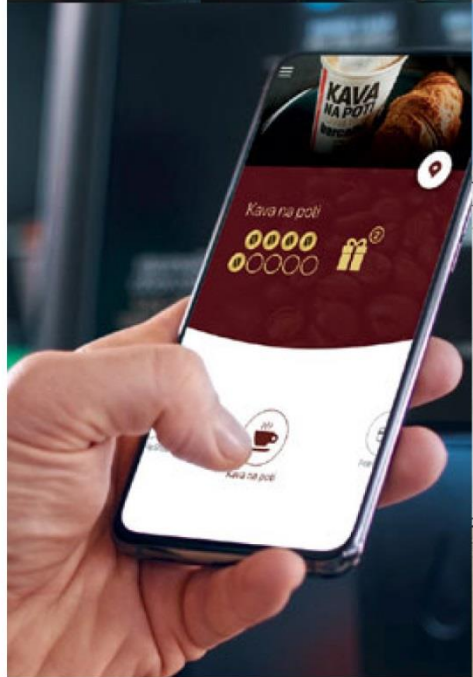


Report on the operations

of the Petrol Group and Petrol d.d., Ljubljana

in the first nine months
of 2023

**PETROL**

Energy for life



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INTRODUCTION

1. Statement of the Management's Responsibility

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 Smolič, Member of the Management Board, Sašo Berger, Member of the Management Board, Marko Ninčević, Member of the Management Board and Zoran Gračner, Member of the Management Board/Worker Director, declare that to their best knowledge:

- the financial report of the Petrol Group and Petrol d.d., Ljubljana, for the first nine months of 2023 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 Petrol d.d., Ljubljana, and other consolidated companies as a whole;
- the business report of the Petrol Group and Petrol d.d., Ljubljana, for the first nine months of 2023 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 nine months of 2023 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 Smolič
Member of the Management Board



Sašo Berger
Member of the Management Board



Marko Ninčević
Member of the Management Board



Zoran Gračner
Member of the Management Board and
Worker Director

Ljubljana, 2 November 2023

2. Introductory notes

The report on the operations of the Petrol Group and Petrol, d.d., Ljubljana, Dunajska 50, in the first nine months of 2023 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 notes regarding the operations have been prepared based on the unaudited consolidated financial statements of the Petrol Group and the unaudited financial statements of Petrol d.d., Ljubljana, for the first nine months of 2023, in compliance with the Companies Act and IAS 34 – Interim Financial Reporting.

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

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

The report on the operations in the first nine months of 2023 has been published on the website of Petrol d.d., Ljubljana, (www.petrol.eu, www.petrol.si), and is available on demand at the registered office of Petrol d.d., Ljubljana, Dunajska cesta 50, 1000 Ljubljana, every working day between 8 am and 3 pm.

The Company's Supervisory Board discussed the report on the operations of the Petrol Group and Petrol d.d., Ljubljana, in the first nine months of 2023 at its meeting held on 9 November 2023.

Profile of the parent company, Petrol d.d., Ljubljana, as at 30 September 2023

Company name	Petrol, slovenska energetska družba, d.d., Ljubljana
Abbreviated company name	Petrol d.d., Ljubljana
Registered office	Dunajska cesta 50, 1000 Ljubljana
Telephone	(01) 47 14 234
Website	http://www.petrol.si, http://www.petrol.eu
Activity code	47,301
Company registration number	5025796000
Tax number	SI 80267432
Share capital	EUR 52.24 million
Number of shares	41,726,020
President of the Management Board	Nada Drobne Popović
Members of the Management Board	Matija Bitenc, Jože Smolič, Sašo Berger, Marko Ninčević, Zoran Gračner (worker director)
President of the Supervisory Board	Janez Žlak

3. Business highlights of the Petrol Group

The Petrol Group	Unit	1-9 2023	1-9 2022	Index 2023/2022
Sales revenue	EUR million	5,216.8	7,016.0	74
Adjusted gross profit ^{1, 6}	EUR million	447.3	405.3	110
Adjusted gross profit + Net Derivative Financial Instruments + Claim against Borzen ¹	EUR million	544.3	374.3	145
Operating profit	EUR million	126.9	25.1	506
Net profit	EUR million	95.0	24.0	396
Equity ⁴	EUR million	902.6	860.2	105
Total assets ⁴	EUR million	2,571.5	2,740.6	94
EBITDA ^{1, 2}	EUR million	201.9	98.3	205
EBITDA / Adjusted gross profit ¹	%	45.1	24.3	186
EBITDA / (Adjusted gross profit + Net Derivative Financial Instruments + Claim against Borzen) ¹	%	37.1	26.3	141
Operating costs / Adjusted gross profit ¹	%	94.8	87.8	108
Operating costs / (Adjusted gross profit + Net Derivative Financial Instruments + Claim against Borzen) ¹	%	77.9	95.0	82
Net debt/Equity ^{1, 4}		0.6	0.6	94
Net debt/EBITDA ^{1, 3, 4}		2.0	5.4	38
Added value per employee ¹	EUR thousand	56.8	35.1	162
Earnings per share attributable to owners of the controlling company ⁵	EUR	2.3	0.5	491
Net investments ¹	EUR million	57.7	36.3	159
Volume of fuels and petroleum products sold	thousand tons	2,874.2	3,055.0	94
Volume of natural gas sold	TWh	11.4	13.1	87
Volume of electricity sold	TWh	9.4	9.9	95
Revenue from the sales of merchandise and services	EUR million	430.1	385.7	112

¹ Alternative performance measure (APM) as defined in chapter Alternative Performance Measures.

² EBITDA = Operating profit + Net Allowances for operating receivables + Depreciation and amortisation charge.

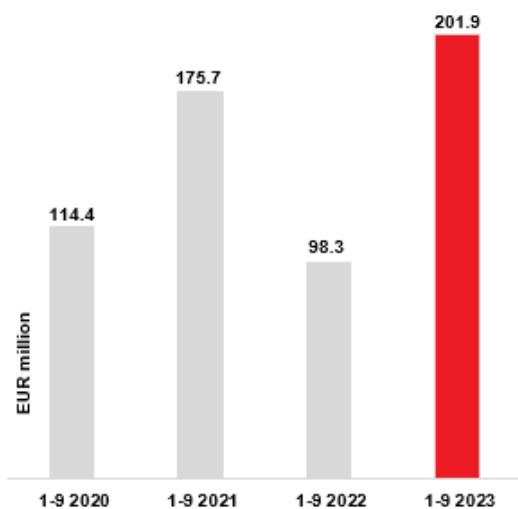
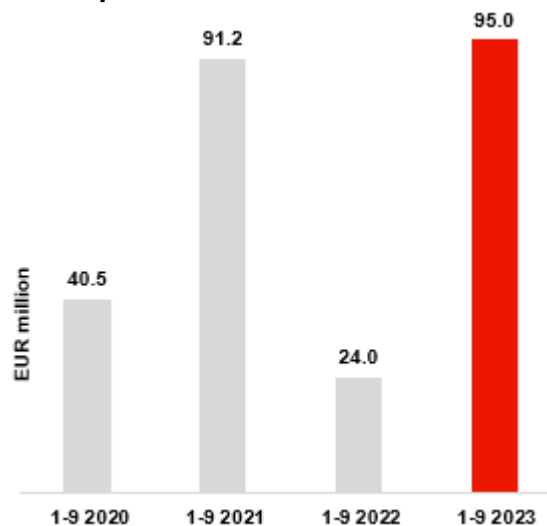
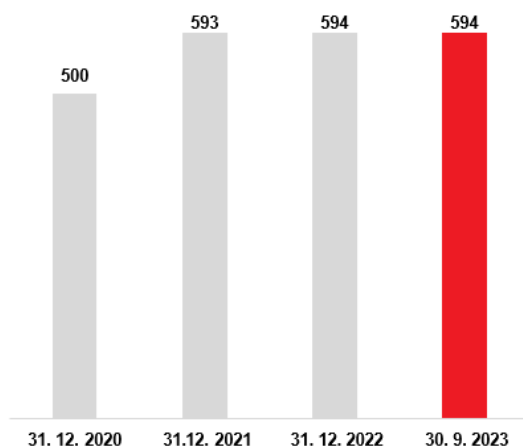
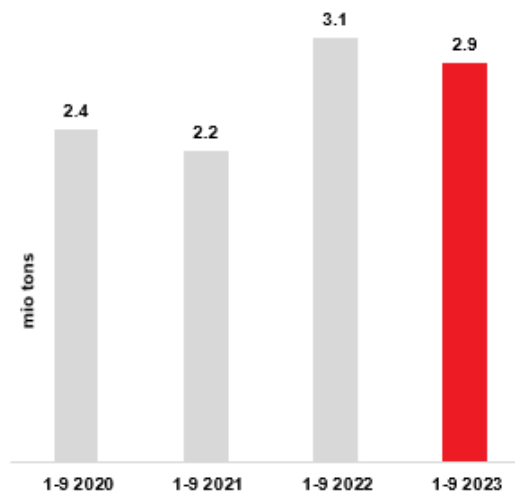
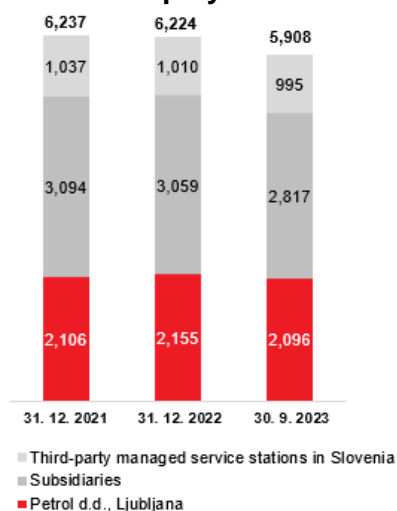
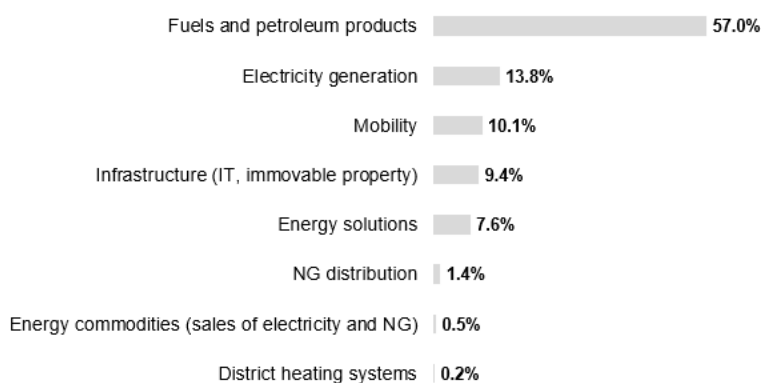
³ EBITDA calculated at annual level.

⁴ Data for 2022 as at 31 December.

⁵ 1-9 2022 - recalculated by taking into account the share split.

⁶ Compensation claims issued to Borzen for the adjusted gross profit shortfall due to EE and NG price regulation are recorded under other revenue.

The Petrol Group	Unit	30 September 2023	31 December 2022	Index 2023/2022
Number of employees		5,908	6,224	95
Number of service stations		594	594	100
Number of e-charging points operated by the Petrol Group		476	417	114
Number of electricity customers	thousand	224.8	225.7	100
Number of natural gas customers (data for Geoplin d.o.o., Ljubljana are not included)	thousand	60.7	60.4	100

EBITDA**Net profit or loss****The number of service stations****Volumes of fuels and petroleum products sold****Number of employees****Structure of investments**

4. Strategic orientation

Our mission

Through a broad range of energy commodities, comprehensive energy solutions and digital approach, we put 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 the energy transition, we are creating a green future and making a significant contribution to protecting our environment.

Our vision

To become an integrated partner in the energy transition, offering an excellent customer 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 employees, we adhere to the fundamental legal and moral standards in all markets where we operate, and we protect the environment.

BUSINESS REPORT

5. Business performance analysis

5.1. Business environment

The Petrol Group operates in two highly competitive industries – energy and trade. Besides trends in the energy and commerce sectors, the Petrol Group's operations are influenced by several other, often interdependent, factors, in particular changes in energy prices and the US dollar exchange rate, which are a reflection of global economic trends. In addition, the operations in markets where the Petrol Group is present 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 energy prices and markets.

One of the most turbulent in the recent period, the year 2022 ended with energy prices dropping to the levels from the period before the start of the Ukrainian war. Economic growth in the euro area slowed considerably in the second half of the year, but less than forecast by international institutions.

According to the Institute of Macroeconomic Analysis and Development's (IMAD's) Autumn Forecast of Economic Trends 2023, economic growth is slowing this year, especially in the export-oriented part of the economy, growth in private consumption is also lower than last year, while construction investment continues to increase. Supply chain problems are easing, hence the lower prices of energy commodities. The IMAD forecasts real GDP growth of 1.6% this year, which is slightly lower than what was predicted in the spring (1.8%), especially because of the significant slowdown in the economies of Slovenia's main trading partners, which is more pronounced than expected in the spring. Confidence indexes have declined, purchasing power of households has dropped and financing conditions have intensified. Activities related to construction investments will continue. Turnover in trade will be lower than in 2022, while growth in the consumption of services, especially related to tourism, will continue. Continued moderation of growth in employment and decline in unemployment is expected until the end of this year, while severe labour shortages will continue.

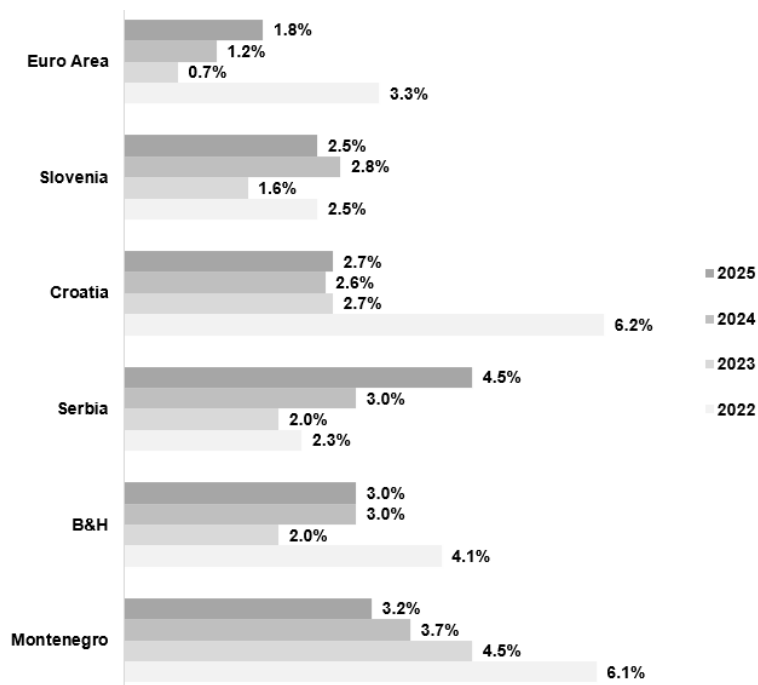
Considerable uncertainty is still present regarding the continuation of the war in Ukraine, which may have a significant effect on the realisation of economic forecasts, the availability of energy commodities, and their prices. Additional uncertainty has been raised by the new intensification of the long-lasting conflict between Palestinians and Israelis in the Middle East.

In its projections published in the World Economic Outlook at the beginning of October 2022, the International Monetary Fund forecast a 1.7 percent GDP growth for Slovenia in 2023, but then lowered it to 1.6 percent in April 2023 and again increased it to 2.0 percent in October 2023. For Croatia, the Petrol Group's second largest market, it forecast a 3.5 percent GDP growth in October 2022, then reduced it to 1.7 percent in April 2023, while in October 2023 it forecast a 2.7 percent GDP growth.

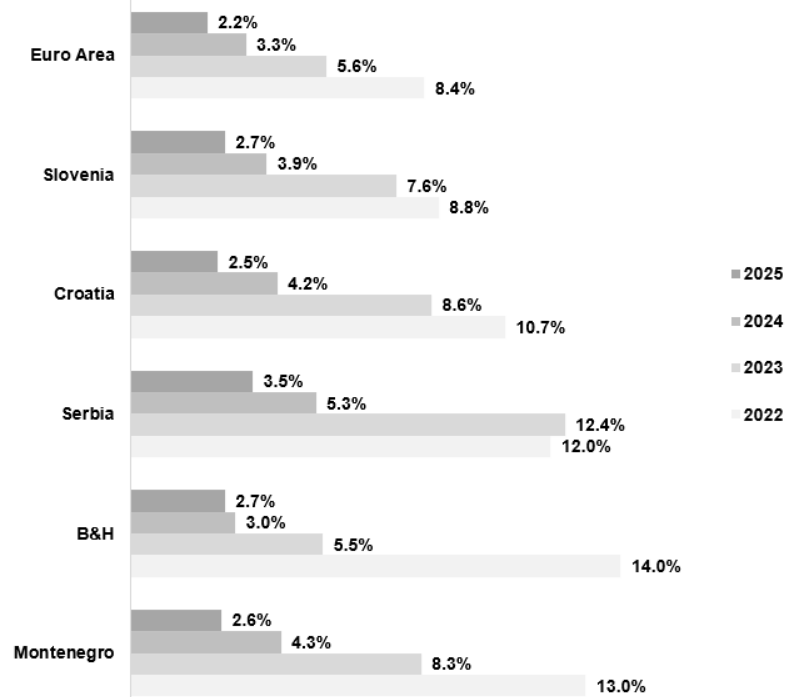
In its Autumn Forecast 2023, IMAD predicted 7.6 percent inflation rate for Slovenia (year-average, or 5.4 percent in December 2023 compared to December 2022), while in its Spring Forecast 2023, it predicted a 7.1 percent inflation rate for 2023 (year-average, or 5.1 percent in December 2023 compared to December 2022).

In April 2023, the International Monetary Fund forecast a 6.4 percent inflation rate for Slovenia in 2023 and in October 2023, it predicted a 7.4 percent inflation rate (5.1 percent in October 2022). For Croatia it predicted a 7.4 percent inflation rate in its forecast in April 2023 and 8.6 percent in October 2023 (5.5 percent in October 2022).

Real GDP growth, in %



Inflation (year-average), in %



Source: IMAD, September 2023 (for Slovenia), International Monetary Fund, October 2023 (other countries, euro area)

The high prices of energy commodities and the rising inflation at the start of 2022 prompted governments to cap fuel prices in the markets where we operate. This was followed by the regulation of natural gas and electricity prices and later also district heating prices, all of which has had an effect on the Petrol Group's operations.

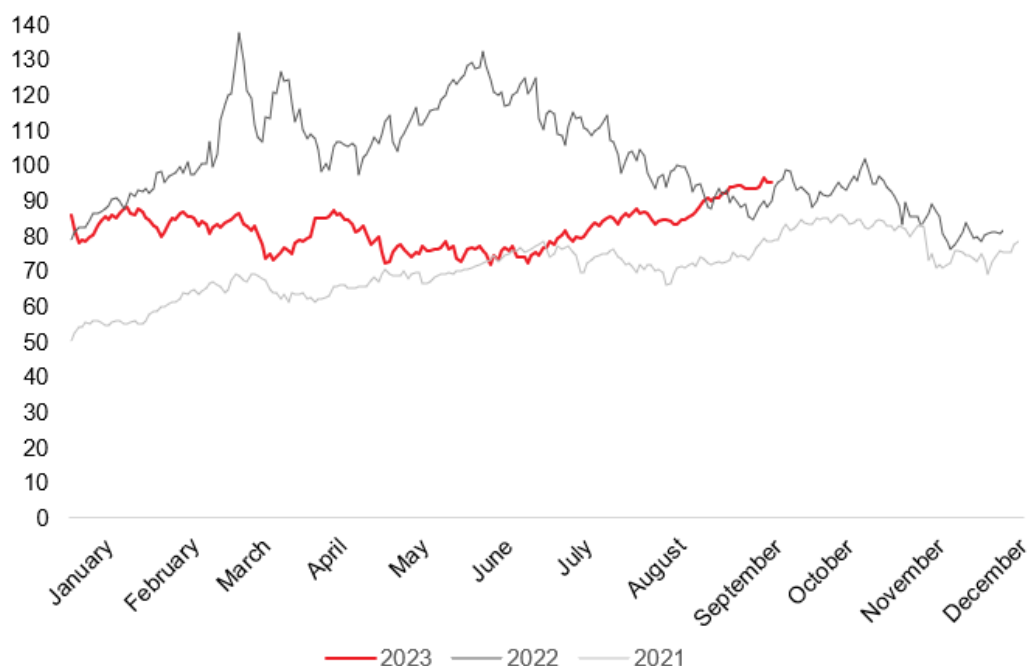
When preparing measures and putting them into practice, the Petrol Group complies fully, in all of its markets, with instructions issued by authorities. We abide by all decrees determining the prices of petroleum products and other energy commodities on all markets where we operate.

Oil and petroleum product price movements

The price of Brent Dated North Sea crude oil has stood between USD 71.8 and 96.6 per barrel since the beginning of 2023. In the first nine months of 2023, the average price was USD 82.0 per barrel, a decrease of 22 percent compared to the same period last year when the war broke out in Ukraine.

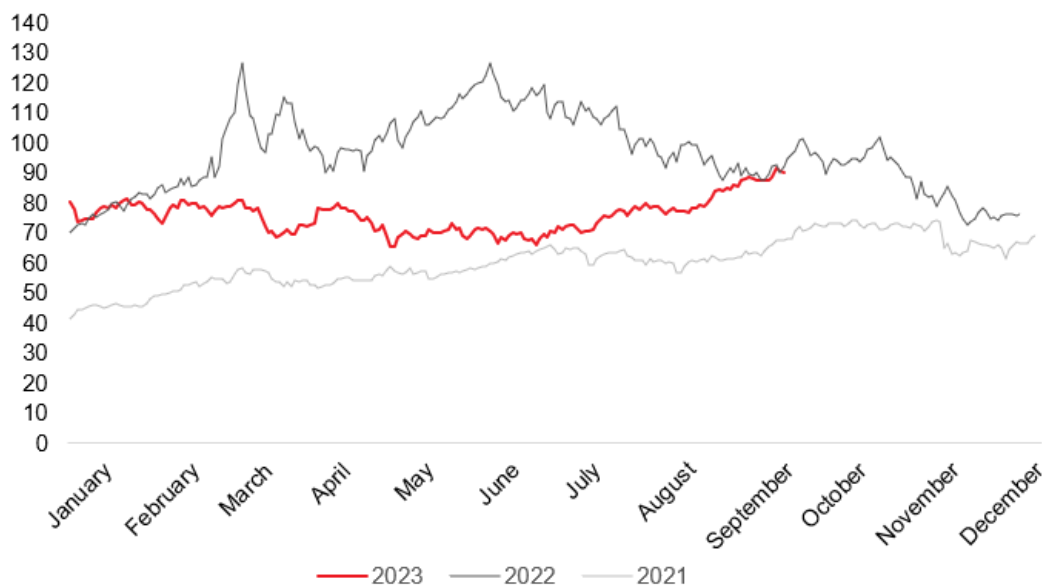
In the last two months, the price of crude oil has increased mostly because of the lower OPEC oil production and the higher crude oil demand by China, the world's largest crude oil importer.

Changes in Brent Dated oil price in the first nine months of 2023 and in 2022 and 2021 in USD/barrel



Source: Petrol, 2023

Changes in Brent Dated oil price in the first nine months of 2023 and in 2022 and 2021 in EUR/barrel



Source: Petrol, 2023

In the first nine months of 2023, the price of diesel stood between USD 644.8 and 1,030.5 per metric unit. The average price in the first nine months of 2023 was USD 826.6 per metric unit, a decrease of 22 percent compared to the same period last year when it stood at USD 1,066.0 per metric unit.

In the first nine months of 2023, the price of petrol stood between USD 751.8 and 1,043.0 per metric unit. The average price of petrol in the first nine months of 2023 was USD 881.2 per metric unit, a decrease of 12 percent compared to the same period last year when it stood at USD 1,005.1 per metric unit.

At the start of February 2023, the price of petrol surpassed the price of diesel and persisted until 21 September 2023 when it again dropped below the price of diesel.

Future crude oil price trends will be affected mostly by OPEC's oil output agreements and the effect of the global economic situation (especially the situation in China) on oil demand. Oil price drop could be affected by the potential start of recession and a drop in GDP growth in the BRICS nations.

Regulation of petroleum product prices

Slovenia

In Slovenia, the price of extra-light heating oil has been regulated since 20 October 2021, with the exception of the period between 22 May and 12 September 2022.

The prices of petrol NMB-95 and diesel have been regulated since 15 March 2022, with the exception of a brief period between 1 and 10 May. The retail price limitation was in force until 20 June, after which a Decree was adopted on 21 June and determined the maximum margins for sellers; this Decree is still in force.

The Government of the Republic of Slovenia adopted a new Decree on 15 June 2022, excluding prices of motor fuels at motorway and expressway service stations and premium fuels NMB 100 and iQ diesel from regulation. The retail and wholesale prices at such service stations and of premium fuels were market-determined. By way of the Decree, the Government stopped the limitation of maximum prices and limited fuel sellers' margin to EUR 0.0591 per litre for diesel and for NMB-95 to EUR 0.0607 per litre; after 17 August 2022, the margin for diesel stands at EUR 0.0983 per litre and for NMB-95 at EUR 0.0994 per litre. The Decree was in effect from 21 June for a period of one year and it excluded the bio-component fee (renewable energy sources in transport) from the model price calculation formula, even though it still needed to be added to fossil fuels pursuant to the last effective Decree on renewable energy sources in transport.

According to the new Decree adopted by the Government of the Republic of Slovenia on 2 December 2022, the bio-component fee for NMB-95 and diesel is also included in the calculation of the maximum retail prices. The accounting period from 21 November 2022 to 2 December 2022 was taken into account for the first calculation of an average 14-day selling price of the current period, net of duties.

On 19 June 2023, the Government of the Republic of Slovenia adopted a new Decree on setting prices for certain petroleum products, pursuant to which margins for diesel have stayed limited at EUR 0.0983 per litre and for NMB-95 at EUR 0.0994 per litre. The regulation excludes prices of motor fuels at motorway and expressway service stations and premium fuels NMB-100 and iQ diesel. The Decree entered into force on 21 June 2023 for a period of one year.

