>	<b>2,117,914</b>

## Related party transactions

(in EUR)	The Petrol Group		Petrol d.d.	
	1-6 2022	1-6 2021	1-6 2022	1-6 2021
<b>Sales revenue:</b>				
Subsidiaries	-	-	542,077,687	135,733,794
Jointly controlled entities	2,509,855	556,039	19,875	14,269
Associates	17,071	15,621	17,071	15,621
<b>Cost of goods sold:</b>				
Subsidiaries	-	-	76,990,776	24,780,880
Jointly controlled entities	81,072	77,446	-	-
<b>Costs of materials:</b>				
Subsidiaries	-	-	520,015	139,182
Jointly controlled entities	4,307	1,119	-	-
<b>Costs of services:</b>				
Subsidiaries	-	-	425,382	264,843
Jointly controlled entities	1,596	-	-	-
<b>Gain on derivatives:</b>				
Subsidiaries	-	-	695,931	95,588
<b>Loss on derivatives:</b>				
Subsidiaries	-	-	1,658,726	-
<b>Finance income from interests in Group companies:</b>				
Jointly controlled entities	333,075	137,174	115,217	135,495
Associates	452,097	407,315	814,437	763,964
<b>Finance income from interest:</b>				
Subsidiaries	-	-	569,581	312,574
Jointly controlled entities	387	252	387	252
<b>Other finance income:</b>				
Subsidiaries	-	-	68,513	29,820
Associates	344	365	344	365
<b>Finance expenses due to impairment of investments and goodwill:</b>				
Subsidiaries	-	873,367	-	943,000
<b>Finance expenses for interest:</b>				
Subsidiaries	-	-	1,251,972	990,544
Jointly controlled entities	174	173	174	173

(in EUR)	The Petrol Group		Petrol d.d.	
	30 June 2022	31 December 2021	30 June 2022	31 December 2021
<b>Investments in Group companies:</b>				
Subsidiaries	-	-	554,032,932	553,970,331
Jointly controlled entities	945,364	704,501	233,000	210,000
Associates	54,757,462	55,169,626	26,610,477	26,610,477
<b>Non-current financial receivables:</b>				
Subsidiaries	-	-	88,149,653	83,233,789
Jointly controlled entities	68,800	-	68,800	-
<b>Current operating receivables:</b>				
Subsidiaries	-	-	112,988,998	56,193,756
Jointly controlled entities	1,450,120	684,743	8,908	3,900
Associates	519	842	519	842
<b>Current financial receivables:</b>				
Subsidiaries	-	-	29,331,724	14,741,616
Jointly controlled entities	1,203	-	1,203	-
<b>Contract assets:</b>				
Subsidiaries	-	-	972,779	5,559,143
<b>Non-current financial liabilities:</b>				
Subsidiaries	-	-	21,000,000	21,000,000
<b>Current financial liabilities:</b>				
Subsidiaries	-	-	246,179,372	207,418,493
Jointly controlled entities	300,000	300,000	300,000	300,000
<b>Current operating liabilities:</b>				
Subsidiaries	-	-	3,765,537	17,420,542
Jointly controlled entities	416	-	-	-
<b>Contract liabilities</b>				
Subsidiaries	-	-	8,734	9,241
<b>Other liabilities</b>				
Subsidiaries	-	-	-	7,523,646

## Contingent liabilities

### Contingent liabilities for guarantees issued

(in EUR)	Petrol d.d.		Petrol d.d.	
	30 June 2022	31 December 2021	30 June 2022	31 December 2021
Guarantee issued to:	Value of guarantee issued		Guarantee amount used	
Petrol d.o.o.	136,427,575	139,287,883	90,907,427	79,389,205
Vjetroelektrarna Ljubač d.o.o.	23,792,130	23,792,130	-	-
Geoplin d.o.o. Ljubljana	21,000,000	21,000,000	-	-
E 3, d.o.o.	15,000,000	15,000,000	4,853,186	4,781,973
Petrol BH Oil Company d.o.o. Sarajevo	4,466,135	4,466,135	321,915	67,104
Petrol d.o.o. Beograd	3,500,000	3,500,000	3,680	80,749
Petrol Trade Handelsgesellschaft m.b.H.	3,000,000	3,000,000	1,800,000	1,800,000
Petrol Crna Gora MNE d.o.o.	550,000	420,000	103,789	189,941
Aquasystems d.o.o.	373,318	373,318	373,318	373,318
<b>Total</b>	<b>208,109,158</b>	<b>210,839,466</b>	<b>98,363,315</b>	<b>86,682,290</b>
Bills of exchange issued as security	100,003,889	99,585,169	100,003,889	99,585,169
Other guarantees	7,412,303	6,785,526	7,412,303	6,785,526
<b>Total contingent liabilities for guarantees issued</b>	<b>315,525,350</b>	<b>317,210,161</b>	<b>205,779,507</b>	<b>193,052,985</b>

The value of a guarantee issued represents the maximum value of the guarantee issued, whereas the guarantee amount used represents a value corresponding to a company's liability for which the guarantee has been issued.