Croatia

In Croatia, prices have been regulated since 7 February 2022. During the first month, the retail prices were capped by a decree and were lower than the cost of the regulated fuels. Since 7 March, the margins have been capped; these enable covering the purchase price, but not also all costs. The maximum retail prices were also determined in the period from 21 June to 18 July and from 18 to 24 October 2022. Since 12 September 2022, the prices of LPG – the propane-butane mixture for large tanks and cylinders – have also been regulated.

On 2 January 2023, the Government of the Republic of Croatia adopted the Decree on setting maximum retail prices, determining the maximum margins for petrol (eurosUPER 95) at EUR 0.0995 per litre, eurodiesel at EUR 0.0995 per litre, blue diesel at EUR 0.0531 per litre, propane-butane blend for large gas storage tanks at EUR 0.3716 per kg and LPG cylinders (7.5 kg or more) at EUR 0.8229 per kg. The Decree was in force from 3 January 2023. Croatia extended the validity of the Decree every two weeks, but it did not limit the validity date of the Decree of 27 February 2023.

On 5 June 2023, the Government of the Republic of Croatia adopted the Decree on setting maximum retail prices and determined the maximum margins; it increased the maximum margin for petrol (eurosUPER 95) from EUR 0.0995 per litre to EUR 0.1245 per litre, eurodiesel

from EUR 0.0995 per litre to EUR 0.1245 per litre, and blue diesel from EUR 0.0531 per litre to EUR 0.0781 per litre. The maximum margin for the propane-butane blend for large gas storage tanks has stayed at EUR 0.3716 per kg and for LPG cylinders (7.5 kg or more) at EUR 0.8229 per kg. The Decree has been in force from 6 June 2023 with bi-weekly validity extensions.

Serbia

In Serbia, the Government of the Republic of Serbia adopted Regulation on the Limitation of Prices of Petroleum Products (without additives), 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 NMB 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 (EUR 6 cents 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.

The Government of the Republic of Serbia adopted the Regulation on the price capping of petroleum products on 24 February 2023, setting the maximum retail price, including VAT, for eurodiesel and unleaded petrol NMB-95 in the amount of the average wholesale price of petroleum products in Serbia, increased by RSD 13 per litre (EUR 0.11 per litre). The Regulation was in effect until 31 March 2023. It was first extended until 31 July 2023, followed by 31 October 2023.

Bosnia and Herzegovina

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

Montenegro

In Montenegro, the prices of petroleum products are set in accordance with the Regulation on the Method of Setting Maximum Retail Prices, which has been in force since March 2021. The prices change fortnightly, subject to changes on the oil market (Platts European Marketscan) and the rounding of the euro and the US dollar exchange rate. Prior to this, the prices of petroleum products were set pursuant to the Regulation, which was in force since 1 January 2011.

Price movements of other energy commodities

In the first nine months of 2023, the prices of electricity and natural gas, marked by significant daily volatility, were mostly in the bearish trend. In the first half of the year, the energy prices dropped mostly as a result of the political agreement of EU Member States about the measures to tackle the energy crisis, oversupply of liquefied natural gas and the mild winter with above-average temperatures which led to a reduced consumption of both energy commodities and at the same time enabled that European gas storage capacities stayed above-averagely full.

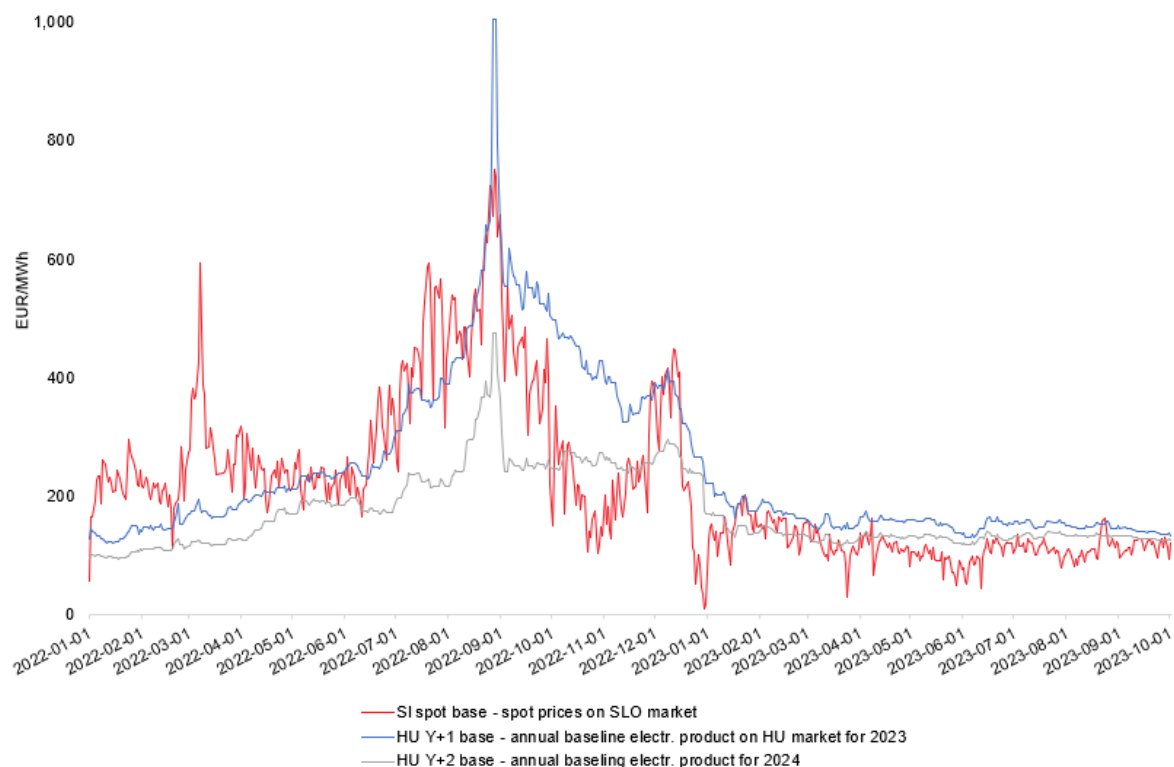
According to the last available data of Gas Infrastructure Europe, the European gas storage sites were estimated to be filled to a reliable 97 percent of capacity at the start of October 2023, whereby the EU has reached its target of filling gas storage facilities to 90% of capacity even before 1 November 2023. If such filling dynamic continues, European gas storage facilities could be 100 percent full already by the end of November 2023.

Despite the high levels of gas stocks and the efforts made by European countries to ensure the supply, the gas market in the EU has remained vulnerable. Due to the adopted adequate measures and, consequently, the high levels of stocks, the volume of gas is not problematic. Europe is entering the winter season in a better position in terms of supply than last year, but the market is still fragile, particularly as concerns supply disruptions. Market fragility is a result of dependency on Norwegian gas flows and liquefied natural gas (LNG) on the global market. New LNG production capacities are expected to emerge in 2026 and 2027, which could stabilise the market and lower gas prices.

Electricity futures prices closely follow the bearish trend on the gas, coal and carbon market. In the third quarter of the year, the bearish trend was supported by reliable gas supplies in Europe, improved hydropower flows, higher renewable energy generation from the wind and sun, increased availability of French nuclear power and weak industrial demand. The bearish trend could continue if the weather stays favourable with above-average seasonal temperatures.

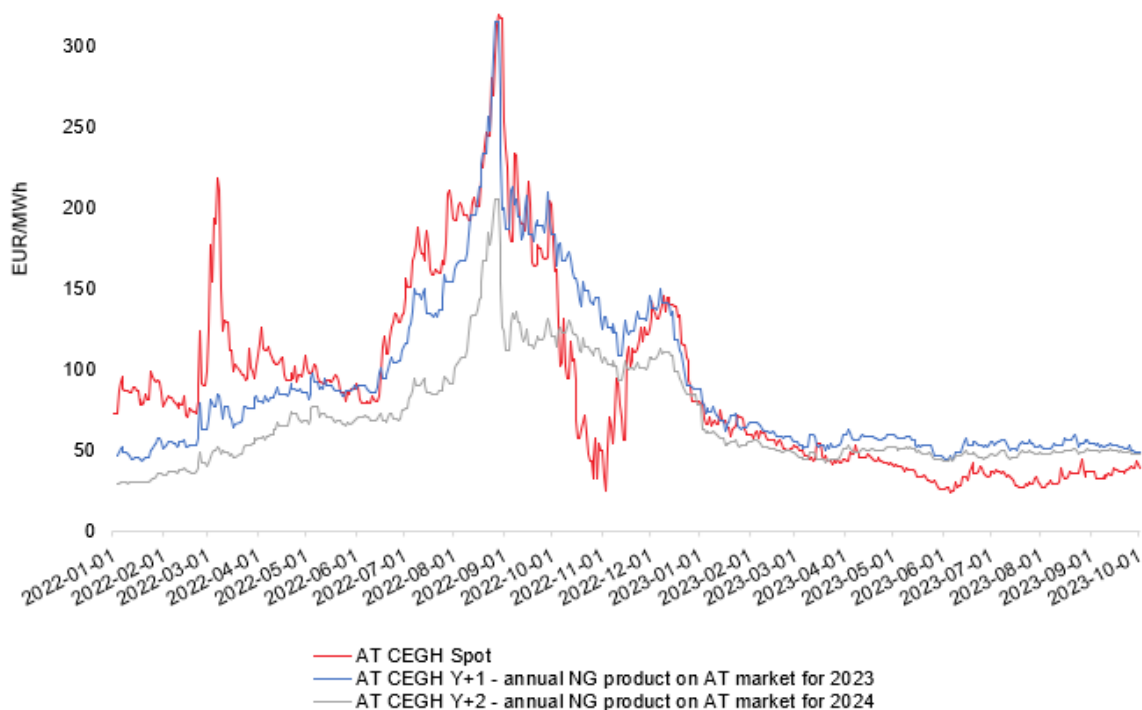
There are still many factors that could shake the energy balance in Europe. According to the data released by Eurostat in June, the entire euro area economy is in a technical recession as a result of GDP contraction in the euro area due to the high inflation which has reduced consumption. If FED and ECB continue increasing key interest rates, a potentially longer recession could affect the market of raw materials more profoundly and lower the energy prices as a result of lower demand.

Electricity price trends in 2022, in the first nine months of 2023, and projections



Source: Petrol, 2023

Natural gas price trends in 2022, in the first nine months of 2023, and projections



Source: Petrol, 2023

Regulation of the prices of other energy commodities

Slovenia

In Slovenia, the Government of the Republic of Slovenia adopted the Decree Determining the Prices of Electricity on 14 July 2022, setting the maximum permitted retail price of electricity for households and small business customers (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, which sets the maximum permitted retail price of natural gas from the transport and distribution network gas system for households, 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 and consumers who, on the Decree enforcement date, are small business customers as determined by the Electricity Supply Act.

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

At the beginning of September 2022, the Government adopted the Act Amending the Gas Supply Act. With the amendments, it *inter alia* supplemented the definition of household gas customers to prevent abuse and ensure that all households have the right to a basic gas supply. The Act also guarantees basic and alternative gas supply to all protected customers who are (would be) suddenly left without a supplier or the offer by a new supplier. The Act also broadened the definition of protected customers to include primary schools, kindergartens and health centres. The suppliers of substitute natural gas are designated by the Energy Agency on the basis of the Act.

In September 2022, the Act on Measures for the Management of Crisis Conditions in the Field of Energy Supply was adopted. This has set the basis for the identification of temporary management measures in times of increased energy supply risk, as well as measures to ensure the security of the energy supply and to reduce import dependency and the pressure on energy prices due to the volatility of energy markets.

On 27 October 2022, an amendment to the Decree on setting gas prices from the system was adopted - the maximum retail price also applies to household customers of district heating, and the Decree also redefines the maximum retail price of gas for kindergartens, primary schools and health centres, as well as for the substitute and basic supply of natural gas for protected customers. The Decree was in effect from 1 November 2022 to 31 August 2023.

In December 2022, the Government also set a maximum retail price for natural gas from the system for certain public entities, such as public bodies, public economic institutions, public agencies, public funds and municipalities. The Decree on setting gas prices from the system sets the maximum permitted retail price of natural gas from the gas system of the transmission and distribution network for certain legal entities under public law, for providers of publicly valid

education and training programmes, and for providers of social care services, social welfare programmes and family support programmes. The gas price is capped at EUR 0.095 per kWh for the period from 1 January 2023 to 31 December 2023.

On 13 January 2023, the Government of the Republic of Slovenia adopted the Decree on determining compensation for natural gas suppliers. For supplies regulated by the decrees, suppliers are entitled to a monthly compensation for the difference between the average monthly purchase cost and the regulated retail price, taking into account the supplier's cost of EUR 5 per MWh.

On 13 January 2023, the Government of the Republic of Slovenia adopted the Decree on the determination of electricity prices. For supplies regulated by the decrees, suppliers are entitled to a monthly compensation for the difference between the average monthly purchase cost and the regulated retail price, taking into account the supplier's cost of EUR 10 per MWh.

On 24 January 2023, the Government of the Republic of Slovenia adopted the Decree on setting district heating price, determining the maximum tariff item for the variable part of the price of heat at EUR 98.70 per MWh for households which accept heat from the distribution system where the distributor carries out the public service, namely via the individual or common offtake point. The distributors whose pricelists for January 2023 include the tariff item for the variable part of the heat price that is below the indicated amount cannot increase such price. The Decree applies to the heat supplied in the period from 1 January 2023 to 30 April 2023.

In Slovenia, the Decree amending the Decree on setting gas prices from the system was adopted on 27 January 2023 and entered into effect on 28 January 2023. It sets the maximum permitted retail price of natural gas needed for the production of heat for basic social services, kindergartens, primary schools and health centres at EUR 0.079 per kWh and applies to natural gas supplied in the period from 1 January 2023 to 31 August 2023.

On 13 April 2023, regulation of electricity and natural gas prices was extended by Decrees until 31 December 2023.

On 6 July 2023, the Government of the Republic of Slovenia adopted the Decree on determination of compensation for heat distribution, pursuant to which heat distributors' entitlement is estimated after the end of the price regulation period subject to the Decree on district heating pricing by assessing significant loss resulting from the loss of income due to the reduced price compared to the existing price or the inability to increase the relevant price compared to the price that distributors increased independently after the period of the relevant additional regulation.

Croatia

The Croatian government adopted the Regulation to Eliminate Disruptions on Domestic Energy Market on 8 September 2022, determining the price of electricity for households and business customers and public institutions from 1 October 2022 to 31 March 2023. On 14 September, it adopted Regulation amending the abovementioned Regulation, determining special measures for trading in natural gas. On 19 September 2022, the Croatian government adopted a decision on the amount of tariff items for natural gas supply to non-household end customers for the period from 1 October to 31 December 2022.

The Croatian Energy Regulatory Agency (HERA) adopted a new methodology in April 2023 to regulate the retail prices of natural gas in Croatia and introduce a 15-day reference period for determining the selling prices of gas instead of the previous 11-month period. The change has a retroactive effect on the contractual relationships between the Petrol Group companies and our customers because the changed methodology does not take into account the actual value of the price of purchased gas which has a negative effect on the Petrol Group's operations.

On 7 July 2023, the Government of the Republic of Croatia passed a decree, setting a mechanism of compensation payments to natural gas suppliers for the difference between the purchase price for the relevant energy commodity and the price regulated by the natural gas pricing methodology. The Decree is in force for supplies between 1 April 2023 and 31 March 2024.

Effect of changes in the USD to EUR exchange rate

The USD to EUR exchange rate ranged between 1.05 and 1.13 in the first nine months of 2023. The average exchange rate of the USD according to the exchange rate of the European Central Bank stood at USD 1.08 per euro in the period concerned (in 2022, the average exchange rate was USD 1.05 per EUR).

5.2. The Petrol Group's business performance

The Petrol Group's business results are reported in the context of the following product groups:

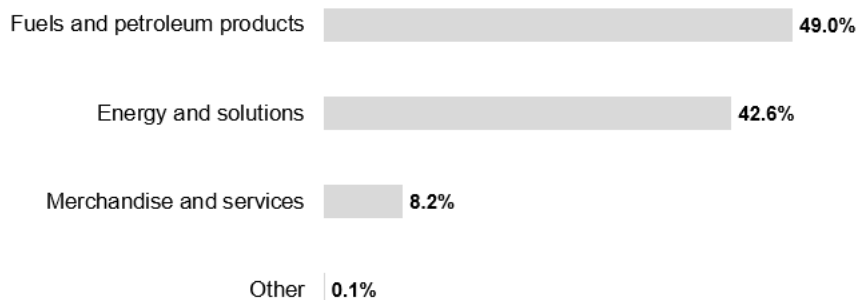
- **Fuels and petroleum products**, including petroleum product sales, liquefied petroleum gas sales and other alternative energy commodities (compressed natural gas), transport, storage and transshipment of fuels, revenue from payment cards, and sales of biomass, tyres, inner tubes and batteries.
- **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 and energy solutions for home and industry), sales of heating systems, natural gas distribution, mobility and renewable electricity generation.
- **Other**: mining services, maintenance services, vacation rentals.

The Petrol Group adopted a new organization of the Company and the Petrol Group in June 2021, effective from the start of 2022. The reorganization has enabled more efficient processes, unification and optimisation of support functions, customer centricity and a uniform market approach in subsidiaries. In line with this, the Petrol Group has verified the system for the allocation of business function costs to the main product groups. To ensure data comparability in the relevant time period, we prepared the same cost allocation for the comparable reporting period.

Sales revenue

In the first nine months of 2023, the Petrol Group generated EUR 5.2 billion in **sales revenue**, a year-on-year decrease of 26 percent, mostly as a result of both the lower prices of petroleum products and the lower prices of electricity and natural gas on spot and futures markets and a lower volume of electricity and natural gas trading.

The Petrol Group's sales revenue by product group in the first nine months of 2023



In the first nine months of 2023, the Petrol Group sold 2,874.2 thousand tons of fuel, a year-on-year decrease of 6 percent. On 15 March 2022, the Government of the Republic of Slovenia regulated the prices of certain petroleum products to levels below those in the neighbouring countries for most of the period until 20 June 2022, except for a brief period between 1 and 10 May 2022; this is why sales in the comparable period of last year at service stations exceeded this year's sales. In the third quarter of the year, sales of, especially, extra-light fuel oil in Slovenia and Croatia dropped on account of the high temperatures. We are faced with a drop in sales on the Croatian market, especially in wholesale.

We generated a revenue of EUR 430.1 million from the sales of merchandise and services in the first nine months of 2023, an increase of 12 percent year-on-year. Revenue increased in the segment of tobacco product and food sales in Slovenia and SEE markets. A minor drop was only recorded in revenue from foreign currency cash payment commissions.

In the first nine months of 2023, we sold 11.4 TWh of natural gas, 9.4 TWh of electricity and 97.4 thousand MWh of heat.

Adjusted gross profit

In the period concerned, adjusted gross profit stood at EUR 447.3 million, a year-on-year increase of 10 percent. This year, business conditions are quite different to those in the same period last year.

The prices of petrol and diesel have been regulated throughout the entire period this year. Slovenia has determined the maximum margin that can be charged at non-motorway service stations. In Croatia, the margin is capped at all service stations, including on motorways, but premium fuels are excluded from regulation.

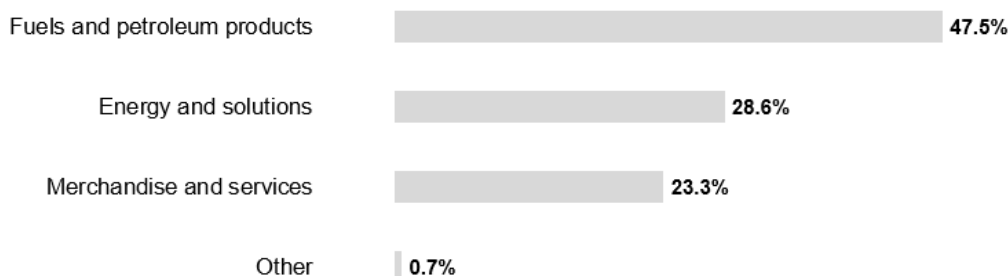
In the same period last year, prices in Slovenia were market-determined until 14 March 2022, and in the period from 15 March to 20 June 2022 (with the exception of a brief period between 1 and 10 May 2022) the maximum retail price was determined for all locations. Throughout most of the period, the retail price was capped and was even lower than the cost of fuel. From 21 June 2022, a Decree was in force which excluded the prices of motor fuels at motorway and expressway service stations and premium fuels and ended the limitation of the maximum prices, but limited the sellers' margins, which were set quite low until 17 August, after which they increased.

In Croatia, prices were liberalised until 6 February 2022. The maximum retail price was determined between 7 February and 6 March 2022, and on 7 March 2022, a Decree was adopted and since then the maximum margins have been determined. On 7 June 2022, the Government of the Republic of Croatia decreased the regulated oil sellers' margins. By amending the Decree of 20 June 2022, it separated regulation based on sales at motorway locations and other locations – it determined the maximum retail prices for fuels that are not sold at motorways, while for fuels sold at motorway locations, it determined the margin. Croatian government passed a Decree on 4 July 2022 to extend the regulation of retail prices and, additionally, it capped wholesale prices. On 18 July, a Decree entered into effect to again regulate margins on fuel sales and at the same time stop the separation of regulation between motorway and other locations.

In Slovenia, the prices of electricity and natural gas were market-determined in the first eight months of 2022, after which they became regulated on 1 September 2022. In the period from January to September 2023, the selling prices of electricity and natural gas were regulated. In January 2023, the Slovenian government adopted a Decree determining compensation to electricity and natural gas suppliers for the difference between the average monthly cost and regulated retail price. Accordingly, revenue from claims against Borzen for such compensation is recorded under other revenue.

In accordance with standards, gains and losses on derivatives which are used to balance volumetric and price risks when selling energy commodities are recorded under other revenue or expenses and not under adjusted gross profit.

The structure of the Petrol Group's adjusted gross profit, increased by the net gains on derivatives and the amount of claims for compensation to Borzen, in the first nine months of 2023 by product groups



Operating costs

In the first nine months of 2023, operating costs stood at EUR 424.0 million, a year-on-year increase of EUR 68.3 million or 19 percent, mostly on account of the higher prices of energy commodities and higher labour costs than in the same period last year.

The share of operating costs in adjusted gross profit stood at 94.8 percent in the period concerned compared to 87.8 percent in the same period last year. The reason for the high value of this indicator is that gains and losses on derivatives which we use to balance volumetric and price risks when selling energy commodities are recorded under other revenue and expenses in accordance with standards, and not under adjusted gross profit. Claims to Borzen are also recorded under other revenue. The share of costs in the adjusted gross profit, increased by the claim to Borzen and the net gain on derivatives, stood at 77.9 percent in the first nine months of this year compared to 95.0 percent in the same period last year. The high value of the indicator in 2022 was a result of the strict regulation of some petroleum products in the time when the selling price was determined below the supplier's cost for a substantial part of the period.

Operating costs

The Petrol Group (in EUR)	1-9 2023	1-9 2022	Index 2023/2022
Cost of materials	48,742,901	27,459,257	178
Cost of services	140,921,563	130,547,721	108
Labour costs	120,359,410	101,286,549	119
Depreciation and amortisation	71,344,910	68,069,094	105
Other costs	42,606,956	28,349,160	150
- of which net allowances for operating receivables	3,752,112	5,167,276	73
Operating costs	423,975,740	355,711,781	119

Costs of materials stood at EUR 48.7 million in the first nine months of 2023, a year-on-year increase of 78 percent, especially because of the higher costs of energy, since a large part of energy commodities for this year was purchased in 2022 when the purchase prices were much higher than in previous years. The part of the costs that is connected to unregulated activities is covered with revenue.

Costs of services stood at EUR 140.9 million, an increase of 8 percent compared to the same period last year. The cost of service station operators increased the most, 16 percent, compared to the same period last year, especially on account of the increase in wages for the employees with the lowest wages and the balancing payments to the minimum wage – our service stations are still understaffed. The higher costs of subcontracting are connected with the higher sale of energy solutions. Lease payments have increased due to the high costs of IT equipment lease, and the higher fees for operation by motorways. Among costs of professional services, the costs of student work and legal fees increased the most. The costs of maintenance increased by 6 percent. We focused greatly on ensuring an optimal service station supply model already in 2022, which was reflected in lower costs of transportation services on the Croatian market, while in Slovenia, transportation rates increased. Costs of environmental protection services increased in the light of the restoration of the spill in the

petroleum product storage facility in Rače. In the context of payment transaction and banking service costs, the costs of payment card and payment transaction fees are lower.

Labour costs, which stood at EUR 120.4 million, increased by 19 percent year-on-year. In Slovenia and Croatia, the costs increased primarily because of salary changes (increase of wages for the employees with the lowest wages, balancing payments to the minimum wage, bonus for work during less favourable working time – our service stations are still understaffed) and performance-based employee remuneration.

Amortisation and depreciation charge, which stood at EUR 71.3 million in the first nine months of 2023, increased by EUR 3.3 million or 5 percent year-on-year.

Other costs stood at EUR 42.6 million, up by EUR 14.3 million year-on-year. Net operating receivable allowances decreased, while accrued costs and asset impairments increased year-on-year.

Various activities are in place to manage costs. We have reinforced the team which prepares analyses and suggestions for improvements referring to business optimisation and the functioning and use of technological equipment at service stations. Furthermore, we have optimised the opening hours of service stations. We monitor costs regularly and take appropriate action in case of deviations.

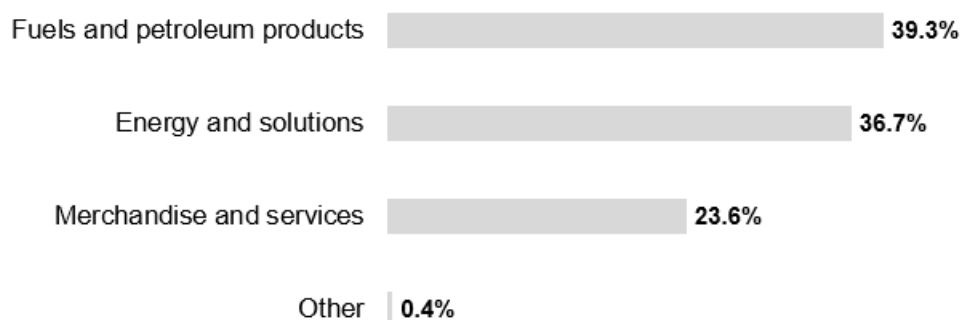
Gain on derivatives amounted to EUR 154.0 million, a year-on-year decrease of EUR 218.8 million. Loss on derivatives stood at EUR 120.3 million, a year-on-year decrease of EUR 283.4 million. The Petrol Group is exposed to price and volumetric risks arising from operations with energy commodities (petroleum products, natural gas, electricity, LPG). The Petrol Group 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 hedging its margin on energy commodities. Depending on the business model for each energy commodity, appropriate limit systems are in place that cap exposure to price and volumetric risks. The Petrol Group hedges petroleum product prices primarily by using derivatives. Partners in this area include global financial institutions and banks or commodity suppliers; therefore, the Petrol Group considers the counterparty default risk as minimal. In electricity trading, the Petrol Group also concludes derivative financial instruments with financial institutions where the counterparty default risk is minimal, whereby it also considers the adopted market value limits. The value of financial transactions changes annually based on market price trends and needs for our portfolio hedging.

Other revenue stood at EUR 70.2 million and was by EUR 63.4 million higher compared to the same period last year. EUR 63.4 million of other revenue is related to the claim against Borzen for the compensation due to the regulated electricity and natural gas prices, in line with the Decree adopted at the start of this year. **Other expenses** stood at EUR 0.3 million.

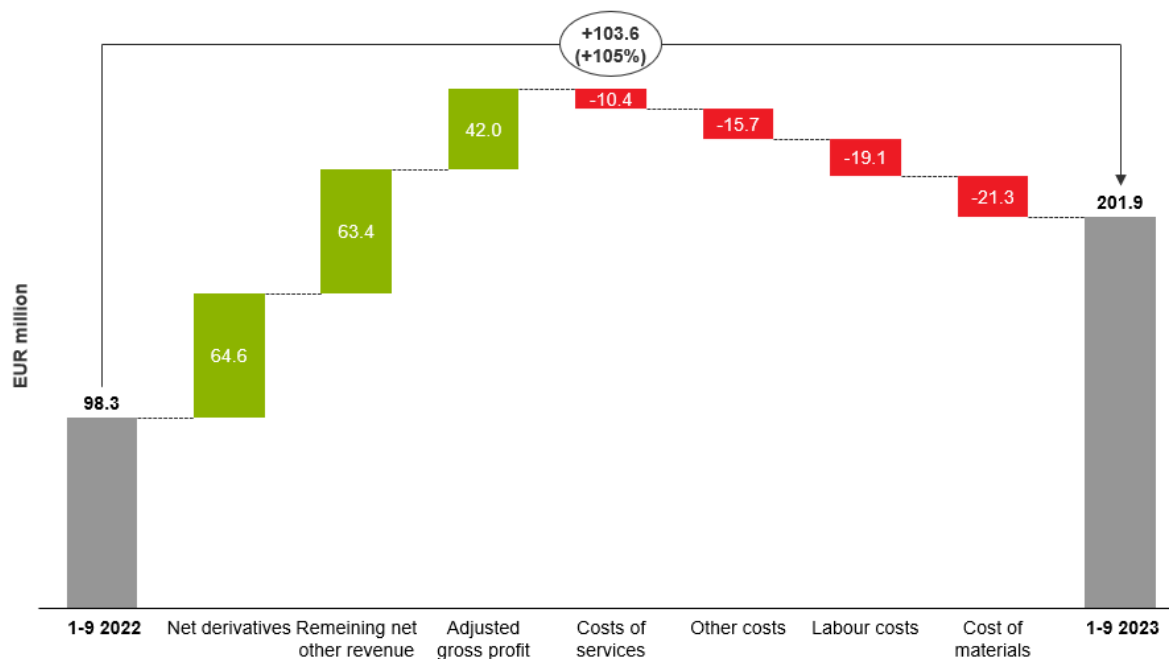
EBITDA

In the first nine months of 2023, EBITDA stood at EUR 201.9 million, a year-on-year increase of EUR 103.6 million. The highest growth of EBITDA compared to the same period last year was recorded in the segment of fuel and petroleum product sales because the situation on the market has stabilised and the capped fuel margins now provide us with stable operations. We also achieved good results in the field of the energy transition, especially in renewable electricity generation and portfolio management. However, the result in natural gas sales was not as good, most of all because of the capped prices in Croatia, for which we have submitted a reimbursement claim.

The Petrol Group's EBITDA by product group in the first nine months of 2023



EBITDA in the first nine months of 2023 compared to the same period of 2022



Operating profit in the first nine months of 2023 stood at EUR 126.9 million, a year-on-year increase of EUR 101.8 million.

Share of profit from equity accounted investees stood at EUR 1.2 million, which is on a par with that in the same period last year.

Net finance expenses of the Petrol Group stood at EUR 10.5 million in the first nine months of 2023, an increase of EUR 12.9 million compared to the same period last year. Net foreign exchange loss was EUR 12.5 million lower in the first nine months of 2023 compared to the same period last year, and net interest expenses were up by EUR 0.9 million year-on-year. In the period concerned, net gain on derivatives was down by EUR 21.2 million year-on-year. Net other financial expenses were EUR 3.1 million lower compared to the same period last year.

Pre-tax operating profit amounted to EUR 117.5 million in the first nine months of 2023, compared to EUR 28.6 million in the same period last year.

Net profit for the first nine months of 2023 amounted to EUR 95.0 million compared to EUR 24.0 million in the same period last year.

Total assets of the Petrol Group stood at EUR 2.6 billion as at 30 September 2023, down by 6 percent compared to the end of 2022. Non-current assets totalled EUR 1.3 billion, the same as at the end of 2022, and current assets stood at EUR 1.2 billion, down by 12 percent compared to the end of 2022. Compared to the end of 2022, current operating receivables decreased by EUR 122.2 million.

Equity of the Petrol Group stood at EUR 902.6 million as at 30 September 2023, up by 5 percent compared to the end of 2022.

Net debt amounted to EUR 508.7 million as at 30 September 2023, down by EUR 7.2 million compared to the end of 2022.

As at the last day of the period concerned, that is, 30 September 2023, the Petrol Group's **working capital** stood at EUR 97.7 million, an increase of EUR 79.6 million compared to the end of 2022. Trade receivables, inventories, operating liabilities, and assets based on customer contracts decreased compared to the end of 2022.

The Management Board of Petrol d.d., Ljubljana submitted proposals for amicable settlement of dispute to the State Attorney's Offices of the Republic of Slovenia and the Republic of Croatia in order to receive compensation for the damage resulting from the regulated prices of motor fuels in 2022, in Slovenia in the amount of EUR 106.9 million and in Croatia in the amount of EUR 55.9 million. Both State Attorney's Offices rejected our proposals.

A legal action for damages of EUR 106.9 million resulting from the capped motor fuel prices in 2022 was brought against the Republic of Slovenia on 16 May 2023. The Republic of Slovenia rejected cooperation in mediation, meaning that the proceedings continue before the Ljubljana District Court.

Given the decision of the Croatian Constitutional Court in the case in which small fuel distributors sought review of constitutionality and lawfulness of regulations where the Constitutional Court decided that regulation was in line with the legal regulations, we are currently preparing a new compensation claim for the damage arising from the capped

petroleum product prices in Croatia; the claim will be submitted to the State Attorney's Office in Zagreb.

On 16 May 2023, Geoplin d.o.o. Ljubljana initiated an arbitration against Gazprom Export LLC on the grounds of a breach of the natural gas supply agreement. Due to a corporate guarantee being enforced by Gazprom Export LLC, Petrol d.d., Ljubljana joined Geoplin d.o.o. Ljubljana in initiating the proceeding. Pursuant to the decision made by the court of arbitration, the two arbitration proceedings must be conducted separately, hence the Geoplin d.o.o. Ljubljana proceeding against Gazprom Export LLC, will continue within the initiated proceeding and Petrol d.d., Ljubljana will enter the arbitration subsequently.

On 4 August 2023, Slovenia suffered devastating floods which also damaged some of Petrol's infrastructure. We had to temporarily close some of our service stations. On the report publication date, the Nazarje, Otiški vrh and Žerjav service stations still do not operate at full capacity (the sale of merchandise is limited, but the sale of fuels runs smoothly). Due to damage to the gas pipeline system, the supply of district heating and natural gas was temporarily disrupted to a part of households in the municipalities of Mežica, Črna na Koroškem and Prevalje, but it has now already been restored. Damage to Petrol's infrastructure amounted to EUR 3.4 million, but due to the appropriate property insurance it is not expected to have any major effect on the business results of Petrol d.d., Ljubljana. As part of the solidarity aid activities, the Petrol Group focused first and foremost on its employees who were severely affected by flooding. The Company is helping them both financially and by taking other action. We also stand by our customers during this difficult time, hence we have agreed to the initiative of the Ministry of the Environment, Climate and Energy to enable households in the most affected areas to pay electricity at the price of EUR 1 MWh until the end of the year.

On 7 July 2023, the Government of the Republic of Croatia passed a decree, setting a mechanism of compensation payments to natural gas suppliers for the difference between the purchase price for the relevant energy commodity and the price regulated by the natural gas pricing methodology. The Decree is in force for supplies between 1 April 2023 and 31 March 2024. Geoplin d.o.o. (Zagreb) has already filed an application for the reimbursement of the price difference in the amount of EUR 8.5 million for the period of April–September. The claim is not recognised in the Petrol Group's financial statements because it has not been confirmed by the market regulator. For the last quarter of the year, by taking into account the current natural gas prices on exchanges for the last quarter of 2023, it is estimated that the adjusted gross profit will be EUR 12.4 million lower as a result of the capped prices. A claim for the reimbursement of the price difference will be submitted accordingly.

E3 d.o.o. has an outstanding receivable from Calcit d.o.o. based on partial non-payments for the electricity purchased in the financial year 2022 and in January 2023. Allowance has been formed for the unsecured part and, at the same time, a claim has been brought before the District Court in Ljubljana for the full amount.

6. Operations by product groups

Below is a detailed presentation of the Petrol Group's operations in the first nine months of 2023 broken down by **product groups**:

6.1 Fuels and petroleum products

In the first nine months of 2023, the Petrol Group generated EUR 2,558.7 million in revenue with the fuels and petroleum products group.

In the first nine months of 2023, the Petrol Group sold 2,874.2 thousand tons of fuels and petroleum products, down by 6 percent compared to the same period last year.

On the **Slovenian market**, we sold 1,174.7 thousand tons of fuels and petroleum products in the first nine months of 2023, a year-on-year decrease of 7 percent. Retail sales of fuels fell the most because of last year's record-high sales achieved in the time of the regulated fuel prices which were lower than in most of the neighbouring countries. Due to the high average temperatures, demand for heating oil as an energy commodity used for heating was lower than last year.

On **SEE markets**, we sold 1,022.4 thousand tons of fuels and petroleum products in the first nine months of 2023, a year-on-year decrease of 9 percent. Retail sales of fuels and petroleum products increased despite the fourteen temporarily closed service stations in Croatia. A drop, however, was recorded in wholesale, especially because of the economic downturn and drop in industrial manufacturing.

On **EU markets**, we sold 677.1 thousand tons of fuels and petroleum products in the first nine months of 2023, a year-on-year increase of 2 percent. While the volumes sold in the first half of the year were much higher year-on-year, sales dropped substantially in the last quarter of 2023.

In the structure of fuel and petroleum product sales, sales to EU markets increased and sales in Slovenia and to SEE markets decreased in the first nine months of 2023 compared to the same period last year (1-9 2023: Slovenia 41 percent, SEE markets 36 percent, and EU markets 24 percent; 1-9 2022: Slovenia 42 percent, SEE markets 37 percent, and EU markets 22 percent).

Of 2,874.2 thousand tons of fuels and petroleum products, 47 percent was sold in retail and 53 in wholesale.

At the end of September 2023, the Petrol Group's retail network consisted of 594 service stations, of which 318 in Slovenia, 202 in Croatia, 42 in Bosnia and Herzegovina, 17 in Serbia, and 15 in Montenegro.

At the end of September 2023, the Petrol Group operated 5 concessions for liquefied petroleum gas supply in Slovenia. In addition, Petrol d.o.o. has two agreements concluded for liquefied petroleum gas supply in Šibenik and Rijeka. We also supply liquefied petroleum gas to our customers via gas holders and at service stations (autogas).

6.2 Merchandise and services

In the first nine months of 2023, the Petrol Group generated EUR 430.1 million in revenue from the sales of merchandise and services.

On the **Slovenian market**, we generated EUR 297.9 million in revenue from the sales of merchandise and services in the first nine months of 2023, up by 10 percent compared to the same period last year.

On **SEE markets**, we generated EUR 132.1 million in revenue from the sales of merchandise and services in the first nine months of 2023, a year-on-year increase of 16 percent.

Revenue was increased in the segment of food and tobacco product sales in Slovenia and SEE markets. A minor drop was only recorded in revenue from carwashes and the fees from foreign currency cash payments.

Significant activities in sales of fuels and petroleum products and merchandise and services

We are consolidating the sales network position by tailoring the business models operated by third parties (bars and restaurants), providing digital solutions (digitisation of forms and upgrade of the SmartSpotter Team tool to track processes) and empowering employees to provide customised services to clients.

In Croatia, targeted trainings are in progress for all service station employees with the aim of improving the customer experience. We have also started measuring customer satisfaction with the Transactional Net Promoter Score (tNPS) in this market, which is described in the in the continuation. Additionally, we have introduced the methodology for calculating the necessary number of FTEs in the Croatian retail network, which will provide for an optimal number of service station employees.

In Slovenia, the remuneration system for service station employees was upgraded via prize promotion campaigns. We have switched from collective remuneration to individual remuneration which also takes into account the collective engagement of employees at service stations. Through this change, we strive to establish a model at service stations which will be more motivationally- and sales-oriented.

In Slovenia, we are changing the structure of service station management. Certain service stations are shifting from the CODO to the COCO model, especially with the purpose to facilitate the operation of the retail network and manage HR challenges.

We are focused on finding new technological and digital solutions to optimise business and administrative processes and to standardise and unify reporting processes and systems in all markets, and to controlling the monitoring the operational efficiency. Some technical solutions are in preparation for service stations in order to optimise administrative work and achieve optimisation in this segment, including communication tools (newsletters), work shift planning, digital processing of documentation, etc. In the last quarter of 2023, the digital platform for documentation processing will also be implemented in the Croatian market.

We provide various educational contents to improve the key competences of all employees so that they are able to offer customised services to customers (education and training for internal coaches, upgrade of process development for service station managers, auditing protocols for the implementation of work processes at service stations, service station tidiness, monitoring the CEX indicator). We are preparing a new educational concept for employees in the sales network, enhancing the network of internal coaches and preparing work standardization in the entire retail network in the region. At service station level, we are developing new educational programmes with a focus on technical and economic know-how.

We also monitor the quality of sales process implementation via outsourcers, that is, mystery shoppers. Customer satisfaction is measured with the Transactional Net Promoter Score survey in which customers provide their feedback regarding their satisfaction with services offered at our stations. This year we also started measuring customer satisfaction on the Croatian market. A big emphasis is put on maintaining cleanliness and tidiness of service stations.

Through monitoring costs by segments and making suggestions for improvement of both operational optimisation and the use of technological equipment, we provide for the cost optimisation of operations. We focus greatly on finding solutions for energy savings and are implementing the operating cost monitoring model and protocol in all markets.

In the B2B segment, we place great emphasis on fostering good business relationships and working successfully with our customers, which has been particularly important in the time of the regulated retail prices and margins of fuels. We attract new customers and offer new products and package sales to those who are already with us. We provide appropriate financial insurance. We have appointed key account managers who provide a comprehensive range of our products for all major clients.

We consider cooperation based on understanding and flexibility as a fundamental principle in this. We are becoming a connecting link in the wider ecosystem of sales segments and industry. With a comprehensive range of energy sources and solutions, we offer support to existing and new customers in the transition from traditional energy sources (fossil fuels) to cleaner, environmentally friendlier and healthier renewable energy sources. We design a personalised range for existing and new customers based on their needs. We actively use and upgrade the Salesforce tool which provides us with a comprehensive insight into information.

We actively participate in public tenders. In the first nine months of 2023, we were successful in the following major public tenders for fuels: Komunalno podjetje Velenje, Javno komunalno podjetje Grosuplje, Arriva, Elektro Gorenjska, Elektro Maribor, Dravske Elektrarne Maribor, Središnji državni ured Republike Hrvatske, Javno preduzeće Autoprevoz Kikinda, Zavod za hitno medicinsku pomoć Novi Sad, Dom za starije i nemoćne osobe Split.

Large-scale investments and reconstructions in the field of the sales of fuels, petroleum products, merchandise and services

In **Slovenia**, we completed the comprehensive renovation of the Koper-Šmartinska service station in the first nine months of 2023; moreover, we completed the installation of central filling cabinets for fuels from car tankers in underground tanks to comply with legal requirements and at two service stations, we changed tankers and filling aggregates and provided for the

technological installation. Comprehensive reconstruction works are in place at the Barje AC – sever and Barje AC – jug service stations. In **Croatia**, seven service stations underwent comprehensive renovation, which included Crodux rebranding and sales of the AdBlue exhaust cleaning agent. Construction works at three service stations – Desinec AC - sjever, Helena AC – zapad and Helena AC – istok are completed and new construction of the Dragalić AC – sjever service station is underway. In **Serbia**, renovation of one service station was completed (Vettnik service station).

Large-scale reconstruction of the railway tanker flow point was implemented at **the petroleum product storage facility in Zalog** and the rehabilitation of one tank is underway. Mechanical installations and the rehabilitation of fire pipelines of one tank were implemented and the central UPS was set up for the supply of vital equipment in case of power outage at the **petroleum product storage facility in Rače**. An extensive investment at the **petroleum product storage facility in Lendava** involves a project of adding biodiesel to diesel fuels. Furthermore, technical security was upgraded. At the **petroleum product storage facility in Sermin**, documentation was prepared to obtain the building permit for culverts under the arterial road; furthermore, the flooring of one tank was repaired, and the building permit was obtained for a new tank. In parallel, several minor investments which are important for uninterrupted operations in line with occupational safety and environmental protection requirements and other legal requirements, are in place at all storage facilities.

6.3 Energy and solutions

In the first nine months of 2023, the Petrol Group generated EUR 2,224.5 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, and energy solutions for households and businesses),
- Heating systems,
- Natural gas distribution,
- Energy commodities (electricity sales and trading, natural gas sales and trading),
- Mobility, and
- Electricity generation.

6.3.1 Energy solutions

In the segment of energy solutions, we generated revenue of EUR 38.9 million in the first nine months of 2023.

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 ensuring savings.

In the first nine months of 2023, the EOL Ig project (6 buildings) and the EUO Ruše project (6 buildings together with partners) were completed. We have continued managing and optimising all buildings in the context of the signed concession agreements.

Efficient public lighting

We are replacing old energy-wasting lights with modern LED luminaires, which direct light only 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 period concerned, three projects were started in Croatia in the field of energy efficient public lighting under the PPA model: Molve, Trogir and Jastrebarsko. We provided services of general economic interest on all projects in the field of public lighting on all markets where we are present. We regularly fulfil our contractual obligations in the existing projects, and achieve, or even exceed, the contractually ensured electricity savings.

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 concerned, activities continued on currently the largest project of operational optimisation and drinking water saving in Croatia (ordered by Vodovod Slavonski Brod and Hrvatske vode). Due to the problems in ensuring assets on the side of investors, the project is implemented at a smaller scale, but still in line with the tender documentation and client's requirements. After the successfully completed upgrade of the AQUIS software for efficient water distribution management within measuring areas of the water system managed by JP VOKA Snaga Ljubljana, the activities have continued in the selected metering areas. The operating conditions of the two previously separate parts of the central water supply system were analysed with the purpose to prevent potential risks in drinking water supply in case of emergency, that is, water plant failure.

At the start of June, we successfully presented the product Water Systems in Serbia. We responded to the invitation of the Union of Engineers and Technicians of Serbia by presenting our good practices and projects in Slovenia. After a successfully organised international Professional meeting "Water Systems" in March, we prepared an idea solution for the digitalisation of services in the SORIKO water system management (in the area of Sodražica-Ribnica-Kočevje) with the company Hydrovod Kočevje.

Optimisation of district heating systems

District heating is a key factor of the green transition which is a long-term process and includes a comprehensive transformation of the society with the goal to achieve climate neutrality. The key strategic document at EU level is the Green Deal which aims at climate neutrality for the EU by 2050 and at cutting CO₂ emissions by 55 percent by 2030 compared to 1990.

Heat generation is one of the largest energy consumers and a field where energy efficiency is one of the goals. The main guidelines for the development of smart district heating systems are to reduce energy consumption, ensure cost-efficiency, and take measures to increase renewable energy sources through the simultaneous digitisation of the system. Through forecasting and mathematical modelling, we can determine the needs of district heating systems, providing a comprehensive and intuitive overview of the situation at all points in the network and the impact of system changes on the primary energy source. Through digitalisation, we ensure that heat losses are reduced and system operating costs minimised, while maximising efficiency, supporting decarbonisation and ensuring grid optimisation.

In the period concerned, 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 implemented regular maintenance work on the district heating system at Komunala Velenje, Energetika Ljubljana and Energetika Maribor.

The monitoring of the Koper, Maribor, Železniki, Trbovlje, and Velenje systems continued. The agreement with EVN Wärme, Austrian company for heat generation and distribution, was renewed for 2023. For Domplan, we are implementing the heating substation upgrade and the SCADA¹ system migration, which is also implemented in the existing heating substations. Seven heating plants of JKP Beogradske elektrane are being monitored and optimised. We expect a new call for tenders by JKP Beogradske elektrane in the fourth quarter of 2023.

In addition to those already mentioned, the following activities were implemented in the first nine months of 2023: a professional workshop was held on the business premises of Petrol d.o.o. Beograd for directors and managers from seven Serbian district heating plants; at Komunalno podjetje Velenje, we presented the annual report on the technological optimisation of the district heating system in the Šalek Valley for the season 2022/2023, which shows potential savings in the amount of EUR 290,000 in the case of managing the entire district heating system based on the anticipated temperature optimisation results. In the first nine months of 2023, activities continued in all district heating plants in accordance with the existing contracts.

Wastewater treatment

Ensuring safe and reliable water supply is one of the key challenges of the 21st 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.

¹ SCADA – Supervisory Control And Data Acquisition

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 are underway; the phase is expected to be completed in 2024. We successfully fulfilled all obligatory services of general economic interest for wastewater treatment on all projects. We actively cooperate in the preparation of new projects in the industry and after-sales services for the existing clients. At the start of the year, we successfully launched the operation of 400 PE small municipal purification plants at motorway service station Povir. The activities to connect a boiler room and activate a sludge drier, which is anticipated at the start of 2024, have continued.

As a wastewater treatment operator, we also take part in the installation and rehabilitation of small treatment plants at Petrol's service stations in Slovenia, and Croatia in the context of Crodux station renovation works.

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 customers in the relevant fields.

In the first nine months of the year, we focused primarily on solving the issue of the high input electricity prices and consequently the high prices of compressed air.

Energy solutions for households and businesses

In the field of energy solutions for businesses we develop comprehensive solutions for an efficient energy use, higher share of renewables, and efficient system management. We help customers optimise production processes, reduce costs and achieve carbon footprint reduction commitments. With our comprehensive energy solutions, we are a partner to customers on their way to sustainable transition and energy transformation.

Our comprehensive energy solutions for the production of electricity from solar power and its storage, as well as for heating and cooling, improvement of energy performance in buildings, efficient lighting, energy self-sufficiency and even for the electric vehicle fleet deliver instant savings to customers. We also offer various financial models for the implementation of such solutions which enable customers to invest their capital in their core activity, while at the same time entering the path of the green transition.

The high prices of electricity on the global market have made electricity generation solutions even more attractive. Among these solutions, solar power plants are at the forefront. In the segment of installing solar power plants for businesses, Petrol has been consistently consolidating its market share and at the same time implementing state-of-the-art technological solutions.

In the first nine months of the year, we also completed 4 major projects with the total nominal power of the solar power plants above 4 MW and hence enabled our customers to generate nearly 5 GWh of their own electricity a year, which will help them to reduce their environmental footprint by roughly 2,000 tons of CO₂ a year.

In the segment of energy solutions for households, we are focused primarily on offering heat pumps and solar power plants which can materially reduce the costs of energy use in residential buildings and help to improve the carbon footprint. Our solar power systems include traditional and hybrid solar power plants with built-in electricity storage system. In the first nine months of this year, we connected more than 60% solar power plants and more than 100% heat pumps more than in the same period last year.

6.3.2 Heating systems

We generated sales revenue of EUR 24.7 million in the first nine months of 2023 in the segment of heating systems.

District heating supply consists of heating systems where heat is produced in one or more boiler rooms and distributed to end customers via a hot-water network. Heat distribution systems are now considered to be one of the most reliable and, in terms of the environment and costs, acceptable systems for supplying heat to end customers. Buildings supplied via a **district heating system** do not require their own heating source, since the system itself provides supply advantages such as a higher energy efficiency, environmental protection, straightforward operation and maintenance, reliability, comfort, and convenience, lower cost of investment, and lower costs of operation and maintenance.

Pursuant to the Heat Supply from Distribution Systems Act (ZOTDS), heat production and distribution is a regulated activity, meaning that the prices of heat are capped. The Slovenian Energy Agency controls the heat production and distribution. In accordance with the aforementioned Act, heat distributors must ensure that at least 50 percent of heat is produced from renewables (biomass, geothermal energy...) or at least 75 percent from high-efficiency co-generation; 50 percent may also be a combination of heat from the two previously mentioned sources.

At the end of September 2023, we operated **35 district heating systems** in Slovenia, of which 19 are concessions, that is, concession agreements have been signed for their operation with municipalities. Thirteen district heating systems are proprietary and three are market distribution systems.