### **Contingent liabilities for lawsuits**

The total value of lawsuits against the Company as defendant and debtor totals EUR 951,198 (31 December 2021: EUR 919,435). 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 536,625 as at 30 June 2022 (31 December 2021: EUR 493,383).

The total value of lawsuits against the Group as defendant and debtor totals EUR 1,961,322 (31 December 2021: EUR 1,465,113). 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 1,260,298 as at 30 June 2022 (31 December 2021: EUR 956,347).

### **Events after the reporting date**

The Government of the Republic of Slovenia adopted the Decree Determining the Prices of Electricity on 14 July 2022, capping the maximum permitted retail prices of electricity for households and small business consumers (Official Gazette of the RS, No. 95/22), as determined by the Electricity Supply Act (Official Gazette of the RS, No. 172/21), and for consumption in common areas of multi-apartment buildings and common areas in mixed multi-apartment and business buildings.

On 21 July 2022, the Government of the Republic of Slovenia further adopted the Decree Determining the Prices of Natural Gas from the Gas System (Official Gazette of the RS, No. 98/22), which sets the maximum permitted retail price of natural gas from the transport and distribution network gas system for household consumers, end gas users supplying heat to several apartments via a shared heating device owned or co-owned by such households, essential social services such as determined in the second bullet of the first paragraph of Article 117 of the Electricity Supply Act (Official Gazette of the RS, No. 204/21), and consumers who, on the Decree enforcement date, are small business consumers as determined by the Electricity Supply Act (Official Gazette of the RS, No. 204/21).

Both Decrees set the maximum permitted retail price of energy products, which will be in effect from 1 September 2022 to 31 August 2023.

On 21 July 2022, the Government of the Republic of Slovenia issued a decision calling upon Eles, d.o.o. and Plinovodi d.o.o. to prepare and submit within three months an analysis about a potential mechanism to determine the entitlement to compensation for the companies which could suffer substantial loss because of the temporary electricity and natural gas price control measure. Since the incurred loss settlement method and amount are not known as of yet, it is not possible to make an estimate of the total price regulation effect and the expected loss compensation from the State. Due to the fact that both Decrees were adopted after 30 June 2022 and the aforementioned uncertainties, the conditions to recognise the effects of electricity and natural gas price regulation were not fulfilled on 30 June 2022 yet.

There were no other events after the reporting date that would significantly affect the financial statements for the first six months of year 2022.

## Appendix 1: Organisational structure of the Petrol Group

The Petrol Group, 30 June 2022	Fuels and fuel products	Merchandise and services	Energy and solutions	Other
<b>The parent company</b>				
Petrol d.d., Ljubljana	•	•	•	•
<b>Subsidiaries</b>				
Petrol d.o.o. (100%)	•	•	•	•
Petrol javna rasvjeta d.o.o. (100%)			•	
Adria-Plin d.o.o. (75%)	•			
Crodux derivati dva d.o.o. (100%)	•	•		
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 KU 2021 d.o.o. Beograd (100%)			•	
Petrol Lumennis KI 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%)			•	
Vjetrolektrane 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)			•	
Vjetrolektrana 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 (74.34%)			•	
Geocom d.o.o. (100%)			•	
Geoplin d.o.o., Zagreb (100%)			•	
Geoplin d.o.o. Beograd (100%)			•	
Zagorski metalac d.o.o. (25%)			•	
<b>Jointly controlled entities</b>				
Geoenergo d.o.o. (50%)			•	
Soenergetika d.o.o. (25%)			•	
Vjetrolektrana Dazlina d.o.o. (50%)			•	
<b>Associates</b>				
Plinhold d.o.o. (29.6985%)			•	
Aquasystems d.o.o. (26%)			•	
Knešča d.o.o. (47.27% of the company is owned by E 3, d.o.o.)			•	

As at 30 June 2022, the Petrol Group diagram does not include inactive companies.