Large-scale reconstruction at the Hrastnik Heat Plant was completed this year. It involved the replacement of natural gas co-generation and two natural gas boilers with the total power of 7 MW and the installation of a new 1 MW biomass boiler. Apart from achieving reduced GHG emissions, the reconstruction has increased the reliability of heat production and distribution and enabled us to comply with the legislative condition of the district heating system being energy efficient. Using various primary energy sources we ensure competitiveness of the price of heat which is important in the times of unpredictable events on the energy market. In implementing heat distribution, we pay special attention to treating all our customers on a non-discriminatory basis.

In the first nine months of 2023, the Petrol Group sold 85.9 thousand MWh of heat in the heating systems segment, which is less than in the same period of 2022 because of the higher temperatures compared to the same period last year and the user saving measures as a result of the high prices of heat and natural gas. Additionally, we generated 11.5 thousand MWh of thermal energy in the context of energy solutions.

6.3.3 Natural gas distribution

In the first nine months of 2023, the Petrol Group generated sales revenue of EUR 12.3 million in the segment of natural gas distribution.

At the end of September 2023, the Petrol Group operated 31 concessions for natural gas supply in Slovenia. In Serbia, we supply natural gas to the municipalities of Bačka Topola and Pećinci and three municipalities in Belgrade. Since the end of 2018, the Petrol Group has been present in the Croatian market with Zagorski metalac d.o.o. which distributes natural gas in certain municipalities of the Zagorje-Krapina and Zagreb Counties.

Activities in all markets have been, and in the coming months will be, focused primarily on completing minor infrastructural facilities and maintenance, which will enable maximum cost optimisation. Due to the high costs of energy and consequently lower purchasing power, the natural gas consumption decreased and customers transferred to less costly energy commodities, which is why we are faced with disconnections by minor customers.

In September, we successfully connected the Vransko concession to the gas transmission network. At the moment, individual customer connections are underway.

In the first nine months of 2023, the Petrol Group distributed 814.3 thousand MWh of natural gas, a year-on-year decrease of 4 percent. Distribution was lower due to the exacerbated situation in the energy sector and the higher average temperatures compared to the same period last year. Moreover, distribution was also lower in Slovenia because of the measure taken by the Government of the Republic of Slovenia regarding the reimbursement of a part of the RES contributions to end users in case of permanently reduced use of gas in the previous winter period by at least 15 percent compared to their average use in the same period of the last five years.

6.3.4 Energy commodities

In the first nine months of 2023, the Petrol Group generated sales revenue of EUR 2,132.2 million from electricity and natural gas trading.

Natural gas sales and trading

At the end of September 2023, the Petrol Group had 61 thousand natural gas customers (excluding the customers of the Geoplin Group). In the first nine months of 2023, 7.9 TWh of natural gas was sold to end customers, down by 7 percent year on year. The volumes sold in trading in the first nine months of 2023 stood at 3.6 TWh.

The reduced supply of natural gas was a result of the call and adoption of EU regulation on a voluntary reduction of natural gas demand between 1 October 2022 and 31 March 2023 by at

least 15 percent compared to the Member States' average consumption in the past five years; member states can freely decide which measures to take to meet the reductions. The Slovenian government implemented these guidelines by adopting the Act on Measures for Management of Crisis Conditions in the Field of Energy Supply, by way of which it ensured reimbursement of a part of the RES contributions to end customers in case of permanently reduced gas consumption. In addition to a 5-percent lower temperature deficit in the second part of the heating season (January-April), the reduced consumption was also a result of the high prices of natural gas – customers started saving more and some of them who had an opportunity to transfer to alternative energy commodities started to temporarily, until the situation on the market of natural gas stabilises, use fuel oil and liquefied petroleum gas.

The security of natural gas supply was stable due to the mild winter and storage facilities in the EU were still around 80 percent full even after the end of the winter of 2022/2023. In the period concerned, the majority of EU member states still had the early warning level in place in line with the acts regulating extraordinary situation in natural gas supply.

At the start of October 2023, storage capacities in the EU were more than 95-percent full and the offer was quite stable. Due to the supply-related uncertainty caused by the political and economic situation, the prices were extremely volatile, and the prices of futures in the CEGH² were between 45 and 60 EUR/MWh. Uncertainty was caused by the temporary closure of the large natural gas pumping site in the Mediterranean, closure of gas pipeline between Finland and Estonia and the potential strike in the Australian natural gas industry, which has now been additionally exacerbated by the armed conflict in the Middle East.

Electricity sales and trading

The Petrol Group is actively present on regional electricity markets. The year 2023 started much calmer compared to the end of 2022 when consumers were forced to conclude contracts at high prices of energy commodities on the markets. The mild winter and a steep drop in electricity consumption by the economy resulted in a decline of electricity prices, which was certainly welcome for the exhausted economy. The favourable situation on electricity markets continued in the period concerned, resulting in the stabilisation of energy prices on wholesale markets. The price of electricity for supply in 2023 is substantially lower compared to the end of 2022. In the third quarter of the year, it was around 150 EUR/MWh.

Due to the electricity price regulation which includes almost all segments of customers, the number of households and small business that changed suppliers dropped, while large business customers are still looking for the most cost-effective supplier given the market situation. As a result of the impact of electricity price regulation on operations, electricity suppliers are entitled for a compensation for the difference between the higher market price of energy and the lower regulated retail price.

The devastating flooding that affected many parts of Slovenia and damaged the electricity power network was absolutely one of the most significant events that marked the third quarter of 2023. The Petrol Group has joined the government's initiative and will supply electricity to all affected households at the symbolic price of 1 EUR/MWh until the end of the year.

² CEGH – Central European Gas Hub

We are expanding sales of electricity to end customers (businesses and households) to the market of SE Europe where we are especially actively expanding our portfolio in Croatia in the field of electricity supply to businesses.

At the end of September 2023, the Petrol Group had 225 thousand electricity customers.

At the end of September, the Petrol Group had 191 thousand household customers, of which electricity was regularly supplied to 185 thousand and 6 thousand were on self-supply. While the number of all households supplied by us has not materially changed this year (also as a result of electricity price regulation in 2023, hence the unified prices between suppliers), we have recorded transfers from regular supply to self-supply with the number of self-supplied customers having increased by 48 percent compared to the end of 2022. At the end of September 2023, the number of business customers stood at 33 thousand.

In the first nine months of 2023, sales to end customers stood at 2.3 TWh, a year-on-year decrease of 5 percent. In the first nine months of 2023, the volumes sold in trading stood at 5.7 TWh, and we sold another 1,4 TWh of electricity in the context of the retail portfolio management.

6.3.5 Mobility

In the first nine months of 2023, the Petrol Group generated EUR 3.5 million in sales revenue from sales of mobility services and products.

Charging infrastructure

The development of charging infrastructure relies on key partnerships with the largest energy companies, municipalities, and transport businesses in Central and South-Eastern Europe in the framework of three projects co-financed by the European Commission.

In the first quarter of 2023, we completed the final report for the **NEXT-E** project and submitted it to the European Commission. The report was fully approved in July 2023 which has ensured us a 100-percent grant based on the tender conditions.

In the context of the **URBAN-E** project, we organised an on-line event in January where we presented the project results achieved in cooperation with key stakeholders in the field of urban e-mobility, namely representatives of the European Commission's Directorate-General for Mobility & Transport, European Climate, Infrastructure and Environment Executive Agency (**CINEA**), Eurocities, Ministries of Infrastructure of Slovenia and Slovakia, energy companies and project partners, and started preparations for the implementation of the last project revision for 2022. In June, Petrol's largest charging park opened at the location of the main railway station in Ljubljana. The new charging park is the first partner location of Petrol and Slovenian Railways in Slovenia under the URBAN-E project; it offers two fast 50 kW chargers to EV users and five slow 22 kW chargers and an option to charge 14 vehicles at a time. The charging park is also ready for further expansion with additional 6 slow chargers and additional 12 charging or parking places. This enables travellers to reach the railway station with their electric vehicles, park there and travel by train in Slovenia and abroad.



Petrol's largest EV-charging park in Ljubljana by the central Ljubljana railway station set up under the URBAN-E project

Source: Petrol archive

In Zagreb, we commissioned and put into public service the last 21 charging points from the URBAN-E project (of which 19 slow and 2 fast) at 11 locations.

Through the **MULTI-E project**, we continue expanding our market presence with new types of charging stations in Slovenia and Croatia. In the first nine months of 2023, we commissioned 2 AC charging points and 2 ultra-fast charging points and put into public service 27 charging points in Slovenia and 6 in Croatia. We have set up the first 2 mini ultra-fast charging stations and 6 AC charging points of lower power. AC charging points were also installed in car parks (Šentpeter, Meksiko) and in front of Petrol's building in Zagreb. 6 AC charging points at Ljubljana's central railway station were put into service.

In addition to our own investments, we expanded the charging infrastructure by selling charging stations to private and business users in both Slovenian and Croatian markets. On the business side, we continue to deliver successful sales projects. At the end of February, we set up and commissioned an ultra-fast charging station at Marprom for buses of the city of Maribor. We were also successful in the public tender issued by the Faculty of Computer and Information Science where we delivered and installed 4 slow charging stations in 2023.



Ultra-fast e-bus charging station in the City of Maribor

Source: Petrol

The recognisability of Petrol's charging station network at foreign charging service providers has been increasing. Through cooperation and connections via an international platform, the

cooperation has increased to 42 partnerships with charging service providers who provide their services in Petrol's network in Slovenia and Croatia.

At the end of September 2023, the Petrol Group operated 476 electric vehicle charging points.

Mobility services

In the area of **mobility services**, we develop services related to new concepts and forms of mobility. We offer **fleet management** services and provide mobility through vehicle leasing and rental on the market. In addition, we aim to be a partner to companies and municipalities in the green transition and in achieving their sustainability goals through fleet electrification.

Companies that are committed to operating more sustainably or optimising their business efficiency are increasingly turning to alternative forms of mobility, such as giving up their own vehicles and resorting to experts to help them manage their own fleets. We offer integrated mobility solutions in fleet management, long-term corporate leasing, short-term vehicle rental, door-to-door services and fleet analysis and optimisation. Services are also complemented by charging stations and charging solutions.

In the field of long-term leasing, we entered into partnership with Dars d.d., with which we already actively cooperate in the field of vehicle provision. We also continue the vehicle as a service project through which we enable fleet electrification for municipalities and companies. We started offering long-term leasing of used vehicles from our own rent-a-car fleet which allows clients to have immediate access to vehicles – this is our competitive advantage in the times of low availability of vehicles.

We have continued expanding our cooperation with Palfinger and electrifying their vehicle fleet by adding electric and hybrid vehicles to their fleet via long-term leasing. We have successfully continued our cooperation with the Laško Union Brewery and various public institutions, such as Logatec Municipality, Public Institute Sotočje Medvode, Agricultural Cooperative Agraria, Association of Municipalities and Town of Slovenia, etc.

In the segment of seasonal short-term rentals, our results are on a par with those from last year. In the main season, fleet availability has increased by 5 percent compared to last year. A major expansion to international markets via brokers is an important step forward. In the domestic market, we focus more on clients from the B2B segment with whom we enter into long-term partnerships. At the start of the year, we implemented a pilot car sharing project using Petrol's fleet at the Stegne location based on which we want to establish the advantages and options of introducing such system to vehicle fleets.

We are the first provider of short-term vehicle rentals for the Ministry of Defence of the Republic of Slovenia and have entered into new partnerships with some companies in the same field.

In Croatia, we have registered our company Atet Mobility Zagreb in order to launch our mobility services on the Croatian market. We have started the activities for taking over the management of Petrol d.o.o.'s fleet.

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.

6.3.6 Electricity generation

In the first nine months of 2023, the Petrol Group generated sales revenue of EUR 12.8 million from electricity generation.

Renewable electricity generation is without a doubt one of the key fields of sustainable development in global terms and **an important pillar of the Petrol Group's development** into a modern energy group. The events and turmoil in the energy markets in 2022 are an important indicator of the importance of having own, long-term energy generation sources.

The Petrol Group currently operates two **wind power plants** in Croatia (Glunča and Ljubač), which generated 94.6 thousand MWh of electricity in the first nine months of 2023. We are also in the final stage of developing the third with power plant (Dazlina).

In Slovenia, we currently operate **30 small solar power plants**. In Bosnia and Herzegovina and in Serbia, we operate six **small hydropower plants**, which generated a total of 22.3 thousand MWh of electricity in the first nine months of 2023.

The project to build one of the largest **solar power plants** in the region, in the context of three locations surrounding our Ljubač wind park (Suknovci, Vrbnik and Pliskovo) with a total capacity of 22 MW, is in the final phase of ensuring power plant connections to the grid and commissioning. The expected start of power plant connecting to the grid and commissioning is in November 2023.

As part of the Petrol Green project, the installation of solar power plants is underway at a total of 87 locations in the context of project phases 1, 2, and 3. The first power plants have already been connected to the grid. All three project phases are expected to be implemented by the end of 2023. Activities to obtain documentation and the necessary permits for the next project phase which covers around 60 locations in Slovenia and project expansion to Croatia and Serbia run in parallel.

At the Petrol Group, we are planning and developing new renewable energy projects in the field of utilising renewable energy sources in Slovenia and the wider region at an accelerated pace.

In the first nine months of 2023, the Petrol Group generated 122.3 thousand MWh of electricity in the energy generation segment, a year-on-year increase of 2 percent. Additionally, 10.7 MWh of electricity was generated in the context of energy solutions and heating systems.

7. Major corporate projects

'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.

A number of workshops were carried out to coordinate business process lists and confirm blueprints. The development phase is underway – the development of solutions and interfaces and preparation of development and test environments for systems (initial activities).

Renewable electricity generation

Suknovci, Vrbnik, Pliskovo: The construction project of one of the largest solar power plants in the region, involving three locations which surround our Ljubač wind park, is in the final implementation phase. The total installed capacity of the power plants is 22 MW. The project is in the final phase of implementing the connections which will enable connecting the power plants to the grid. The power plant is expected to start operating in November 2023.

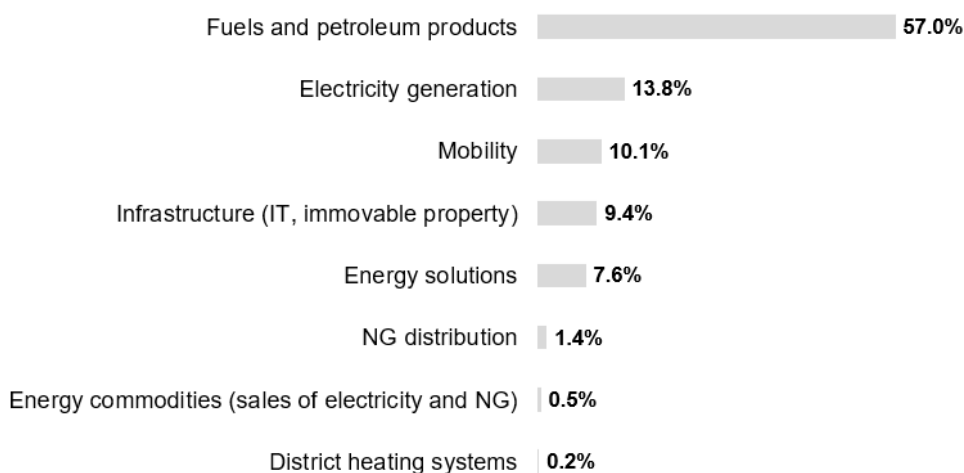
Dazlina wind power plant: The development of the Dazlina wind power plant project (31.5 MW) has continued. The project is in the designing phase of the procedure to obtain the location permit. The technical part of the procurement procedure for the selection of the wind aggregate provider and the technical due diligence of producers and wind aggregates is underway.

RES – Petrol Green: We have been installing solar power plants on several Petrol stations, thereby pursuing the Petrol Group's sustainable development commitments. The installation of solar power plants is underway on 87 locations (a total of 4.5 MW). The first solar power plants have already been connected to the grid and we expect to finish the project by the end of 2023. Activities to obtain the documentation and necessary permits for the next project phase, which includes 60 locations in Slovenia and project expansion to Croatia and Serbia, run in parallel.

8. Investments

In the first nine months of 2023, we earmarked EUR 57.7 million net for investments in property, plant and equipment, intangible assets and long-term investments, of which 57.0 percent for sales of fuels and petroleum products, 13.8 percent for renewable electricity generation, 10.1 percent for mobility, 9.4 percent for infrastructure (IT, immovable property), 7.6 percent for energy solutions, 1.4 percent for natural gas distribution, 0.5 percent for energy commodities, and 0.2 percent for heating systems. In the first nine months of 2023, 33.6 percent of investments were earmarked for the energy transition.

Breakdown of the Petrol Group's investments in the first nine months of 2023



9. 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 line with its 2021–2025 strategy, the Petrol Group tailors its business objectives according to its risk management policies and risk appetite.

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

In the first nine months of 2023, the upward price trend of all energy commodities continued. We monitored closely the Russo-Ukrainian situation which had an effect on the prices and, consequently, the operations of the Petrol Group. Furthermore, the first nine months of 2023 were still marked by changes or limitation of prices of various energy commodities adopted by governments of the countries where the Petrol Group operates, which further affected the Petrol Group's operations. Decrees and regulations adopted by individual countries are described in detail in section "The Petrol Group's performance analysis" 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.

Based on the last risk assessment, the most relevant and probable financial risks are the credit risk, the price and volumetric risks, and the 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 commodities, 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 brought uncertainty and challenges in petroleum product supply. Despite the exacerbated situation, smooth supply of petroleum products has been ensured, but the market has remained highly volatile. For 2023, we ensured enough commodities in line with the established sanctions at the annual level already prior to the established sanctions.

Electricity operations expose the Petrol Group to price and volumetric risks. In the period from 1 January to 30 September 2023, the prices of electricity, based on the Hungarian power futures in 2024, were more stable than in 2022. In the period concerned, the average day price of electricity was EUR 157.35 per MWh, down by 50% compared to the average day price (for year ahead) in the same period of 2022. Nevertheless, the average price in 2023 is by 67 percent higher than the average in the period of 2021 when it stood at EUR 94.45 EUR per MWh. Despite the high prices of electricity, a downward price trend has been seen with the average price in the third quarter being by roughly 14 percent lower than the average price in the first quarter of 2023. High prices of electricity elevate price risks, which the Group manages with a range of cap 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 Petrol Group also regularly monitors the adequacy of the cap 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

Credit risk was assessed as the most important risk among all financial risks in 2021, also as a result of the pandemic. 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. In the first half of 2023, we upgraded our internal model to assess the creditworthiness of clients which has further improved our resilience to the expected exacerbation of the situation. Moreover, we are upgrading our procedures for approving the amount of exposure (limits) to individual buyers and 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. Centralised control over received insurances and over recovery has been introduced.

In the past, the pandemic caused an economic downturn which faced companies with liquidity shocks, and these increased the credit risk among our customers. In the recent period, the intensified situation and related higher credit risk represent primarily high prices of energy commodities and higher interest rates applicable to borrowings taken by companies. At the Petrol Group, we continued to pay close attention to the increased risk indicators in the first nine months of 2023 and held intensive communication with our buyers. 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 specifically to partners in the electricity and natural gas sales segment where the Hungarian power futures price for 2024 (on the European Energy Exchange – EEX³) was by approximately 40 percent lower as at 30 September 2023 compared to the futures price as at 30 December 2022, which is still high, but with a noticeable downward price trend. As at 30 September 2023, the gas futures price at CEGH⁴ for 2024 was also lower compared to the futures price as at 30 December 2022, by about 38 percent. In order to limit credit and price risks, a policy for electricity and natural gas sales was adopted at the end of 2022; it determined a more rigorous method of entering into transactions for 2023. Additionally, a methodology to systematically address higher assumed risks via a higher contract margin (the risk/reward aspect) was adopted.

We estimate that the Petrol Group has been managing credit risk satisfactorily. 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. 76 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 93 percent.

³ EEX – European Energy Exchange

⁴ CEGH – Central European Gas Hub

In the area of credit risk management, we closely follow all the procedures of credit insurance companies. The Petrol Group has secured 85 percent of all receivables, which individually exceed a nominal value of EUR 100,000. We monitor customer payments on a daily basis and, where appropriate, adopt measures to reduce credit risk. Despite the negative impact on the economy, payment discipline has not significantly deteriorated so far.

Liquidity risk

The Petrol Group's stability is affirmed by the long-term BBB- rating with a stable outlook, which was reaffirmed by S&P Global Ratings in December 2022. 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 Global Ratings methodology. On 20 July 2022, S&P Global Ratings announced on Bloomberg website that it 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. Despite the stringent business conditions, S&P Global Ratings reaffirmed Petrol d.d., Ljubljana's long-term rating of BBB- and short-term rating of A-3 with a stable outlook in December 2022.

The Petrol Group's liquidity position has remained stable in the first nine months of 2023, both at the level of the Group and individual subsidiaries. We have ensured liquidity of the Petrol Group through an appropriate structure and volume of long-term and short-term credit lines. By having obtained additional lines of credit in the second half of 2022, we have consolidated the Petrol Group's stable liquidity position, which ensures us with smooth operations and an appropriate liquidity structure under S&P Global Ratings criteria if the general economic situation deteriorates, and we have maintained the balance of the lines of credit in the first nine months of this year. Risks are managed with a dispersed portfolio of credit lines, regular reviews of the market situation on the financing market, appropriate processes of financial planning and prudent investment planning.

The current events in the business and broader social environment in the EU and globally are strongly affected by the war in Ukraine, the situation on the energy markets, the various national approaches to motor fuel and energy commodity price regulation aimed at mitigating the effect of the energy crisis on the population and companies, and the high inflation. To this end, the Petrol Group continues to work intensively, paying close attention 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.

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 nine months of 2023, we witnessed noticeable changes of the EURIBOR interest rates compared to those in 2022. These changes can be attributed to various macroeconomic factors, including changes of the central bank's policies, inflationary pressures, and the market dynamic. The average EURIBOR value in the first nine months of 2023 was higher than the value at the end of 2022.

Given the increasing EURIBOR interest rates, consequences are being constantly assessed and the situation on financing markets carefully monitored. By implementing adequate risk mitigation strategies, we endeavour to effectively manage exposure to interest rates, ensure stability and optimise returns.

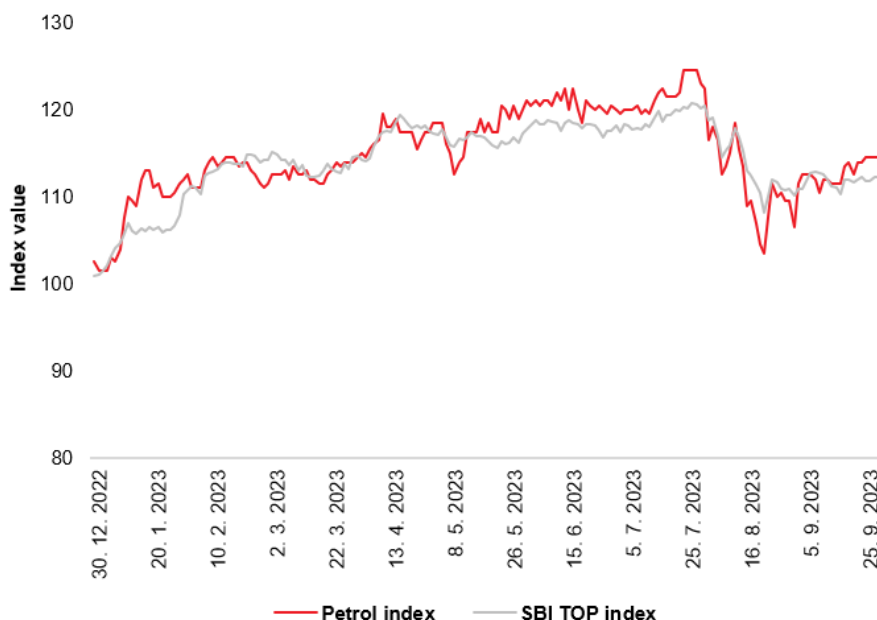
The Petrol Group also manages the interest rate risk by concluding traditional derivative financial instruments (interest swaps and forward interest rate agreements). The Petrol Group has derivative financial instruments for all concluded and drawn long-term loans with a variable interest rate, thereby protecting its interest position.

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

10. Share and ownership structure

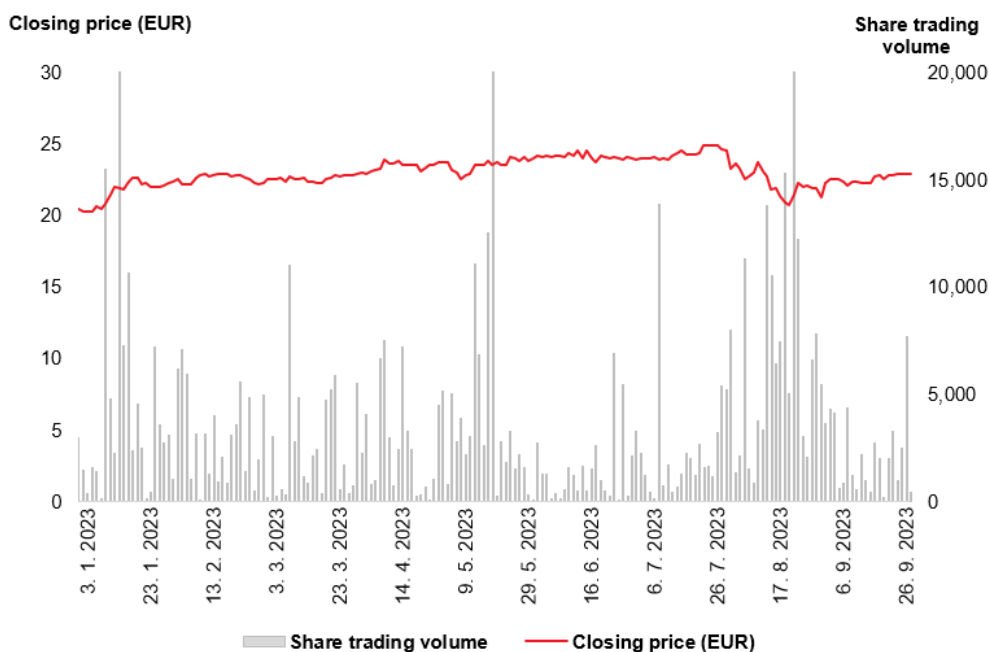
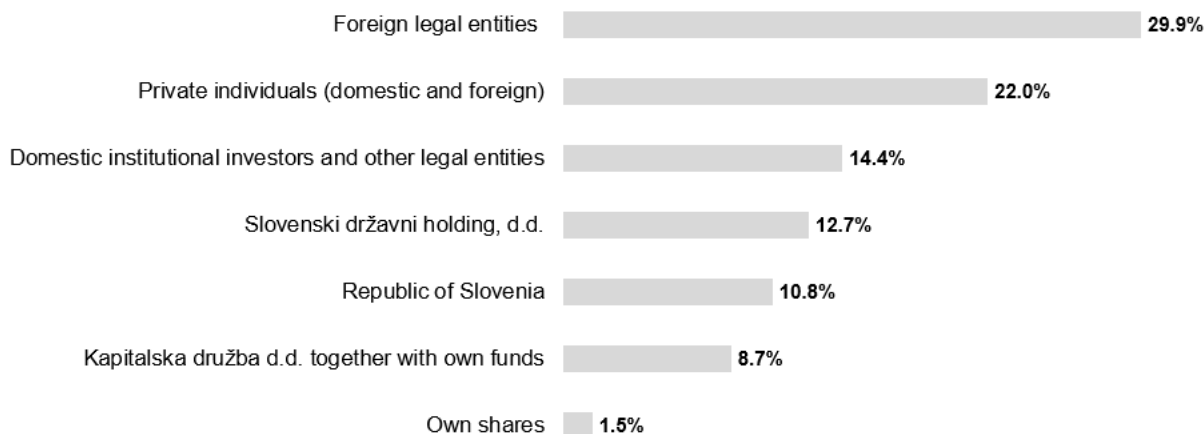
In the first nine months of 2023⁵, prices of shares on the Ljubljana Stock Exchange mostly increased compared to the end of 2022. The SBITOP (the Slovenian blue-chip index, which is used as a benchmark and provides information on changes in the prices of the most important and liquid shares traded on the regulated market and which includes Petrol shares) stood at 1,174.31 at the end of September 2023 and was up by 12.3 percent compared to the end of 2022 when it stood at 1,046.13. In the same period, the price of the Petrol share increased by 14.5 percent. In terms of the Petrol share trading volume on the Ljubljana Stock Exchange in the period between January and September 2023 (including batch trading), which stood at EUR 14.6 million, the Petrol share was ranked fifth among the shares traded on the Ljubljana Stock Exchange. In terms of market capitalisation, which stood at EUR 955.5 million as at 30 September 2023, the Petrol share was ranked third on the Ljubljana Stock Exchange, accounting for 11.1 percent of the total Slovenian stock market capitalisation on the same date.

Base index changes for Petrol d.d., Ljubljana's closing share price against the SBITOP index in the first nine months of 2023 compared to the end of 2022



In the first nine months of 2023, the closing Petrol share price ranged between EUR 20.3 and EUR 24.9 per share. The average price for the period stood at EUR 23.0 EUR; at the end of September 2023, it stood at EUR 22.9. The Petrol Group's earnings per share (EPS) of the majority shareholders stood at EUR 2.32 and the Petrol Group's book value per share was EUR 21.63. As at 30 September 2023, Petrol d.d., Ljubljana had 21,305 shareholders; 12,527,136 shares or 30.0 percent of all shares were held by foreign legal entities or natural persons. Compared to the end of 2022, the number of foreign shareholders decreased by 0.4 percentage points.

⁵ Sources of data for chapter "Share and ownership structure": Ljubljana Stock Exchange website, Petrol share register, statements of the Petrol Group for January–September 2023.

Petrol share closing price and trading volume on LJSE in the first nine months of 2023**Ownership structure of Petrol d.d., Ljubljana as at 30 September 2023****Changes in the ownership structure of Petrol d.d., Ljubljana (comparison between 30 September 2023 and 31 December 2022)**

Petrol d.d., Ljubljana	30. September 2023		31 December 2022	
	No. of Shares	in %	No. of Shares	in %
Slovenski državni holding, d.d.	5,299,220	12.7%	5,299,220	12.7%
Republic of Slovenia	4,513,980	10.8%	4,513,980	10.8%
Kapitalaska družba d.d. together with own funds	3,619,684	8.7%	3,642,789	8.7%
Domestic institutional investors and other legal entities	6,026,780	14.4%	5,906,011	14.2%
Foreign legal entities	12,484,418	29.9%	12,628,247	30.3%
Private individuals (domestic and foreign)	9,167,478	22.0%	9,121,313	21.9%
Own shares	614,460	1.5%	614,460	1.5%
Total	41,726,020	100.0%	41,726,020	100.0%

Ten largest shareholders of Petrol d.d., Ljubljana as at 30 September 2023

Shareholder	Address	Number of shares	Holding in %
1. J&T BANKA A.S. - FIDUCIARNI RAČUN	Sokolovská 700/113A, 18600 Praha, Czechia	5,333,200	12.78%
2. SDH, D.D.	Mala ulica 5, 1000 Ljubljana	5,299,220	12.70%
3. REPUBLIKA SLOVENIJA	Gregorčičeva ulica 20, 1000 Ljubljana	4,513,980	10.82%
4. KAPITALSKA DRUŽBA, D.D.	Dunajska cesta 119, 1000 Ljubljana	3,452,780	8.27%
5. OTP BANKA D.D. - CLIENT ACCOUNT - FIDUCI	Domovinskog rata 61, 21000 Split, Croatia	2,872,108	6.88%
6. ERSTE GROUP BANK AG - PBZ CROATIA OSIGUR	Am Belvedere 1100 Wien, Austria	1,707,944	4.09%
7. VIZIJA HOLDING, D.O.O.	Dunajska cesta 156, 1000 Ljubljana	1,582,480	3.79%
8. VIZIJA HOLDING ENA, D.O.O.	Dunajska cesta 156, 1000 Ljubljana	1,350,700	3.24%
9. MUSTAND ENERGY LIMITED	Klimentos 41-43, Klimentos Tower, Nicosia, Cyprus	796,000	1.91%
10. PERSPEKTIVA FT D.O.O.	Dunajska cesta 156, 1000 Ljubljana	725,240	1.74%

Shares owned by members of the Supervisory and Management Board as at 30 September 2023

Name and Surname	Position	Shares owned	Equity share
Supervisory Board		1,760	0.0042%
External members		0	0.0000%
1. Janez Žak	President of the Supervisory Board	0	0.0000%
2. Borut Vrviščar	Deputy President of the Supervisory Board	0	0.0000%
3. Aleksander Zupančič	Member of the Supervisory Board	0	0.0000%
4. Alenka Urnaut	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%
Internal members		1,760	0.0042%
1. Marko Šavli	Member of the Supervisory Board	1,760	0.0042%
2. Alen Mihelčič	Member of the Supervisory Board	0	0.0000%
3. Robert Ravnikar	Member of the Supervisory Board	0	0.0000%
Management Board		180	0.0004 %
1. Nada Drobne Popović	President of the Management Board	80	0.0002%
2. Matija Bitenc	Member of the Management Board	0	0.0000%
3. Jože Smolič	Member of the Management Board	0	0.0000%
4. Marko Ninčević	Member of the Management Board	0	0.0000%
5. Sašo Berger	Member of the Management Board	0	0.0000%
6. Zoran Gračner	Member of the Management Board and Worker Director	100	0.0002%

Contingent increase in share capital

In the period until 30 September 2023, no resolution regarding the contingent increase in share capital was adopted at the General Meeting of Shareholders of Petrol d.d., Ljubljana.

Dividends

In accordance with the resolution passed at the 37th General Meeting of Shareholders held on 18 May 2023, Petrol d.d., Ljubljana, paid out a gross dividend of EUR 1.5 per share on 4 August 2023. In 2022, a gross dividend of EUR 30.00 per share was paid out for 2021 (EUR 1.5 gross per share, by taking into account the share split in the 1:20 ratio from 1 November 2022).

The Petrol (PETG) share split

On 1 November 2022, Petrol d.d., Ljubljana, executed the PETG share split in the 1:20 ratio (after the split, the number of PETG shares is 41,726,020) in accordance with the resolution adopted at the 34th General Meeting of Shareholders, after the effective date of the resolution on the amendment of the Articles of Association by entering such amendment into the Register of Companies, executing a corporate action and implementing the stipulated procedures in the Central Securities Register at KDD d.o.o. and Ljubljanska borza, d.d., Ljubljana. The share capital of Petrol d.d., Ljubljana, amounting to EUR 52,240,977.04 has stayed the same after the PETG share split.

Own shares

Petrol d.d., Ljubljana, did not repurchase its own shares in the period from January to September 2023. As at 30 September 2023, the number of own shares stood at 614,460, representing 1.5 percent of the share capital. This includes 494,060 own shares that were acquired by Petrol d.d., Ljubljana, in the period from 1997 to 1999. Their total cost was EUR 2.6 million as at 30 September 2023 and was EUR 8.7 million lower than their market value on that date. The remaining 120,400 shares are considered as own shares which were held by Geoplin d.o.o. Ljubljana at the time it was consolidated into the Petrol Group.

Petrol d.d., Ljubljana's own shares, excluding Geoplin d.o.o. Ljubljana's shares, in total amounting to 722,840, or 36,142 prior to the split, 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 34th 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 entered into effect on 30 November 2022.

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, one-on-one meetings and presentations and public presentations of the company. We regularly attend annual investor conferences organised by stock exchanges, banks and brokerage companies. In the first nine months of 2023, we held some conference calls with investors and analysts. We participated in events organised by the Ljubljana Stock Exchange: the webinar "Slovenian Stock Companies Online" in March and September, the event "Trade on the Stock Exchange" in May, and the event "Slovenian and Croatian Investor Days – CEE Investment Opportunities" in Zagreb in June.

SUSTAINABLE DEVELOPMENT

11. Responsibility towards the natural environment

At Petrol, we continue carrying out activities related to the sustainability strategy which is focused on the transition to a low-carbon company by taking account of circular economy in partnership with employees and the social environment.

We have prepared the Report on Sustainability Activities and Investments for Petrol d.d., Ljubljana, and the direct subsidiaries in Slovenia and Croatia for the financial year 2022, pursuant to the Taxonomy Regulation.

In August, we published the ESG rating which was awarded to Petrol d.d., Ljubljana, by S&P Global Ratings based on an in-depth analysis. We received the evaluation score of 56 with adequate preparedness, which is above the global oil and gas sector average score of 54 (source: Sustainable Finance Newsletter, August 2023). This is an important step in Petrol's commitment to environmental, societal and management responsibility.

In its report, S&P Global Ratings pointed out that Petrol d.d., Ljubljana's adequate preparedness reflects its agility in adapting and responding to a volatile business environment, also during the pandemic and the energy crisis. According to S&P Global Ratings, Petrol d.d., Ljubljana endeavours to build a more resilient business portfolio by offering clean energy and performing other activities focused on the energy transition.

We have set up project valuation based on ESG indicators for development project management in the Jira information tool and added a new ESG criterion for supplier compliance assessment.

We have continued the Me Too project to raise employee awareness about the sustainable footprint optimisation. We also invited our employees to participate in the survey "My Carbon Footprint" in which they evaluated their carbon footprint at home and at workplace.

With the purpose of achieving sustainable operations and management of ESG risks, Petrol has continued to implement, in accordance with TCFD guidelines, the methodology and tool to estimate the effect of climate change risks and opportunities on the operations, strategy, and financial planning.

We have adopted the Petrol Group's climate policy which is aimed to establish a framework for the preparation of the Petrol Group's strategy and business model, with commitment to fight the climate change. The Petrol Group has included environmental performance and fight against climate change as one of the foundations of its strategic development and sustainability management system.

In September, we published the Sustainability Report of the Petrol Group for 2022 in which we report on the achievements in 2021 and 2022. We have upgraded the reporting on strategic objectives by 2025 in accordance with the ESRS structure and defined them pursuant to the TCFD methodology, meaning that in addition to the objectives, we have defined both the metrics, actions to be taken and responsibilities. In terms of content, this is the most extensive sustainability report thus far.

For the second year in a row, we have calculated the carbon footprint for Petrol d.d., Ljubljana, (excluding the Energy Generation, Energy Solutions and Mobility segment and the Heating

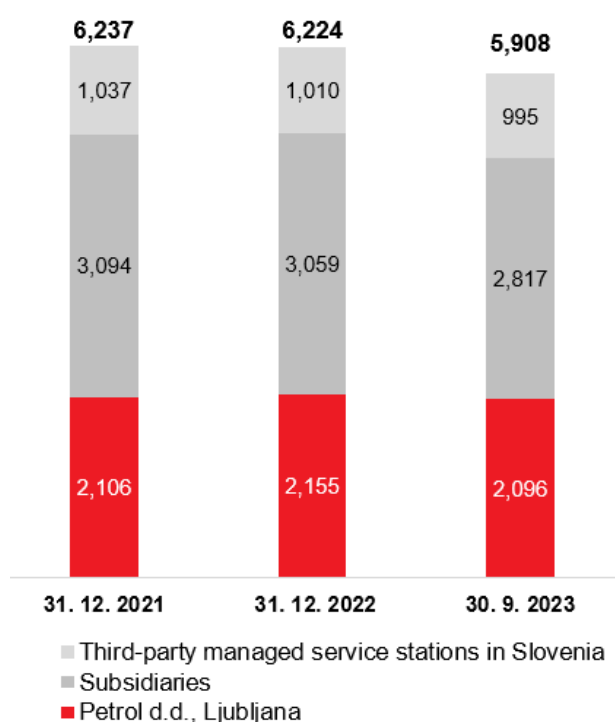
Systems department) which stood at 18,775.73 tons CO₂-eq in 2022 compared to 21,697.06 tons CO₂-eq in 2021, representing a decrease of 13.5 percent or nearly 1 ton CO₂-eq per employee as a result of using less emission-intensive electricity. In 2022, we added the Energy Generation, Energy Solutions and Mobility segment and the Heating Systems department to the basic calculation of Petrol d.d., Ljubljana's carbon footprint, whereby the carbon footprint stood at 71,629.34 tons CO₂-eq, of which the majority part was accounted by natural gas for the use in heat and electricity co-generation devices (52.7 percent), followed by electricity (7.3 percent), refrigerant gases (5.5 percent) and in lower shares also liquefied petroleum gas for heating, fuel oil, diesel fuel, petrol and LPG for vehicles.

12. Employees

As at 30 September 2023, the Petrol Group had 5,908 employees, of which 45.3 percent worked for subsidiaries abroad. Compared to the end of 2022, the number of Petrol Group employees decreased by 316 in both the subsidiaries, Petrol d.d., Ljubljana, and third-party operated service stations. The main drop in the number of employees was recorded in subsidiaries abroad.

Due to the increased need for workforce during the tourist season, we introduced HR agency recruiting at Petrol d.o.o. in Croatia.

Changes in the number of employees of the Petrol Group and at third-party managed service stations in the period 2021–2023



Training

We provided **67,746 teaching hours of training** until 30 September 2023. In the context of this, we recorded **18,796 attendances**.

This year, we continued the Strategy in Action programme in the context of which we organised additional activities – group and team coaching. In addition, 4 groups of managers completed year 1 of the Professional Development of Managers programme. We organised four kick-off strategic workshops – Petrol employees for a 40 percent lower carbon footprint – Me too! In cooperation with colleagues from the Development Need and Project Management segment, we organised trainings for project managers. In the context of the Open Space, we organised 30 different workshops and events. Throughout the year, we continued to promote and communicate the use of the Mojeznanje.si learning platform where more than 490 employees

are already registered. Employees can also access the Udemy for Business platform. At the end of September, 10 groups started a business English course.

In the field of Retail, we organised a training Energy and Water Management at Service Stations in the Period of High Energy Prices for all service station managers. Our in-house coaches provided trainings Energy for an Excellent Sales Procedure for our sellers and we continued our cooperation with an outsourcer for module 2 of the Energy for Management on the topic of Coaching meeting for service station managers. In June, we invited all service station managers in Slovenia to the 4th Retail Day. We held an in-house Coaching with service station managers and Retail Process Renewal – overview and challenges where we invited some managers from different service stations (motorway, transit, city). We organised the finals for 18 finalists of the Top Seller 2023 competition. Our employees also attend various conferences: Slovenian Engineering Day, Lighting 2023, Infosek 2023, Sustainable Energy Locally, GBC Sustainability Conference (Green Building Council), Management Congress.

We also held regular legally required trainings, such as fire safety, HACCP, job coaching seminars and many e-courses. We held a practical presentation of fire extinguishing at the business building on Dunajska 50 to revise our knowledge and practise fire extinguishing on a simulator. Many employees attended the legally required programmes in the field of technology and energy. Moreover, employees were invited to complete the e-course in fire safety and workers at service stations revised the contents of fire extinguishing in case of fire and they also used a simulator to extinguish fire. We started the licencing for road tanker drivers who are now qualified in safety in fuel storage facilities and service stations both theoretically and practically. In the field of technology and energy, employees successfully passed exams in gas installation EX devices. At Terminal Instalacija Sermin, we additionally trained some employees to work as train drivers on the industrial railway track.

13. Quality control

Quality and excellence are embedded in the Petrol Group's strategy for the 2021-2025 period, which is why we are constantly upgrading and expanding our quality management systems. Petrol has the following **certified systems** in place: quality management system (ISO 9001), environmental management system (ISO 14001), and energy management system (ISO 50001). In addition to the certified systems, the Company's comprehensive quality management system incorporates the requirements of the HACCP food safety management system, of the ISO 45001 occupational health and safety system and of the ISO 27001 information security system. Petrol d.d., Ljubljana has a Responsible Care Certificate for its activities relating to storage, logistics and the retail network of service stations in Slovenia, an FSC certificate for the sale of FSC-certified products, and an ISCC certificate for trading and storing renewable energy sources.

Regular activities related to the maintenance of the quality management systems have been in place in 2023. At the end of 2022, a surveillance audit was carried out at an inspection body accredited in accordance with the SIST EN ISO/IEC 17020:2012 (General criteria for the operation of various types of bodies performing inspection), which has 13 accredited test methods for the inspection of flow and tyre pressure measuring devices, of pressure equipment, of the tightness of fixed steel reservoirs, of the wall thickness of liquid fuel reservoirs, of the measurement of the dielectric strength of liquid fuel reservoir insulation and of the measurement of noise in the natural and living environment. The validity of the accreditation certificate was extended.

In January 2023, a surveillance audit of the energy management system was performed at Petrol d.d., Ljubljana. The validity of the certificate was preserved.

At Petrol d.o.o., Beograd, a recertification audit under the ISO 9001, ISO 14001 and ISO 45001 standards was conducted in respect of the Industrial Equipment Sale, Engineering and Project Management Process. The validity of the certificates was extended until 2026.

At Beogas d.o.o., a surveillance audit of the ISO 9001:2015 quality management system was conducted in March 2023. 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 2024.

In April, a recertification audit of the ISO 9001 quality management system and the ISO 14001 environmental management system was conducted at Petrol d.d., Ljubljana. The inconsistencies which were recorded during the audit were eliminated and the Company received the ISO 9001 and ISO 14001 certificates with the validity until 13 May 2026.

In May, a surveillance audit of the ISO 9001 quality management system and the ISO 14001 environmental management system was conducted at Petrol d.o.o. No inconsistencies were recorded.

An extraordinary ISCC audit was performed in June. No major inconsistencies were found. In July, annual reporting was held with the aim of keeping the EQTM⁶ certificate for QMax fuels. The EQTM certificate is awarded by the EOQ. The certificate has remained valid until July 2025.

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	EQTM, 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 45001:2018

* 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.

⁶ EQTM – European Quality Trademark

14. Social responsibility

Engaging in social and environmental issues has been part of 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 working together with the environment in which we operate.

Through the **Our Energy Connects** project, we have helped organisations and individuals in the local environment and granted funds to various associations, societies, schools, etc. for more than a decade. In the first three months of this year, we collected Petrol's Golden Points for humanitarian purposes. Donations made by Petrol's buyers via Golden Points were given to the Red Noses and the Slovenia Forest Service, EUR 20 thousand to each.

Petrol Group employees have an opportunity to become sustainability ambassadors. The aim of our **Me Too!** Portal is to establish closer cooperation and ties between employees in the field of environmental awareness and sustainable activity in reducing the carbon footprint. Moreover, employees are obliged to follow the instructions for efficient use of heating, cooling, ventilation, lighting and electrical devices, which is promoted by the Be the Hero of Your Environment! Campaign.

In May, employees volunteered and planted 1,000 spruce trees at Ravnik pri Vipavi in the context of a EUR 20,000 donation for 10,000 plants for Slovenian forests. In June, Petrol Group employees started completing the **My Carbon Footprint** questionnaire in which, through self-assessment, we see how much our activity contributes to the carbon footprint at home and at work and at the same time we see where we can further improve our carbon footprint reduction activities. On average, we achieved a half of the total points in both the private and business levels, meaning that we are on a good way to reducing carbon footprint. We will be excellent when our result exceeds 65 percent.

In June, we introduced the **Heart for the Planet** sustainability label; it is used to label sustainable products, services and activities so that it is easier for users to recognise them. The label attests to our support for fellow men, nature and progress, making us active partakers on the way towards more responsible behaviour and action.

Being a **Family Friendly Enterprise**, we again invited our employees, parents of first-graders, to share with Petrol as their employer an impression from the first day of school which they spent with their children instead of at work. All first-graders received a practical gift as a thank-you for their cooperation.

The last week in September passed in the spirit of corporate social responsibility when all employees, through corporate volunteering, are given an opportunity to make a personal contribution to the society. Together with the coordinators, we organised six volunteer events throughout Slovenia for this year's **Petrol's corporate volunteering week** called **We Give Back to Society**, and for the first time also one in Croatia. The events were attended by 52

employees. Petrol donated 94 hours of their working time whereas the volunteers devoted twice as much of their free time for the volunteer events.

Petrol has been one of the major supporters of sports, arts and the society for a number of years. Through sponsorships and donations, we support the development of various sports disciplines and the success and development of athletes in Slovenia and Croatia. We sponsor individual top athletes and promising young athletes, clubs and associations, and sports events at the international, national and local levels.

We collected more than EUR 110 thousand for talented skiers in the Ski Cents charity campaign. In addition to Petrol and the campaign partners, donations were made by more than 100 thousand Petrol's clients. By selling the GlassyClassy bottles in cooperation with Rotary Slovenia and the Slovenian Olympic Committee in the charity project **Donate a Smile**, we collected funds for the humanitarian programme Sponsorship in Sports to provide scholarships for young athletes from socially less advantaged environments; at the same time the project was aimed to promote a cleaner environment.

We also took part in the biathlon world cup in Pokljuka, competitions of the ski jumping world cup for ladies in Ljubno and for men in Planica, the Nordic world championship in Planica and Slovenian football, volleyball and basketball national team qualifiers.

In the field of culture, we were again one of the major sponsors of the Ljubljana Festival this year, and we also sponsor events in Cankarjev Dom and Ljubljana City Theatre.

In addition to sponsoring sports and cultural events, the Petrol Group also cooperates on various projects in the field of energy and environmental activities. As a sponsor, we continued to support conferences, symposiums and events on sustainable development, energy efficiency and e-mobility, management, marketing and public relations.

OTHER INFORMATION

15. 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 society and the development of new technologies are transforming established ways of how energy commodities 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 continue to supply the market with hydrocarbons.

Petrol Group's strategy 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 commodities, as it is 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 commodities 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 commodities 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 e-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 2021–2025, we plan to make investments in the total amount of EUR 698 million, of which more than 35 percent for the energy transition and, hence, for 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 strategic 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 the 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.

The turbulence in the energy markets, high inflation and the resulting regulatory intervention by governments in the prices of energy products have severely affected the Petrol Group's operations. Energy transition projects continue to account for the bulk of our investment funds. In the light of current developments in the energy markets, the Petrol Group will update its business plan for the next five-year period in the first half of 2024, if necessary.

16. Business plan for 2023

16.1 Business environment

The Petrol Group's Business Plan for 2023 was drawn up in a context of great uncertainty, mainly related to the situation on the energy markets. Economic growth is slowing down. The embargo on Russian crude oil and petroleum products is tightening supply conditions and increasing the risk of further downturn in the economic outlook in the countries which are Slovenia's important trading partners. Inadequate regulation of the prices of petroleum products and cost pressures due to the high inflation in 2022 and the expected inflation in 2023 require making adjustments to business models and cost optimisation. 2022 was characterised by extreme price fluctuations for petroleum products and other energy products, as well as government regulation. As one of the key drivers of the energy transition in the region, the Petrol Group is faced with a shortage of funds for investments in the green transition, mainly due to the impact of regulation.

16.2 Key trends and risks in the Business Plan for 2023

Based on economic forecasts, the Petrol Group plans to increase its sales of petroleum products in 2023 compared to the 2022 plan. In the area of merchandise and services, the Petrol Group will continue to ensure fast and convenient purchases for the consumer and an excellent customer experience. In electricity and natural gas sales, Petrol will maintain its market share in Slovenia. In 2023, the Petrol Group will increase the number of proprietary and non-proprietary EV charging stations. It will actively promote energy independence, efficiency and renewable energy in Slovenia and other Central European countries. The share of green energy generation from successful renewable energy projects in the region will increase. In the area of energy solutions, most activities will be focused on the industrial and household segments. We will continue to focus on cost efficiency. Through process optimisation and other measures, we aim to achieve a cost-to-adjusted gross profit ratio of 77 percent in 2023.

The Petrol Group acknowledges that despite careful preparation, informed business decisions, quick responses to changes and an efficient risk-management system external factors may arise in the business environment that are beyond its direct control. As a result, there is a risk that annual targets may not be met. We have already seen this in the time of the COVID-19 pandemic, and even more so during the energy crisis in 2022.

The **key risks** to the achievement of the 2023 business plan are the negative impact of the energy crisis on inflation and the resulting increase in the cost of living, and the management of higher operating costs. Other risks to the 2023 plan include:

- disruption to supply chains and the impact on the economy;
- tightening of purchasing conditions for petroleum products;
- further tightening of energy product retail price regulation;
- impact of the Energy Savings Requirements Act in Slovenia and Croatia;
- possible amendment of the Decree on the promotion of the use of biofuels and other renewable fuels for the propulsion of motor vehicles;
- uncertainty when selling into the highly volatile EU markets;
- other regulatory requirements;
- higher growth of energy prices than expected,

- inflationary pressure on costs.

16.3 Business targets for 2023

For 2023, the Petrol Group projects **sales revenue of EUR 10.2 billion and adjusted gross profit of EUR 675.0 million**. The Petrol Group will achieve its planned results for 2023 through the sale of 4.0 million tons of fuels and petroleum products, merchandise and services in the amount of EUR 544.8 million, 14.5 TWh of natural gas, 12.9 TWh of electricity (trading and sales to end customers), 154.6 thousand MWh of heat, the production of 188.4 thousand MWh of electricity, and the sale of energy and environmental solutions.

For 2023, the Petrol Group projects **EBITDA of EUR 250.4 million** and net debt/EBITDA ratio of 1.7. The latest known energy product price regulations were taken into account in the preparation of the business plan. Regulation of petroleum product margins continues to have a negative impact on the Petrol Group's performance.

For 2023, the Petrol Group plans to generate **net profit of EUR 117.1 million**.

The Petrol Group's **investment policy** for 2023 will be focused on expanding the business in the area of renewable electricity production, digitising the supply chain, modernising its service stations and expanding its operations in the area of energy and environmental solutions. Price regulation has remained in place in 2023, and investment volumes have been adjusted accordingly. In 2023, **investments** will amount to EUR **75.0 million**, one-third of which will be spent on energy transition projects, while the Strategic Business Plan for 2023 foresees investments of EUR 135.0 million.

Before the onset of the energy crisis and the resulting price regulation, the Petrol Group was in a very good business and financial shape. In 2022, the negative impact of energy price regulation on the Group's business resulted in a significantly weaker finish than planned. We expect 2023 to be a challenging year, so we will focus a lot of attention on optimising business processes and, as a result, optimising costs. We will meet the high performance standards recognised by S&P Global Ratings. Despite the difficult business conditions, the Group will continue to pursue its goal of ensuring stable operations, thereby delivering a reasonable return for shareholders.

17. 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.
Adjusted gross profit + Net DFI + Claim against Borzen	Adjusted gross profit + Net Derivative Financial Instruments + Claim against Borzen	Due to the regulated prices of electricity and natural gas, the Petrol Group has recorded a loss in the adjusted gross profit. Net derivatives are also intended for hedging price and volumetric risks and, hence, the amount of sales revenue and the cost of goods sold. In terms of comparison with the previous period, the ratio is more appropriate than merely the adjusted gross profit.
EBITDA	EBITDA = Operating profit + Net Allowances for operating receivables + 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.
EBITDA / (Adjusted gross profit + Net DFI + Claim against Borzen)	EBITDA / (Adjusted gross profit + Net Derivative Financial Instruments + Claim against Borzen)	The share of EBITDA in the adjusted gross profit, increased by the net derivatives and claims for compensation submitted to Borzen, is a good approximation to the share of free cash flow in the gross profit, increased by the net derivatives and claims for compensation submitted to Borzen, and ensures better comparability to the previous period and the plan.
Operating costs	Operating costs = Costs of materials + Costs of services + Labour costs + Depreciation and amortisation + Other costs	The criterion is important in terms of the cost-effectiveness of operations.
Operating costs/Adjusted gross profit	Ratio = Operating costs/Adjusted gross profit	The ratio is relevant because it concerns the cost-effectiveness of operations.
Operating costs / (Adjusted gross profit + Net DFI + Claim against Borzen)	Operating costs / (Adjusted gross profit + Net Derivative Financial Instruments + Claim against Borzen)	The ratio is relevant in terms of the operational cost efficiency and ensures better comparability to the previous period and the plan.
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 21.5 million in the period from January to September 2023 and EUR 18.6 million in the period of January to September 2022.	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 60.3 million in the period from January to September 2023) + Non-current investments (EUR 1.3 million in the period from January to September 2023) – Disposal of fixed assets and reimbursements (EUR 3.8 million in the period from January to September 2023).	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.

18. General Meeting of Petrol d.d., Ljubljana

At the 37th General Meeting of Shareholders held on 18 May 2023, the following resolutions were adopted:

1. Opening of the General Meeting and election of working bodies

1.1. 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. Presentation of the Annual Report for 2022 and Report of the Supervisory Board on the Verification of the Annual Report for 2022; Report on Remuneration to Management and Supervisory Bodies of Petrol d.d., Ljubljana in the 2022 financial year; use of profit for appropriation and granting of discharge

2.1. The profit for appropriation as at 31 December 2022 (thirty-first December two thousand twenty-two), 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 1.5 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 4 August 2023 to the shareholders registered at KDD (Central Securities Clearing Corporation) as at 3 August 2023.

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 2022 financial year.

2.3. The General Meeting gives a discharge to the Management Board of the Company for the 2022 financial year.

2.4. The General Meeting gives a discharge to the Supervisory Board of the Company for the 2022 financial year.

3. The proposed resolution under point 3.1. "The General Meeting hereby endorses the Remuneration Policy for Management and Supervisory Bodies of Petrol d.d., Ljubljana" was not adopted.

19. Management Board and Supervisory Board of Petrol d.d., Ljubljana

At the start of 2023, the Management Board of the Company was made up of President Nada Drobne Popović, Members Matija Bitenc, Jože Smolič, Jože Bajuk, and Member/Worker Director Zoran Gračner. In July 2023, Jože Bajuk resigned as Member and his term of office ended on 2 August 2023. On 1 September, the Management Board of the Company was joined by new Member Marko Ninčević, followed by Member Sašo Berger on 15 September 2023.

Composition of the Supervisory Board did not change in the first nine months of 2023. It consists of President Janez Žlak, Deputy President Borut Vrviščar, and Members Mário Selecký, Mladen Kaliterna, Alenka Urnaut, Aleksander Zupančič, Alen Mihelčič, Robert Ravnikar and Marko Šavli.

20. Credit rating

S&P Global Ratings reaffirmed Petrol d.d., Ljubljana's "BBB-" long-term rating and "A-3" short-term credit rating with a stable outlook on 12 December 2022.

21. Events after the end of the accounting period

On 6 October 2023, the Energy Agency of the Republic of Slovenia amended the Act on Heat Supply Pricing Methodology pursuant to the third paragraph of Article 19 of the Heat Supply from Distribution Systems Act. This Act determines a) the types and criteria for the determination of eligible costs; b) the elements of the base heat price, including the fixed and variable parts; c) the method of forming the base heat price and the reasons to change it; d) the criteria or mechanism to adjust individual elements of the base heat price to changes of eligible costs; e) the types of data, the form and method of submitting the data needed to determine the eligible costs and the base price of heat.

On 20 October, the Government of the Republic of Slovenia adopted the Decree Determining the Prices of Electricity, capping the retail price of electricity for households and for consumption in common areas of multi-apartment residential buildings and common areas in mixed multi-apartment residential and business buildings, namely for 90 percent of the actual monthly consumption for each tariff separately, while for the other 10 percent the price from the supply contract applies. The Decree is in effect from 1 January 2024 to 31 December 2024.

On 20 October, the Government of the Republic of Slovenia adopted the Decree on Setting Gas Prices from the System, capping the retail price of natural gas supply to households and supply of heat obtained from natural gas. The Decree is in effect from 1 January 2024 to 31 December 2024.

In the period from 29 August 2023 to 5 October 2023, the President and Members of the Management Board of Petrol d.d., Ljubljana each purchased 700 ordinary shares of Petrol d.d., Ljubljana, with the symbol PETG, ISIN SI0031102153.

There were no other events after the reporting date that would significantly affect the financial statements for the first nine months of 2023.

FINANCIAL REPORT

22. 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.	
		1-9 2023	1-9 2022	1-9 2023	1-9 2022
Sales revenue	25.1	5,216,770,440	7,016,011,514	3,997,583,550	5,420,623,171
Cost of goods sold		(4,769,453,179)	(6,610,722,653)	(3,694,834,848)	(5,184,051,931)
Costs of materials	25.2	(48,742,901)	(27,459,257)	(39,360,085)	(20,407,234)
Costs of services	25.3	(140,921,563)	(130,547,721)	(110,732,442)	(99,421,685)
Labour costs	25.4	(120,359,410)	(101,286,549)	(78,185,844)	(62,794,375)
Depreciation and amortisation	25.5	(71,344,910)	(68,069,094)	(33,638,136)	(34,291,316)
Other costs	25.6	(42,606,956)	(28,349,160)	(29,281,885)	(17,965,009)
- of which net allowance for trade receivables		(3,752,112)	(5,167,276)	(1,070,516)	(2,633,177)
Gain from derivatives	25.7	153,955,984	372,715,754	154,646,669	375,313,646
Loss from derivatives	25.7	(120,332,006)	(403,683,766)	(114,616,425)	(398,313,843)
Other income	25.8	70,159,320	6,751,277	43,766,815	3,288,780
Other expenses		(272,568)	(286,286)	(101,906)	(24,117)
Operating profit or loss		126,852,251	25,074,059	95,245,463	(18,043,913)
Share of profit or loss of equity accounted investees		1,165,210	1,152,216	-	-
Finance income from dividends paid by subsidiaries, associates and jointly controlled entities		-	-	2,537,826	1,229,076
Finance income	25.9	57,250,205	79,694,625	53,167,949	74,478,698
Finance expenses	25.9	(67,790,836)	(77,350,216)	(57,987,963)	(69,688,982)
Net finance expense		(10,540,631)	2,344,409	(4,820,014)	4,789,716
Profit/(loss) before tax		117,476,830	28,570,684	92,963,275	(12,025,121)
Current tax expense		(23,472,037)	(6,401,123)	(17,105,131)	-
Deferred tax		984,673	1,828,354	53,563	2,493,792
Income tax expense		(22,487,364)	(4,572,769)	(17,051,568)	2,493,792
Net profit for the year		94,989,466	23,997,915	75,911,707	(9,531,329)
Net profit for the year attributable to:					
Owners of the controlling company		95,225,937	19,379,784	75,911,707	(9,531,329)
Non-controlling interest		(236,471)	4,618,131	-	-
Basic and diluted earnings per share attributable to owners of the controlling company	25.10	2.32	0.47	1.84	(0.23)

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

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

(in EUR)	The Petrol Group		Petrol d.d.	
	1-9 2023	1-9 2022	1-9 2023	1-9 2022
Net profit for the year	94,989,466	23,997,915	75,911,707	(9,531,329)
Effective portion of changes in the fair value of cash flow variability hedging	12,550,375	42,224,877	(4,435,062)	38,491,710
Change in deferred taxes	(2,387,960)	(7,985,395)	842,663	(7,313,424)
Change in the fair value of financial assets through other comprehensive income	1,547	-	-	-
Change in deferred taxes	(294)	-	-	-
Foreign exchange differences	60,129	(330,226)	-	-
Other comprehensive income to be recognised in the statement of profit or loss in the future	10,223,797	33,909,256	(3,592,399)	31,178,286
Total other comprehensive income to be recognised in the statement of profit or loss in the future	10,223,797	33,909,256	(3,592,399)	31,178,286
Unrealised actuarial gains and losses	-	-	-	-
Other comprehensive income not to be recognised in the statement of profit or loss in the future	-	-	-	-
Total other comprehensive income not to be recognised in the statement of profit or loss in the future	-	-	-	-
Total other comprehensive income after tax	10,223,797	33,909,256	(3,592,399)	31,178,286
Total comprehensive income for the year	105,213,263	57,907,171	72,319,308	21,646,957
Total comprehensive income attributable to:				
Owners of the controlling company	101,869,188	53,289,603	72,319,308	21,646,957
Non-controlling interest	3,344,075	4,617,568	-	-

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

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

		The Petrol Group		Petrol d.d.	
(in EUR)	Note	30 September 2023	31 December 2022	30 September 2023	31 December 2022
ASSETS					
Non-current (long-term) assets					
Intangible assets	25.11	241,640,950	245,289,473	151,114,145	151,972,471
Right-of-use assets	25.12	133,104,950	131,620,269	26,743,197	29,237,692
Property, plant and equipment	25.13	862,653,747	854,552,521	361,196,982	366,310,650
Investment property		14,195,507	14,777,108	11,180,427	11,490,836
Investments in subsidiaries	25.14	-	-	555,292,232	554,032,932
Investments in jointly controlled entities	25.15	624,897	1,277,748	233,000	233,000
Investments in associates	25.16	56,848,799	56,968,277	26,610,477	26,610,477
Financial assets at fair value through other comprehensive income	25.17	3,993,859	4,112,346	2,117,914	2,117,914
Loans		1,733,750	949,277	47,569,843	59,134,780
Operating receivables		8,031,552	7,015,756	8,026,985	7,007,540
Deferred tax assets		16,182,359	18,190,424	4,883,618	3,987,393
		1,339,010,370	1,334,753,199	1,194,968,820	1,212,135,685
Current assets					
Inventories	25.18	247,168,144	264,849,265	135,500,969	151,178,363
Contract assets		9,963,895	13,319,362	1,124,446	11,722,300
Loans	25.19	3,754,286	1,679,138	51,137,238	41,343,762
Operating receivables	25.20	722,961,493	845,195,344	547,669,784	566,790,889
Corporate income tax assets		7,286,502	23,897,315	-	11,880,734
Financial assets at fair value through profit or loss	25.21	1,945,580	2,646,334	1,354,826	2,525,437
Financial assets at fair value through other comprehensive income	25.22	33,359,886	38,034,066	29,374,412	33,376,691
Prepayments and other assets	25.23	133,261,724	115,267,863	66,983,489	51,468,197
Cash and cash equivalents		72,824,909	100,962,531	33,711,915	51,203,361
		1,232,526,419	1,405,851,218	866,857,079	921,489,734
Total assets		2,571,536,789	2,740,604,417	2,061,825,899	2,133,625,419
EQUITY AND LIABILITIES					
Equity attributable to owners of the controlling company					
Called-up capital		52,240,977	52,240,977	52,240,977	52,240,977
Capital surplus		80,991,385	80,991,385	80,991,385	80,991,385
Legal reserves		61,987,955	61,987,955	61,749,884	61,749,884
Reserves for own shares		4,708,359	4,708,359	4,708,359	4,708,359
Own shares		(4,708,359)	(4,708,359)	(2,604,670)	(2,604,670)
Other profit reserves		247,089,197	299,826,206	270,205,285	322,180,686
Fair value reserve		1,811,650	1,810,718	42,539,491	42,539,491
Hedging reserve		24,409,618	17,827,312	23,047,447	26,639,848
Foreign exchange differences		(9,436,020)	(9,496,033)	-	-
Retained earnings		409,110,625	323,576,627	75,764,779	9,545,011
		868,205,387	828,765,147	608,642,937	597,990,971
Non-controlling interest		34,361,107	31,401,474	-	-
Total equity		902,566,494	860,166,621	608,642,937	597,990,971
Non-current liabilities					
Provisions for employee post-employment and other long-term benefits		7,818,108	7,836,685	5,898,618	5,898,618
Other provisions		40,703,525	18,210,763	33,560,086	13,381,922
Long-term deferred income		40,573,094	39,931,269	30,558,560	29,581,096
Financial liabilities	25.24	346,902,120	401,613,002	310,653,462	365,355,088
Lease liabilities	25.25	101,743,476	101,100,126	25,243,191	27,331,350
Operating liabilities		2,596,382	2,596,382	2,596,382	2,596,382
Deferred tax liabilities		20,091,196	20,682,541	-	-
		560,427,901	591,970,768	408,510,299	444,144,456
Current liabilities					
Financial liabilities	25.24	112,372,465	96,656,433	306,237,059	225,811,701
Lease liabilities	25.25	20,494,007	17,498,969	3,750,242	3,965,318
Operating liabilities	25.26	865,124,713	1,082,103,909	639,814,721	792,213,281
Commodity derivative instruments	25.27	16,494,253	29,872,456	13,593,872	16,007,602
Corporate income tax liabilities		19,809,307	1,062,768	16,580,203	-
Contract liabilities	25.28	17,279,604	23,153,575	25,863,445	18,367,017
Other liabilities	25.29	56,968,045	38,118,918	38,833,121	35,125,073
		1,108,542,394	1,288,467,028	1,044,672,663	1,091,489,992
Total liabilities		1,668,970,295	1,880,437,796	1,453,182,962	1,535,634,448
Total equity and liabilities		2,571,536,789	2,740,604,417	2,061,825,899	2,133,625,419

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 nine months of 2023

Statement of changes in equity of the Petrol Group

(in EUR)	Called-up capital	Capital surplus	Profit 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 profit reserves							
As at 1 January 2022	52,240,977	80,991,385	61,987,955	4,708,359	(4,708,359)	318,523,082	(789,611)	(858,584)	(8,634,420)	362,184,854	865,645,638	43,052,367	908,698,005
Dividend payments for 2021						(28,425,869)				(33,241,474)	(61,667,343)		(61,667,343)
Increase/(decrease) in non-controlling interest						37,054					37,054	(178,449)	(141,395)
Transactions with owners	-	-	-	-	-	(28,388,815)	-	-	-	(33,241,474)	(61,630,289)	(178,449)	(61,808,738)
Net profit for the current year										19,379,784	19,379,784	4,618,131	23,997,915
Other comprehensive income								34,239,482	(329,663)		33,909,819	(563)	33,909,256
Total comprehensive income	-	-	-	-	-	-	-	34,239,482	(329,663)	19,379,784	53,289,603	4,617,568	57,907,171
As at 30 September 2022	52,240,977	80,991,385	61,987,955	4,708,359	(4,708,359)	290,134,267	(789,611)	33,380,898	(8,964,083)	348,323,164	857,304,952	47,491,486	904,796,438
As at 1 January 2023	52,240,977	80,991,385	61,987,955	4,708,359	(4,708,359)	299,826,206	1,810,718	17,827,312	(9,496,033)	323,576,627	828,765,147	31,401,474	860,166,621
Dividend payments for 2022						(51,975,401)				(9,691,939)	(61,667,340)		(61,667,340)
Increase/(decrease) in non-controlling interest						(761,608)					(761,608)	(384,442)	(1,146,050)
Transactions with owners	-	-	-	-	-	(52,737,009)	-	-	-	(9,691,939)	(62,428,948)	(384,442)	(62,813,390)
Net profit for the current year										95,225,937	95,225,937	(236,471)	94,989,466
Other comprehensive income							932	6,582,306	60,013		6,643,251	3,580,546	10,223,797
Total comprehensive income	-	-	-	-	-	-	932	6,582,306	60,013	95,225,937	101,869,188	3,344,075	105,213,263
As at 30 September 2023	52,240,977	80,991,385	61,987,955	4,708,359	(4,708,359)	247,089,197	1,811,650	24,409,618	(9,436,020)	409,110,625	868,205,387	34,361,107	902,566,494

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

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

(in EUR)	Called-up capital	Capital surplus	Profit reserves				Fair value reserve	Hedging reserve	Retained earnings	Total
			Legal reserves	Reserves for own shares	Own shares	Other profit reserves				
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									(9,531,329)	(9,531,329)
Other comprehensive income								31,178,286		31,178,286
Total comprehensive income	-	-	-	-	-	-	-	31,178,286	(9,531,329)	21,646,957
As at 30 September 2022	52,240,977	80,991,385	61,749,884	4,708,359	(2,604,670)	312,488,747	39,809,449	30,041,434	(9,531,329)	569,894,236
As at 1 January 2023	52,240,977	80,991,385	61,749,884	4,708,359	(2,604,670)	322,180,686	42,539,491	26,639,848	9,545,011	597,990,971
Dividend payments for 2022						(51,975,401)			(9,691,939)	(61,667,340)
Transactions with owners	-	-	-	-	-	(51,975,401)	-	-	(9,691,939)	(61,667,340)
Net profit for the current year									75,911,707	75,911,707
Other comprehensive income								(3,592,399)		(3,592,399)
Total comprehensive income	-	-	-	-	-	-	-	(3,592,399)	75,911,707	72,319,308
As at 30 September 2023	52,240,977	80,991,385	61,749,884	4,708,359	(2,604,670)	270,205,285	42,539,491	23,047,447	75,764,779	608,642,937

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

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

		The Petrol Group		Petrol d.d.	
(in EUR)	Note	1-9 2023	1-9 2022	1-9 2023	1-9 2022
Cash flows from operating activities					
Net profit		94,989,466	23,997,915	75,911,707	(9,531,329)
Adjustment for:					
Corporate income tax		22,487,364	4,572,769	17,051,568	(2,493,792)
Depreciation of property, plant and equipment, investment property and right-of-use assets	25.5	61,662,121	57,505,096	26,735,383	26,874,742
Amortisation of intangible assets	25.5	9,682,789	10,563,998	6,902,753	7,416,574
(Gain)/loss on disposal of property, plant and equipment	25.6, 25.8	(253,394)	(1,985,584)	(309,895)	(575,568)
Impairment, write-down/(reversed impairment) of assets		1,326,331	-	1,326,331	-
Revenue from assets under management		(48,926)	(48,926)	(48,926)	(48,926)
Net (decrease in)/creation of provisions for long-term employee benefits		(18,539)	(1,477)	-	-
Net (decrease in)/creation of other provisions and long-term deferred revenue		23,134,549	24,250,532	21,155,628	20,944,494
Net goods surpluses		2,521,531	(4,555,606)	761,190	(3,514,942)
Net (decrease in)/creation of allowance for receivables	25.6	3,752,112	4,917,276	1,070,516	2,383,177
Net finance (income)/expense	25.9	8,561,407	4,594,908	7,416,326	2,190,097
Share of profit of jointly controlled entities		(278,538)	(390,091)	-	-
Share of profit of associates		(886,672)	(762,125)	-	-
Finance income from dividends received from subsidiaries		-	-	(701,048)	(299,422)
Finance income from dividends received from jointly controlled entities		-	-	(931,389)	(115,217)
Finance income from dividends received from associates		-	-	(905,389)	(814,437)
Cash flow from operating activities before changes in working capital					
		226,631,601	122,658,685	155,434,755	42,415,451
Net (decrease in)/creation of other liabilities	25.29	18,847,916	3,538,084	3,708,048	(919,605)
Net decrease in/(creation) of other assets	25.23	(36,183,972)	(1,936,270)	(16,897,448)	(314,697)
Change in inventories	25.18	13,652,489	(86,520,510)	13,416,204	(28,753,126)
Change in operating and other receivables and contract assets	25.20	161,959,850	(287,917,535)	34,608,508	(242,423,760)
Change in operating and other liabilities and contract liabilities	25.26, 25.28	(241,000,886)	330,915,419	(144,406,860)	309,206,520
Cash generated from operating activities					
		143,906,998	80,737,873	45,863,207	79,210,783
Interest paid	25.9	(15,609,086)	(10,300,337)	(11,998,854)	(6,858,359)
Taxes paid		11,947,323	(42,068,459)	11,355,806	(28,964,937)
Net cash from (used in) operating activities					
		140,245,235	28,369,077	45,220,159	43,387,487
Cash flows from investing activities					
Payments for inv. in subsidiaries, net of cash acquired	25.14	(1,261,801)	(720,482)	(1,259,301)	(720,482)
Receipts from investments in subsidiaries	25.14	-	3,063,000	-	3,063,000
Payments for investments in jointly controlled entities	25.15	-	(23,000)	-	(23,000)
Receipts from sale of intangible assets	25.11	48,322	107,745	65	107,031
Payments for intangible assets	25.11	(8,928,112)	(5,753,865)	(6,044,492)	(3,629,845)
Receipts from sale of property, plant and equipment	25.13	3,781,680	2,564,814	814,987	1,292,453
Payments for property, plant and equipment	25.13	(62,171,106)	(49,407,406)	(27,509,966)	(25,475,498)
Receipts from sale of investment property		7,755	21,725	-	21,725
Payments for investment property		-	(125,114)	-	-
Receipts from financial assets at fair value through other comprehensive income	25.17	309,330	-	-	-
Receipts from loans granted	25.19	484,356	15,056,122	166,997,515	117,017,361
Payments for loans granted	25.19	(184,191)	(247,755)	(161,849,910)	(140,657,353)
Interest received	25.9	8,417,818	3,859,835	6,228,124	3,382,623
Dividends received from subsidiaries		-	-	701,048	299,422
Dividends received from jointly controlled entities		931,389	115,217	931,389	115,217
Dividends received from associates		1,006,150	864,261	905,389	814,437
Dividends received from others		205,398	258,925	95,398	148,925
Net cash from (used in) investing activities					
		(57,353,012)	(30,365,978)	(19,989,754)	(44,243,984)
Cash flows from financing activities					
Payments for lease liabilities	25.25	(14,474,724)	(12,040,117)	(3,101,823)	(2,707,720)
Proceeds from borrowings	25.24	695,427,172	1,394,086,060	1,743,028,824	1,900,926,651
Repayment of borrowings	25.24	(730,306,367)	(1,346,625,116)	(1,720,981,512)	(1,874,318,846)
Dividends paid to shareholders		(61,667,340)	(61,673,114)	(61,667,340)	(61,673,114)
Net cash from (used in) financing activities					
		(111,021,259)	(26,252,287)	(42,721,851)	(37,773,029)
Increase/(decrease) in cash and cash equivalents		(28,129,036)	(28,249,188)	(17,491,446)	(38,629,526)
Changes in cash and cash equivalents					
At the beginning of the year					
		100,962,531	100,226,890	51,203,361	57,567,397
Foreign exchange differences		(8,586)	(15,052)	-	-
Increase/(decrease)		(28,129,036)	(28,249,188)	(17,491,446)	(38,629,526)
At the end of the period					
		72,824,909	71,962,650	33,711,915	18,937,871

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

23. 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 September 2023 and separate financial statements of the company Petrol d.d., Ljubljana for the period ended 30 September 2023. 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 2 November 2023.

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 2022.

The financial statements for the period from January–September 2023 are prepared based on the same accounting policies used for the preparation of financial statements for the year ended 31 December 2022.

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.

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 sale in the name and for the account of third parties,
- 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,
- 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 2023.

24. 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.

A product group is the criterion for segment reporting.

Segment reporting is presented in detail in the business report, in chapters *The Petrol Group's business performance* and *Operations by product groups*.

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 petroleum products,
- merchandise and services,
- energy and solutions,
- other.

Fuels and petroleum products consist of:

- sales of petroleum products,
- sales of liquefied petroleum gas sales and other alternative energy products,
- transport, storage and transshipment of fuels,
- revenue from payment cards,
- biomass sales,
- 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 and other services,
- rental of catering facilities.

Energy and solutions consist of:

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

Other consist of:

- mining services,
- maintenance services,
- vacation rentals.

The Petrol Group adopted a new organization of the Company and the Petrol Group in June 2021, effective from the start of 2022. The reorganization has enabled more efficient processes, unification and optimisation of support functions, customer centricity and a uniform market approach in subsidiaries. In line with this, the Petrol Group has verified the system for the allocation of business function costs to the main product groups. To ensure data comparability in the relevant time period, we prepared the same cost allocation for the comparable reporting period.

The Group's operating segments in the period 1 January–30 September 2022:

(in EUR)	Fuels and petroleum products	Merchandise and services	Energy and solutions	Other	Total	Statement of profit or loss
Sales revenue	4,257,205,522	385,933,637	3,757,954,088	9,191,960	8,410,285,207	
Revenue from subsidiaries	(1,155,677,717)	(259,904)	(234,670,542)	(3,665,530)	(1,394,273,693)	
Sales revenue	3,101,527,805	385,673,733	3,523,283,546	5,526,430	7,016,011,514	7,016,011,514
Cost of goods sold	(2,933,545,415)	(277,960,912)	(3,399,209,864)	(6,462)	(6,610,722,653)	(6,610,722,653)
Adjusted gross profit	167,982,390	107,712,821	124,073,682	5,519,968	405,288,861	405,288,861
Operating profit or loss	(45,378,561)	27,629,499	42,096,779	726,342	25,074,059	25,074,059
Depreciation of property, plant and equipment, depreciation of right-of-use assets, depreciation of investment property and amortisation of intangible assets	(32,805,354)	(13,621,896)	(20,998,241)	(643,603)	(68,069,094)	(68,069,094)
EBITDA	(10,084,357)	41,939,094	64,384,535	2,071,157	98,310,429	98,310,429
Depreciation and amortisation						(68,069,094)
Net allowance for trade receivables						(5,167,276)
Share of profit or loss of equity accounted investees						1,152,216
Net finance expense						2,344,409
Profit/(loss) before tax						28,570,684

The Group's operating segments in the period 1 January–30 September 2023:

(in EUR)	Fuels and petroleum products	Merchandise and services	Energy and solutions	Other	Total	Statement of profit or loss
Sales revenue	3,252,299,830	430,573,739	2,516,335,365	8,903,739	6,208,112,673	
Revenue from subsidiaries	(693,621,335)	(507,503)	(291,871,352)	(5,342,043)	(991,342,233)	
Sales revenue	2,558,678,495	430,066,236	2,224,464,013	3,561,696	5,216,770,440	5,216,770,440
Cost of goods sold	(2,291,159,153)	(303,198,518)	(2,175,075,411)	(20,097)	(4,769,453,179)	(4,769,453,179)
Adjusted gross profit	267,519,343	126,867,717	49,388,601	3,541,600	447,317,261	447,317,261
Operating profit or loss	43,969,989	34,183,827	46,672,157	2,026,278	126,852,251	126,852,251
Depreciation of property, plant and equipment, depreciation of right-of-use assets, depreciation of investment property and amortisation of intangible assets	(35,146,920)	(13,719,091)	(21,777,226)	(701,673)	(71,344,910)	(71,344,910)
EBITDA	79,269,036	47,746,712	74,120,828	812,697	201,949,273	201,949,273
Depreciation and amortisation						(71,344,910)
Net allowance for trade receivables						(3,752,112)
Share of profit or loss of equity accounted investees						1,165,210
Net finance expense						(10,540,631)
Profit/(loss) before tax						117,476,830

Additional information about geographic areas where the Group operates:

(in EUR)	Sales revenue		Total assets		Net investments	
	1-9 2023	1-9 2022	30 September 2023	31 December 2022	1-9 2023	1-9 2022
Slovenia	2,590,000,719	3,003,912,207	1,507,981,889	1,674,869,418	29,121,289	26,321,451
Croatia	805,370,193	1,212,659,120	742,622,619	735,407,533	27,818,312	3,359,248
Austria	232,171,804	328,244,841	5,707,256	5,070,379	-	-
Bosnia and Herzegovina	174,987,743	262,203,545	93,219,755	93,997,700	(895,500)	3,776,324
Serbia	102,953,973	185,230,286	111,491,049	116,865,024	1,598,165	2,576,887
Montenegro	42,760,825	66,851,297	34,140,295	35,279,180	94,258	215,311
Romania	5,269,374	4,814,265	569,416	508,318	-	-
Macedonia	4,766,028	5,212,826	222,284	228,555	-	-
Other countries	1,258,489,781	1,946,883,127	1,926,171	1,941,861	-	7,710
	5,216,770,440	7,016,011,514	2,497,880,734	2,664,167,968	57,736,524	36,256,931

Jointly controlled entities	624,897	1,277,748
Associates	56,848,799	56,968,277
Unallocated assets	16,182,359	18,190,424
Total assets	2,571,536,789	2,740,604,417

25. Notes to individual items in the financial statements

25.1 Sales revenue

(in EUR)	The Petrol Group		Petrol d.d.	
	1-9 2023	1-9 2022	1-9 2023	1-9 2022
Revenue from the sale of merchandise	5,103,112,379	6,909,069,581	3,908,021,221	5,335,489,542
Revenue from the sale of services	91,911,194	90,674,836	74,254,045	73,753,654
Revenue from the sale of products	21,746,867	16,267,097	15,308,284	11,379,975
Total revenue	5,216,770,440	7,016,011,514	3,997,583,550	5,420,623,171

(in EUR)	The Petrol Group		Petrol d.d.	
	1-9 2023	1-9 2022	1-9 2023	1-9 2022
Domestic sales revenue	2,590,000,719	3,003,912,207	2,297,042,315	2,658,059,609
EU market sales revenue	2,128,710,238	3,071,414,707	1,528,547,259	2,271,644,557
Non-EU market sales revenue	498,059,483	940,684,600	171,993,976	490,919,005
Total revenue	5,216,770,440	7,016,011,514	3,997,583,550	5,420,623,171

(in EUR)	The Petrol Group		Petrol d.d.	
	1-9 2023	1-9 2022	1-9 2023	1-9 2022
Fuels and petroleum products	2,558,678,495	3,101,527,805	2,165,031,265	2,762,527,067
Merchandise and services	430,066,236	385,673,733	296,431,555	269,414,698
Energy and solutions	2,224,464,013	3,523,283,546	1,528,839,615	2,383,532,424
Other	3,561,696	5,526,430	7,281,115	5,148,982
Total revenue	5,216,770,440	7,016,011,514	3,997,583,550	5,420,623,171

25.2 Costs of material

(in EUR)	The Petrol Group		Petrol d.d.	
	1-9 2023	1-9 2022	1-9 2023	1-9 2022
Costs of energy	42,029,313	20,931,842	34,784,755	16,474,574
Costs of consumables	5,992,792	5,731,315	4,175,336	3,599,661
Write-off of small tools	50,840	77,716	21,598	18,711
Other costs of materials	669,956	718,384	378,396	314,288
Total costs of materials	48,742,901	27,459,257	39,360,085	20,407,234

25.3 Costs of services

(in EUR)	The Petrol Group		Petrol d.d.	
	1-9 2023	1-9 2022	1-9 2023	1-9 2022
Costs of transport services	32,629,012	32,034,995	25,423,880	24,208,558
Costs of service station managers	27,848,785	24,082,025	27,848,785	24,082,025
Costs of fixed-asset maintenance services	22,431,950	21,202,371	16,206,964	14,923,338
Costs of payment transactions and bank services	11,703,736	13,418,546	7,407,499	7,664,815
Lease expenses	9,937,728	7,780,621	8,682,133	7,023,354
Costs of professional services	9,881,853	8,494,509	6,810,906	6,480,258
Outsourcing costs	6,846,182	3,331,494	6,168,340	3,097,797
Costs of fairs, advertising and entertainment	5,135,367	5,321,860	3,358,153	3,297,614
Costs of insurance premiums	4,625,640	4,726,221	2,574,908	2,797,269
Costs of environmental protection services	2,007,193	1,517,935	1,332,236	990,219
Costs of fire protection and physical and technical security	1,597,634	1,765,318	1,220,148	1,142,024
Reimbursement of work-related costs to employees	996,290	984,266	609,638	593,173
Property management	626,964	1,286,634	587,687	924,357
Membership fees	488,842	937,028	171,071	189,972
Other costs of services	4,164,387	3,663,898	2,330,094	2,006,912
Total costs of services	140,921,563	130,547,721	110,732,442	99,421,685

Lease costs/expenses

(in EUR)	The Petrol Group		Petrol d.d.	
	1-9 2023	1-9 2022	1-9 2023	1-9 2022
Depreciation of right-of-use assets	17,206,952	13,256,856	3,293,131	2,819,119
Finance expenses	2,999,605	3,411,587	918,428	951,508
Lease expenses	9,937,728	7,780,621	8,682,133	7,023,354
Total recognised costs/expenses	30,144,285	24,449,064	12,893,692	10,793,981

25.4 Labour costs

(in EUR)	The Petrol Group		Petrol d.d.	
	1-9 2023	1-9 2022	1-9 2023	1-9 2022
Salaries	88,465,807	74,576,857	57,624,864	45,933,109
Costs of other social insurance	7,258,681	6,913,801	3,709,508	3,363,521
Expense for define contribution plan	6,961,567	5,161,444	5,842,972	4,221,386
Transport allowance	3,740,232	3,128,796	1,629,694	1,517,306
Meal allowance	3,524,683	2,903,602	2,227,449	1,966,520
Annual leave allowance	3,237,674	2,890,988	2,472,496	2,449,287
Supplementary pension insurance	1,537,511	1,381,856	1,443,699	1,283,338
Other allowances and reimbursements	5,633,255	4,329,205	3,235,162	2,059,908
Total labour costs	120,359,410	101,286,549	78,185,844	62,794,375

25.5 Depreciation and amortisation

(in EUR)	The Petrol Group		Petrol d.d.	
	1-9 2023	1-9 2022	1-9 2023	1-9 2022
Depreciation of property, plant and equipment	43,700,955	43,480,178	22,951,989	23,547,540
Depreciation of right-of-use assets	17,206,952	13,256,856	3,293,131	2,819,119
Amortisation of intangible assets	9,682,789	10,563,998	6,902,753	7,416,574
Depreciation of investment property	754,214	768,062	490,263	508,083
Total depreciation and amortisation	71,344,910	68,069,094	33,638,136	34,291,316

25.6 Other costs

(in EUR)	The Petrol Group		Petrol d.d.	
	1-9 2023	1-9 2022	1-9 2023	1-9 2022
Environmental charges and charges unrelated to operations	5,424,093	5,515,700	3,556,296	2,568,850
Net allowance for trade receivables	3,752,112	5,167,276	1,070,516	2,633,177
Disposals/impairment of assets	2,330,022	296,774	1,426,866	168,995
Sponsorships and donations	961,614	1,746,625	875,086	1,310,153
Other costs	30,139,115	15,622,785	22,353,121	11,283,834
Total other costs	42,606,956	28,349,160	29,281,885	17,965,009

25.7 Gain/(Loss) from derivatives

(in EUR)	The Petrol Group		Petrol d.d.	
	1-9 2023	1-9 2022	1-9 2023	1-9 2022
Gain from derivatives	153,955,984	372,715,754	154,646,669	375,313,646
Loss from derivatives	(120,332,006)	(403,683,766)	(114,616,425)	(398,313,843)
Gain/(Loss) from derivatives	33,623,978	(30,968,012)	40,030,244	(23,000,197)

25.8 Other revenue

(in EUR)	The Petrol Group		Petrol d.d.	
	1-9 2023	1-9 2022	1-9 2023	1-9 2022
Revenue from claims against Borzen	63,402,583	-	39,657,183	-
Gain on disposal of plan, property and equipment	1,257,085	2,282,358	410,429	744,563
Compensation received from insurance companies	289,074	200,595	16,611	16,097
Compensation, lawsuits, contractual penalties received	205,015	143,371	177,510	38,293
Other revenue	5,005,563	4,124,953	3,505,082	2,489,827
Total other revenue	70,159,320	6,751,277	43,766,815	3,288,780

Other revenue of the Group/Company includes revenue from claims against Borzen related to the electricity and natural gas compensation in accordance with the Decree adopted at the start of this year.

On 7 July 2023, the Government of the Republic of Croatia passed a decree, setting a mechanism of compensation payments to natural gas suppliers for the difference between the purchase price for the relevant energy commodity and the price regulated by the natural gas pricing methodology. Geoplin d.o.o. (Zagreb) has already filed an application for the reimbursement of the price difference in the amount of EUR 8.5 million for the period of April – September. The claim is not recognised in the Petrol Group's financial statements because it has not been confirmed by the market regulator.

25.9 Financial income and expenses

(in EUR)	The Petrol Group		Petrol d.d.	
	1-9 2023	1-9 2022	1-9 2023	1-9 2022
Foreign exchange differences	35,315,151	50,300,436	33,460,963	44,985,061
Interest income	11,518,171	4,033,457	9,604,256	4,246,072
Gain on derivatives	10,129,108	21,785,124	9,921,920	21,785,124
Loss allowances for financial receivables reversed	-	250,000	-	250,000
Other finance income	287,775	3,325,608	180,810	3,212,441
Total finance income	57,250,205	79,694,625	53,167,949	74,478,698
Foreign exchange differences	(36,625,834)	(64,100,440)	(33,776,929)	(58,744,569)
Interest expense	(19,116,464)	(10,754,978)	(16,420,827)	(8,521,132)
Loss on derivatives	(10,797,649)	(1,295,803)	(7,009,642)	(1,295,803)
Other finance expenses	(1,250,889)	(1,198,995)	(780,565)	(1,127,478)
Total finance expenses	(67,790,836)	(77,350,216)	(57,987,963)	(69,688,982)
Net finance expense	(10,540,631)	2,344,409	(4,820,014)	4,789,716

Interest income and expenses from interest swaps are included in interest income and expenses.

25.10 Earnings per share

	The Petrol Group		Petrol d.d.	
	1-9 2023	1-9 2022	1-9 2023	1-9 2022
Net profit attributable to owners of the controlling company (in EUR)	95,225,937	19,379,784	75,911,707	(9,531,329)
Number of shares issued	41,726,020	41,726,020	41,726,020	41,726,020
Number of own shares at the beginning of the year	614,460	614,460	494,060	494,060
Number of own shares at the end of the year	614,460	614,460	494,060	494,060
Weighted average number of ordinary shares issued	41,111,560	41,111,560	41,231,960	41,231,960
Diluted average number of ordinary shares	41,111,560	41,111,560	41,231,960	41,231,960
Basic and diluted earnings per share attributable to owners of the controlling company (EUR/share)	2.32	0.47	1.84	(0.23)

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. Petrol's share is listed on the main board of the stock exchange under the ticker PETG. For both years, the number of shares after the 1:20 split carried out in November 2022 is taken into account. The total number of PETG shares increased from 2,086,301 to 41,726,020.

25.11 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
Cost						
As at 1 January 2022	57,455,821	130,298,591	160,858,241	4,485,643	291,102	353,389,398
New acquisitions	531,678	20,246	-	5,045,772	156,169	5,753,865
Disposals/Impairments	(174,996)	(5,156)	(19,303)	(3,115)	(11,219)	(213,789)
Transfers between assets categories	(43,434)	551,705	-	(999,790)	-	(491,519)
Transfer from ongoing investments	2,066,315	1,583,329	-	(3,649,644)	-	-
Foreign exchange differences	(9,508)	(20,872)	(155,971)	2,572	-	(183,779)
As at 30 September 2022	59,825,876	132,427,843	160,682,967	4,881,438	436,052	358,254,176
Accumulated amortisation						
As at 1 January 2022	(33,661,809)	(64,796,831)	(19,303)	-	-	(98,477,943)
Amortisation	(6,145,298)	(4,418,700)	-	-	-	(10,563,998)
Disposals/Impairments	81,585	5,156	19,303	-	-	106,044
Transfers between asset categories	15,561	(352,482)	-	-	-	(336,921)
Foreign exchange differences	4,302	11,416	-	-	-	15,718
As at 30 September 2022	(39,705,659)	(69,551,441)	-	-	-	(109,257,100)
Net carrying amount as at 1 January 2022	23,794,012	65,501,760	160,838,938	4,485,643	291,102	254,911,455
Net carrying amount as at 30 September 2022	20,120,217	62,876,402	160,682,967	4,881,438	436,052	248,997,076

(in EUR)	Material and other rights	Right to use concession infrastructure	Goodwill	Ongoing investments	Long-term deferred costs	Total
Cost						
As at 1 January 2023	60,395,388	126,473,005	160,685,312	5,856,605	1,184,866	354,595,176
New acquisitions	517,549	23,110	-	7,456,271	931,182	8,928,112
Disposals/Impairments	(3,772,957)	(683,209)	-	-	-	(4,456,166)
Transfers between intangible assets	14,429	(14,429)	-	-	-	-
Transfers between PPE	-	-	-	(2,868,524)	-	(2,868,524)
Transfer from ongoing investments	2,496,310	82,765	-	(2,579,075)	-	-
Foreign exchange differences	2,248	3,071	17,361	2,888	-	25,568
As at 30 September 2023	59,652,967	125,884,313	160,702,673	7,868,165	2,116,048	356,224,166
Accumulated amortisation						
As at 1 January 2023	(41,441,264)	(67,864,439)	-	-	-	(109,305,703)
Amortisation	(5,774,727)	(3,908,062)	-	-	-	(9,682,789)
Disposals/Impairments	3,724,635	683,209	-	-	-	4,407,844
Transfers between intangible assets	(1,033)	1,033	-	-	-	-
Foreign exchange differences	(1,509)	(1,059)	-	-	-	(2,568)
As at 30 September 2023	(43,493,898)	(71,089,318)	-	-	-	(114,583,216)
Net carrying amount as at 1 January 2023	18,954,124	58,608,566	160,685,312	5,856,605	1,184,866	245,289,473
Net carrying amount as at 30 September 2023	16,159,069	54,794,995	160,702,673	7,868,165	2,116,048	241,640,950

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
Cost						
As at 1 January 2022	41,934,032	112,044,827	85,266,022	1,879,712	276,793	241,401,386
New acquisitions	-	1,406	-	3,472,270	156,169	3,629,845
Disposals	(124,537)	-	-	(2,400)	(11,219)	(138,156)
Transfer between asset categories	(12,656)	551,705	-	-	-	539,049
Transfer from ongoing investments	2,048,229	511,278	-	(2,559,507)	-	-
As at 30 September 2022	43,845,068	113,109,216	85,266,022	2,790,075	421,743	245,432,124
Accumulated amortisation						
As at 1 January 2022	(27,058,108)	(58,818,460)	-	-	-	(85,876,568)
Amortisation	(4,269,165)	(3,147,409)	-	-	-	(7,416,574)
Disposals	31,125	-	-	-	-	31,125
Transfer between asset categories	8,670	(352,482)	-	-	-	(343,812)
As at 30 September 2022	(31,287,478)	(62,318,351)	-	-	-	(93,605,829)
Net carrying amount as at 1 January 2022	14,875,924	53,226,367	85,266,022	1,879,712	276,793	155,524,818
Net carrying amount as at 30 September 2022	12,557,590	50,790,865	85,266,022	2,790,075	421,743	151,826,295

(in EUR)	Material and other rights	Right to use concession infrastructure	Goodwill	Ongoing investments	Long-term deferred costs	Total
Cost						
As at 1 January 2023	44,279,430	113,143,266	85,266,022	3,697,389	1,172,668	247,558,775
New acquisitions	-	1,369	-	5,294,511	748,612	6,044,492
Disposals	(3,101,490)	-	-	-	-	(3,101,490)
Transfer from ongoing investments	2,445,928	82,765	-	(2,528,693)	-	-
As at 30 September 2023	43,623,868	113,227,400	85,266,022	6,463,207	1,921,280	250,501,777
Accumulated amortisation						
As at 1 January 2023	(32,419,672)	(63,166,632)	-	-	-	(95,586,304)
Amortisation	(3,872,187)	(3,030,566)	-	-	-	(6,902,753)
Disposals	3,101,425	-	-	-	-	3,101,425
As at 30 September 2023	(33,190,434)	(66,197,198)	-	-	-	(99,387,632)
Net carrying amount as at 1 January 2023	11,859,758	49,976,634	85,266,022	3,697,389	1,172,668	151,972,471
Net carrying amount as at 30 September 2023	10,433,434	47,030,202	85,266,022	6,463,207	1,921,280	151,114,145

25.12 Right-of-use assets

Right-of-use assets of the Petrol Group

(in EUR)	Right-of-use land	Right-of-use buildings	Right-of-use equipment	Total
Cost				
As at 1 January 2022	77,501,535	64,707,813	6,577,767	148,787,115
New acquisitions	12,790,876	65,689,633	254,265	78,734,774
Disposals	(12,224,426)	(55,203,379)	(214,133)	(67,641,938)
Foreign exchange differences	(32,913)	(47,834)	(943)	(81,690)
As at 30 September 2022	78,035,072	75,146,233	6,616,956	159,798,261
Accumulated depreciation				
As at 1 January 2022	(9,472,503)	(12,534,287)	(4,688,736)	(26,695,526)
Depreciation	(3,931,750)	(8,565,705)	(759,401)	(13,256,856)
Disposals	3,520,103	7,243,822	158,356	10,922,281
Foreign exchange differences	8,256	16,433	260	24,949
As at 30 September 2022	(9,875,894)	(13,839,737)	(5,289,521)	(29,005,152)
Net carrying amount as at 1 January 2022	68,029,032	52,173,526	1,889,031	122,091,589
Net carrying amount as at 30 September 2022	68,159,178	61,306,496	1,327,435	130,793,109

(in EUR)	Right-of-use land	Right-of-use buildings	Right-of-use equipment	Total
Cost				
As at 1 January 2023	79,527,262	60,112,664	25,973,902	165,613,828
New acquisitions	12,942,756	4,050,734	1,766,805	18,760,295
Disposals	(17,773)	(1,193,902)	(2,010,887)	(3,222,562)
Foreign exchange differences	12,094	43,226	4,844	60,164
As at 30 September 2023	92,464,339	63,012,722	25,734,664	181,211,725
Accumulated depreciation				
As at 1 January 2023	(10,801,714)	(16,157,504)	(7,034,341)	(33,993,559)
Depreciation	(6,132,600)	(6,740,043)	(4,334,309)	(17,206,952)
Disposals	17,773	1,066,183	2,010,887	3,094,843
Foreign exchange differences	(554)	(120)	(433)	(1,107)
As at 30 September 2023	(16,917,095)	(21,831,484)	(9,358,196)	(48,106,775)
Net carrying amount as at 1 January 2023	68,725,548	43,955,160	18,939,561	131,620,269
Net carrying amount as at 30 September 2023	75,547,244	41,181,238	16,376,468	133,104,950

Right-of-use assets of Petrol d.d., Ljubljana

(in EUR)	Right-of-use land	Right-of-use buildings	Right-of-use equipment	Total
Cost				
As at 1 January 2022	32,218,878	1,878,132	5,397,463	39,494,473
New acquisitions	1,207,487	1,008,263	1,108,447	3,324,197
Disposals	-	(91,031)	(141,097)	(232,128)
As at 30 September 2022	33,426,365	2,795,364	6,364,813	42,586,542
Accumulated depreciation				
As at 1 January 2022	(6,409,800)	(966,818)	(4,243,032)	(11,619,650)
Depreciation	(1,686,865)	(443,461)	(688,793)	(2,819,119)
Disposals	-	91,031	114,183	205,214
As at 30 September 2022	(8,096,665)	(1,319,248)	(4,817,642)	(14,233,555)
Net carrying amount as at 1 January 2022	25,809,078	911,314	1,154,431	27,874,823
Net carrying amount as at 30 September 2022	25,329,700	1,476,116	1,547,171	28,352,987

(in EUR)	Right-of-use land	Right-of-use buildings	Right-of-use equipment	Total
Cost				
As at 1 January 2023	33,478,119	3,116,757	8,404,753	44,999,629
New acquisitions	-	-	798,637	798,637
Disposals	(17,773)	(965,397)	(2,027,952)	(3,011,122)
As at 30 September 2023	33,460,346	2,151,360	7,175,438	42,787,144
Accumulated depreciation				
As at 1 January 2023	(8,672,608)	(1,505,715)	(5,583,614)	(15,761,937)
Depreciation	(1,692,456)	(415,071)	(1,185,604)	(3,293,131)
Disposals	17,773	965,397	2,027,952	3,011,122
As at 30 September 2023	(10,347,291)	(955,389)	(4,741,266)	(16,043,946)
Net carrying amount as at 1 January 2023	24,805,511	1,611,042	2,821,139	29,237,692
Net carrying amount as at 30 September 2023	23,113,055	1,195,971	2,434,172	26,743,197

25.13 Property, plant and equipment

Property, plant and equipment of the Petrol Group

(in EUR)	Land	Buildings	Machinery	Equipment	Ongoing investments	Total
Cost						
As at 1 January 2022	326,139,185	796,182,254	7,259,275	367,201,042	60,437,164	1,557,218,920
New acquisitions	-	48,127	34,760	4,502,135	30,787,878	35,372,900
Disposals/Impairments	(399,332)	(1,178,351)	(48,356)	(4,411,837)	(34,401)	(6,072,277)
Transfers between assets	106,699	332,653	(2,136,442)	820,562	191,412	(685,116)
Transfer from ongoing investments	746,662	12,588,686	165,743	38,630,066	(52,131,157)	-
Transfers between investment property	-	-	-	-	(18,470)	(18,470)
Foreign exchange differences	(70,353)	(157,842)	(2,000)	(61,847)	(47,302)	(339,344)
As at 30 September 2022	326,522,861	807,815,527	5,272,980	406,680,121	39,185,124	1,585,476,613
Accumulated depreciation						
As at 1 January 2022	-	(474,840,389)	(2,975,105)	(221,989,378)	-	(699,804,872)
Depreciation	-	(21,004,958)	(289,881)	(22,185,339)	-	(43,480,178)
Disposals/Impairments	-	961,606	38,742	2,570,115	-	3,570,463
Transfer between asset categories	-	268,743	1,229,892	190,055	-	1,688,690
Foreign exchange differences	-	104,017	1,723	62,412	-	168,152
As at 30 September 2022	-	(494,510,981)	(1,994,629)	(241,352,135)	-	(737,857,745)
Net carrying amount as at 1 January 2022	326,139,185	321,341,865	4,284,170	145,211,664	60,437,164	857,414,048
Net carrying amount as at 30 September 2022	326,522,861	313,304,546	3,278,351	165,327,986	39,185,124	847,618,868

(in EUR)	Land	Buildings	Machinery	Equipment	Ongoing investments	Total
Cost						
As at 1 January 2023	326,233,532	825,836,318	4,766,684	402,752,534	46,439,462	1,606,028,530
New acquisitions	-	87,604	16,329	5,721,264	46,562,346	52,387,543
Disposals/Impairments	(55,092)	(4,619,583)	(6,974)	(9,842,478)	(721,187)	(15,245,314)
Transfers between PPE	-	(566,105)	(14,067)	639,475	(59,303)	-
Transfers from intangible assets	-	-	-	1,807,211	1,061,313	2,868,524
Transfer from ongoing investments	-	4,918,187	87	6,592,269	(11,510,543)	-
Transfers between investment property	-	-	-	-	(6,183)	(6,183)
Foreign exchange differences	35,505	11,238	112	43,983	(111)	90,727
As at 30 September 2023	326,213,945	825,667,659	4,762,171	407,714,258	81,765,794	1,646,123,827
Accumulated depreciation						
As at 1 January 2023	-	(507,112,863)	(2,846,356)	(241,516,790)	-	(751,476,009)
Depreciation	-	(21,231,313)	(173,864)	(22,295,778)	-	(43,700,955)
Disposals/Impairments	-	3,812,714	19,267	7,885,047	-	11,717,028
Transfers between PPE	-	42,684	13,978	(56,662)	-	-
Foreign exchange differences	-	1,459	(100)	(11,503)	-	(10,144)
As at 30 September 2023	-	(524,487,319)	(2,987,075)	(255,995,686)	-	(783,470,080)
Net carrying amount as at 1 January 2023	326,233,532	318,723,455	1,920,328	161,235,744	46,439,462	854,552,521
Net carrying amount as at 30 September 2023	326,213,945	301,180,340	1,775,096	151,718,572	81,765,794	862,653,747

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

(in EUR)	Land	Buildings	Equipment	Ongoing investments	Total
Cost					
As at 1 January 2022	102,794,116	577,375,427	266,626,550	14,315,883	961,111,976
New acquisitions	-	-	-	19,181,494	19,181,494
Disposals/Impairments	(382,615)	(1,163,851)	(1,534,621)	(34,401)	(3,115,488)
Transfers between assets	193,874	(130,291)	(131,328)	-	(67,745)
Transfer from ongoing investments	126	2,687,442	5,140,946	(7,828,514)	-
Transfers between investment property	-	-	-	(18,470)	(18,470)
As at 30 September 2022	102,605,501	578,768,727	270,101,547	25,615,992	977,091,767
Accumulated depreciation					
As at 1 January 2022	-	(415,142,838)	(179,706,981)	-	(594,849,819)
Depreciation	-	(11,613,190)	(11,934,350)	-	(23,547,540)
Disposals/Impairments	-	983,434	1,415,169	-	2,398,603
Transfers between asset categories	-	(140,921)	188,564	-	47,643
As at 30 September 2022	-	(425,913,515)	(190,037,598)	-	(615,951,113)
Net carrying amount as at 1 January 2022	102,794,116	162,232,589	86,919,569	14,315,883	366,262,157
Net carrying amount as at 30 September 2022	102,605,501	152,855,212	80,063,949	25,615,992	361,140,654

(in EUR)	Land	Buildings	Equipment	Ongoing investments	Total
Cost					
As at 1 January 2023	102,587,002	584,616,960	276,608,194	23,408,190	987,220,346
New acquisitions	-	-	-	18,349,597	18,349,597
Disposals	(55,092)	(44,018)	(5,081,947)	(227,430)	(5,408,487)
Transfer from ongoing investments	-	1,370,017	4,772,907	(6,142,924)	-
Transfers between investment property	-	-	-	(6,184)	(6,184)
As at 30 September 2023	102,531,910	585,942,959	276,299,154	35,381,249	1,000,155,272
Accumulated depreciation					
As at 1 January 2023	-	(429,511,087)	(191,398,609)	-	(620,909,696)
Depreciation	-	(11,255,856)	(11,696,133)	-	(22,951,989)
Disposals	-	29,281	4,874,114	-	4,903,395
As at 30 September 2023	-	(440,737,662)	(198,220,628)	-	(638,958,290)
Net carrying amount as at 1 January 2023	102,587,002	155,105,873	85,209,585	23,408,190	366,310,650
Net carrying amount as at 30 September 2023	102,531,910	145,205,297	78,078,526	35,381,249	361,196,982

25.14 Investment in subsidiaries

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

(in EUR)	Petrol d.d. 2023	2022
As at 1 January	554,032,932	553,970,331
New acquisitions	1,259,300	62,600
As at 30 September	555,292,232	554,032,932

The Company purchased the remaining interest in Atet d.o.o., thereby becoming a 100 percent owner of the company.

25.15 Investments in jointly controlled entities

(in EUR)	The Petrol Group 2023	2022	Petrol d.d. 2023	2022
As at 1 January	1,277,748	704,501	233,000	210,000
Attributed profit/loss	278,538	390,091	-	-
Dividends received	(931,389)	(115,217)	-	-
New acquisitions	-	23,000	-	23,000
Foreign exchange differences	-	7	-	-
As at 30 September	624,897	1,002,382	233,000	233,000

25.16 Investments in associates

(in EUR)	The Petrol Group 2023	2022	Petrol d.d. 2023	2022
As at 1 January	56,968,277	55,169,626	26,610,477	26,610,477
Attributed profit/loss	886,672	762,125	-	-
Dividends received	(1,006,150)	(864,261)	-	-
As at 30 September	56,848,799	55,067,490	26,610,477	26,610,477

25.17 Non-current financial assets at fair value through other comprehensive income

(in EUR)	The Petrol Group 2023	2022	Petrol d.d. 2023	2022
As at 1 January	4,112,346	4,133,044	2,117,914	2,117,914
Disposals	(118,487)	(16,240)	-	-
As at 30 September	3,993,859	4,116,804	2,117,914	2,117,914

25.18 Inventories

(in EUR)	The Petrol Group		Petrol d.d.	
	30 September 2023	31 December 2022	30 September 2023	31 December 2022
Spare parts and materials	3,356,614	2,827,561	2,913,339	2,502,499
Merchandise:	243,811,530	262,021,704	132,587,630	148,675,864
- fuel	173,517,325	205,210,206	81,020,937	105,874,708
- other petroleum products	111,604	146,102	92,813	123,081
- other merchandise	70,182,601	56,665,396	51,473,880	42,678,075
Total inventories	247,168,144	264,849,265	135,500,969	151,178,363

25.19 Current loans

(in EUR)	The Petrol Group		Petrol d.d.	
	30 September 2023	31 December 2022	30 September 2023	31 December 2022
Loans granted	1,245,166	2,365,069	46,372,492	39,937,625
Allowance to the value of loans granted	(779,504)	(779,400)	(718,115)	(718,115)
Time deposits with banks (3 months to 1 year)	3,233,081	43,103	2,671,023	26,869
Interest receivables	78,833	73,654	7,555,970	6,616,330
Allowance for interest receivables	(23,290)	(23,288)	(4,744,132)	(4,518,947)
Total current loans	3,754,286	1,679,138	51,137,238	41,343,762

25.20 Current operating receivables

(in EUR)	The Petrol Group		Petrol d.d.	
	30 September 2023	31 December 2022	30 September 2023	31 December 2022
Trade receivables	750,969,699	883,095,961	561,355,005	585,600,764
Allowance for trade receivables	(58,771,212)	(58,471,044)	(30,492,257)	(30,333,833)
Operating receivables from state and other institutions	6,734,495	5,008,957	34,695	-
Operating interest receivables	1,049,575	1,362,471	2,197,496	2,232,069
Allowance for interest receivables	(1,021,329)	(1,239,410)	(809,317)	(843,877)
Receivables from insurance companies (loss events)	104,000	48,497	91,552	26,635
Other operating receivables	26,248,146	17,874,625	16,291,810	10,833,971
Allowance for other receivables	(2,351,881)	(2,484,713)	(999,200)	(724,840)
Total current operating receivables	722,961,493	845,195,344	547,669,784	566,790,889

25.21 Financial assets at fair value through profit or loss

(in EUR)	The Petrol Group		Petrol d.d.	
	30 September 2023	31 December 2022	30 September 2023	31 December 2022
Assets arising from commodity swaps	120,929	2,297,589	-	2,176,692
Assets arising from forward contracts	1,824,651	348,745	1,354,826	348,745
Total financial assets at fair value through profit or loss	1,945,580	2,646,334	1,354,826	2,525,437

25.22 Current financial assets at fair value through other comprehensive income

(in EUR)	The Petrol Group		Petrol d.d.	
	30 September 2023	31 December 2022	30 September 2023	31 December 2022
Assets arising from interest rate swaps	33,359,886	34,616,805	29,374,412	30,293,507
Assets arising from commodity swaps	-	3,083,184	-	3,083,184
Bonds	-	334,077	-	-
Current balance of financial assets at fair value through other comprehensive income	33,359,886	38,034,066	29,374,412	33,376,691

25.23 Prepayments and other assets

(in EUR)	The Petrol Group		Petrol d.d.	
	30 September 2023	31 December 2022	30 September 2023	31 December 2022
Prepayments and collaterals	62,347,737	80,538,388	26,075,477	27,457,632
Accrued claims against Borzen	37,742,547	6,460,495	24,024,192	6,460,495
Prepaid licences, subscriptions, specialised literature, etc.	3,694,364	3,640,143	3,022,174	2,888,280
Prepaid insurance premiums	592,338	1,618,395	221,696	1,299,037
Other deferred costs	28,884,738	23,010,442	13,639,950	13,362,753
Total prepayments and other assets	133,261,724	115,267,863	66,983,489	51,468,197

25.24 Financial liabilities

(in EUR)	The Petrol Group		Petrol d.d.	
	30 September 2023	31 December 2022	30 September 2023	31 December 2022
Current financial liabilities				
Bank loans	78,642,101	85,954,276	71,488,132	59,493,518
Bonds issued	33,002,335	300,831	33,002,335	300,831
Liabilities to banks arising from forward contracts	295,029	8,837,601	-	745,579
Other loans and financial liabilities	433,000	1,563,725	201,746,592	165,271,773
	112,372,465	96,656,433	306,237,059	225,811,701
Non-current financial liabilities				
Bank loans	335,528,444	357,416,530	278,658,902	300,538,159
Bonds issued	10,994,560	43,816,929	10,994,560	43,816,929
Loans obtained from other companies	379,116	379,543	21,000,000	21,000,000
	346,902,120	401,613,002	310,653,462	365,355,088
Total financial liabilities	459,274,585	498,269,435	616,890,521	591,166,789

25.25 Lease liabilities

(in EUR)	The Petrol Group		Petrol d.d.	
	30 September 2023	31 December 2022	30 September 2023	31 December 2022
Non-current lease liabilities	101,743,476	101,100,126	25,243,191	27,331,350
Current lease liabilities	20,494,007	17,498,969	3,750,242	3,965,318
Total lease liabilities	122,237,483	118,599,095	28,993,433	31,296,668

25.26 Current operating liabilities

(in EUR)	The Petrol Group		Petrol d.d.	
	30 September 2023	31 December 2022	30 September 2023	31 December 2022
Trade liabilities	668,284,708	829,990,796	513,570,068	598,342,065
Excise duty liabilities	89,361,634	116,169,181	66,935,188	101,934,781
Value added tax liabilities	65,100,452	103,251,423	35,454,064	73,163,760
Liabilities to employees	17,330,697	10,274,352	5,898,110	6,529,867
Liabilities for environmental charges and contributions	9,697,801	4,486,633	8,635,497	1,886,975
Other liabilities to the state and other state institutions	6,374,723	4,815,981	2,217,396	1,720,853
Liabilities arising from interests acquired	3,450,000	3,947,693	3,450,000	3,450,000
Social security contribution liabilities	1,864,721	1,945,001	854,092	952,677
Import duty liabilities	1,659,504	2,946,580	-	-
Liabilities associated with the allocation of profit or loss	768,880	768,880	768,880	768,880
Other liabilities	1,231,593	3,507,389	2,031,426	3,463,423
Total current operating and other liabilities	865,124,713	1,082,103,909	639,814,721	792,213,281

25.27 Commodity derivative instruments

(in EUR)	The Petrol Group		Petrol d.d.	
	30 September 2023	31 December 2022	30 September 2023	31 December 2022
Commodity derivative instruments	16,494,253	29,872,456	13,593,872	16,007,602
Total commodity derivative instruments	16,494,253	29,872,456	13,593,872	16,007,602

25.28 Contract liabilities

(in EUR)	The Petrol Group		Petrol d.d.	
	30 September 2023	31 December 2022	30 September 2023	31 December 2022
Short-term prepayments and securities given	12,840,779	20,018,795	23,127,147	16,295,826
Deferred prepaid card revenue	2,599,894	3,016,958	1,547,271	2,071,191
Deferred revenue from rebates and discounts granted	1,718,647	86,523	1,189,027	-
Other	120,284	31,299	-	-
Total contract liabilities	17,279,604	23,153,575	25,863,445	18,367,017

25.29 Other liabilities

(in EUR)	The Petrol Group		Petrol d.d.	
	30 September 2023	31 December 2022	30 September 2023	31 December 2022
Accrued annual leave expenses	3,866,315	3,964,599	2,279,179	2,279,179
Accrued expenses for tanker demurrage	1,189,375	968,947	1,189,375	968,947
Accrued motorway site lease payments	185,474	531,993	185,474	531,993
Accrued concession fee costs	132,026	360,333	132,026	356,736
Other accrued costs	49,020,688	27,522,803	32,717,112	26,345,012
Other deferred revenue	2,574,167	4,770,243	2,329,955	4,643,206
Total other liabilities	56,968,045	38,118,918	38,833,121	35,125,073

26. Financial instruments and risks

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

Credit risk

In the first nine months of the year 2023 the Group/Company continued to actively monitor the balances of trade receivables and to apply strict terms on which sales on open accounts is approved, requiring an adequate range of high-quality collaterals and pursuing active collection of receivables.

Maximum exposure to credit risk represents the carrying amount of financial assets which was the following as at 30 September 2023:

(in EUR)	The Petrol Group		Petrol d.d.	
	30 September 2023	31 December 2022	30 September 2023	31 December 2022
Financial assets at fair value through other comprehensive income	37,353,745	42,146,412	31,492,326	35,494,605
Non-current loans	1,733,750	949,277	47,569,843	59,134,780
Non-current operating receivables	8,031,552	7,015,756	8,026,985	7,007,540
Contract assets	9,963,895	13,319,362	1,124,446	11,722,300
Current loans	3,754,286	1,679,138	51,137,238	41,343,762
Current operating receivables (excluding rec. from the state)	716,226,998	840,186,387	547,635,089	566,790,889
Financial assets at fair value through profit or loss	1,945,580	2,646,334	1,354,826	2,525,437
Cash and cash equivalents	72,824,909	100,962,531	33,711,915	51,203,361
Total assets	851,834,715	1,008,905,197	722,052,668	775,222,674

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	738,315,493	71,183,742	9,407,479	3,515,484	2,202,719	824,624,917
Interest receivables	6,188	1,933	33,538	16,781	64,621	123,061
Other receivables (excluding receivables from the state)	14,610,337	787,652	188	758	39,474	15,438,409
Total as at 31 December 2022	752,932,018	71,973,327	9,441,205	3,533,023	2,306,814	840,186,387

(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	622,668,520	52,146,287	8,688,720	1,539,713	7,155,247	692,198,487
Interest receivables	-	-	-	-	28,246	28,246
Other receivables (excluding receivables from the state)	23,008,668	875,177	20,196	-	96,224	24,000,265
Total as at 30 September 2023	645,677,188	53,021,464	8,708,916	1,539,713	7,279,717	716,226,998

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	513,737,535	27,798,258	4,482,811	1,589,324	7,659,003	555,266,931
Interest receivables	-	-	-	-	1,388,192	1,388,192
Other receivables (excluding receivables from the state)	9,531,621	563,655	188	758	39,544	10,135,766
Total as at 31 December 2022	523,269,156	28,361,913	4,482,999	1,590,082	9,086,739	566,790,889

(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	470,999,745	37,587,401	6,016,378	1,774,837	14,484,388	530,862,748
Interest receivables	-	-	-	-	1,388,179	1,388,179
Other receivables (excluding receivables from the state)	15,111,365	176,046	527	-	96,224	15,384,162
Total as at 30 September 2023	486,111,110	37,763,447	6,016,905	1,774,837	15,968,791	547,635,089

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

(in days)	The Petrol Group		Petrol d.d.	
	1-9 2023	1-12 2022	1-9 2023	1-12 2022
Days sales outstanding				
Contract days	38	27	35	23
Overdue receivables in days	4	3	4	2
Total days sales outstanding	42	30	39	25

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 and different national approaches to regulate the prices of fuel and energy products 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. We manage liquidity risk with a diversified portfolio of credit lines, regular reviews of financial market conditions, intense and regular financial planning of cash flows and careful investment planning.

Despite difficult conditions, our key goal remains that the Group/Company can successfully manage liquidity risks according to S&P Global Ratings'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. In order to endorse a stable liquidity position of the Group, we obtained additional credit lines, with which we further strengthen the solid and stable liquidity position of the Group. A strong liquidity position enables us to settle all obligations on the due date.

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 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	401,613,002	433,536,129	-	-	372,631,738	60,904,391
Non-current lease liabilities	101,100,126	109,074,515	-	-	85,655,698	23,418,817
Non-current operating liabilities (excluding other liabilities)	2,024,000	2,024,000	-	-	2,024,000	-
Current financial liabilities	96,656,433	110,096,768	61,187,352	48,909,416	-	-
Current lease liabilities	17,498,969	21,007,713	11,041,027	9,966,686	-	-
Liabilities arising from commodity forward contracts*	-	1,636,926,610	756,687,613	622,733,589	257,505,408	-
Current operating liabilities (excluding liabilities to the state, employees and arising from advance payments)	838,214,758	838,214,758	837,450,259	764,499	-	-
Commodity derivative instruments	29,872,456	29,872,456	29,872,456	-	-	-
As at 31 December 2022	1,486,979,744	3,180,752,949	1,696,238,707	682,374,190	717,816,844	84,323,208

The Group's liabilities as at 30 September 2023 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	346,902,120	377,392,579	-	-	317,042,509	60,350,070
Non-current lease liabilities	101,743,476	110,192,558	-	-	57,431,292	52,761,266
Non-current operating liabilities (excluding other liabilities)	2,024,000	2,024,000	-	-	2,024,000	-
Current financial liabilities	112,372,465	130,288,274	71,573,510	58,714,764	-	-
Current lease liabilities	20,494,007	21,200,139	10,807,529	10,392,610	-	-
Liabilities arising from commodity forward contracts*	-	1,048,726,880	557,291,167	239,452,847	251,982,866	-
Current operating liabilities (excluding liabilities to the state, employees and arising from advance payments)	673,735,181	673,735,181	673,234,746	500,435	-	-
Commodity derivative instruments	16,494,253	16,494,253	16,494,253	-	-	-
As at 30 September 2023	1,273,765,502	2,380,053,864	1,329,401,205	309,060,656	628,480,667	113,111,336

The Company's liabilities as at 31 December 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	365,355,088	397,362,215	-	-	315,808,328	81,553,887
Non-current lease liabilities	27,331,350	36,394,573	-	-	16,335,004	20,059,569
Non-current operating liabilities (excluding other liabilities)	2,024,000	2,024,000	-	-	2,024,000	-
Current financial liabilities	225,811,701	240,808,279	200,158,490	40,649,789	-	-
Current lease liabilities	3,965,318	5,162,635	2,691,072	2,471,563	-	-
Liabilities arising from commodity forward contracts*	-	1,625,382,552	748,075,117	619,802,027	257,505,408	-
Current operating liabilities (excluding liabilities to the state, employees and arising from advance payments)	606,024,368	606,024,367	605,806,817	217,550	-	-
Commodity derivative instruments	16,007,602	16,007,602	16,007,602	-	-	-
Contingent liabilities for guarantees issued**	-	368,063,707	368,063,707	-	-	-
As at 31 December 2022	1,246,519,427	3,297,229,930	1,940,802,805	663,140,929	591,672,740	101,613,456

The Company's liabilities as at 30 September 2023 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	310,653,462	341,227,921	-	-	281,227,921	60,000,000
Non-current lease liabilities	25,243,191	33,514,712	-	-	12,924,983	20,589,729
Non-current operating liabilities (excluding other liabilities)	2,024,000	2,024,000	-	-	2,024,000	-
Current financial liabilities	306,237,059	326,633,658	236,442,883	90,190,775	-	-
Current lease liabilities	3,750,242	4,880,364	2,558,804	2,321,560	-	-
Liabilities arising from commodity forward contracts*	-	1,045,416,231	555,521,630	238,427,307	251,467,294	-
Current operating liabilities (excluding liabilities to the state, employees and arising from advance payments)	519,820,374	519,820,374	519,686,602	133,772	-	-
Commodity derivative instruments	13,593,872	13,593,872	13,593,872	-	-	-
Contingent liabilities for guarantees issued**	-	408,760,792	408,760,792	-	-	-
As at 30 September 2023	1,181,322,200	2,695,871,924	1,736,564,583	331,073,414	547,644,198	80,589,729

*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 and international banks, the Group/Company considers the counterparty default risk as minimal.

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

In the first nine months of 2023, 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 3,384,276, 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.

To hedge petroleum product prices, the Group/Company uses mostly derivative financial instruments. 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 nine months of 2023, there were also changes or restrictions regarding petroleum product prices on the markets where the Petrol Group operates, accepted by individual governments of the countries, which additionally affected operations. Details of regulations by country are described in the Business environment subchapter.

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.

When dealing with electricity, the Petrol Group is exposed to price and quantity risks. In the period between January 1 and September 30, 2023, the prices of electricity delivered in Hungary for a year in advance were more stable than in 2022. The average daily price of electricity in this period was 157.35 EUR/MWh, which is 50 % less than the average daily price (for a year in advance) in the period of 2022. Nevertheless, the average price in 2023 is 67% higher than the average in the period of 2021, when the average daily price was 94.45 EUR/MWh. Despite the high prices of electricity, a downward trend in prices is observed, as the average price in the third quarter is approximately 14 percent lower than the average price in the first quarter of 2023. High electricity prices cause increased price risks, which the group manages according to the defined counterparty, Value at Risk and retail portfolios quantity exposure limit framework, as well as with appropriate monitoring and control processes. In addition, the Petrol Group regularly monitors the adequacy of the used limit framework, which it updates and supplements as necessary.

Interest rate risk

The Group/Company is exposed to interest rate risks because it takes out loans with a floating interest rate, which are mostly EURIBOR-based.

In the first nine months of 2023, 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:

- through ongoing operations, the Group's/Company's interest rate on overdue operating receivables being EURIBOR-based,
- 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, long-term solvency and maximum shareholder value. The Group/Company also achieves this 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. In December 2022, S&P Global Ratings reaffirmed Petrol d.d., Ljubljana’s “BBB-” long-term and “A-3” short-term credit rating with a stable outlook.

In the first nine months of 2023 the Petrol Group continued to pursue its strategic orientation in the area of indebtedness and kept the net debt to equity ratio at acceptable levels, which provide the Group with a stable position for future operations.

Carrying amount and fair value of financial instruments

The Petrol Group

(in EUR)	The Petrol Group			
	30 September 2023		31 December 2022	
	Carrying amount	Fair value	Carrying amount	Fair value
Non-derivative financial assets at fair value				
Financial assets at fair value through other comprehensive income	37,353,745	37,353,745	42,146,412	42,146,412
Non-derivative financial assets at amortised cost				
Loans	5,488,036	5,488,036	2,628,415	2,628,415
Operating receivables (excluding receivables from the state)	724,258,550	724,258,550	847,202,143	847,202,143
Contract assets	9,963,895	9,963,895	13,319,362	13,319,362
Cash and cash equivalents	72,824,909	72,824,909	100,962,531	100,962,531
Total non-derivative financial assets	849,889,135	849,889,135	1,006,258,863	1,006,258,863
Non-derivative financial liabilities at amortised cost				
Bank loans and other financial liabilities (excluding derivative fin.instr.)	(458,979,556)	(458,979,556)	(489,431,834)	(489,431,834)
Lease liabilities	(122,237,483)	(122,237,483)	(118,599,095)	(118,599,095)
Operating liabilities (excluding other non-current liabilities and current liabilities to the state and employees)	(675,759,181)	(675,759,181)	(840,238,758)	(840,238,758)
Total non-derivative financial liabilities	(1,256,976,220)	(1,256,976,220)	(1,448,269,687)	(1,448,269,687)
Derivative financial instruments at fair value				
Derivative financial instruments (assets)	1,945,580	1,945,580	2,646,334	2,646,334
Derivative financial instruments (liabilities)	(16,789,282)	(16,789,282)	(38,710,057)	(38,710,057)
Total derivative financial instruments	(14,843,702)	(14,843,702)	(36,063,723)	(36,063,723)

Petrol d.d., Ljubljana

(in EUR)	Petrol d.d.			
	30 September 2023		31 December 2022	
	Carrying amount	Fair value	Carrying amount	Fair value
Non-derivative financial assets at fair value				
Financial assets at fair value through other comprehensive income	31,492,326	31,492,326	35,494,605	35,494,605
Non-derivative financial assets at amortised cost				
Loans	98,707,081	98,707,081	100,478,542	100,478,542
Operating receivables (excluding receivables from the state)	555,662,074	555,662,074	573,798,429	573,798,429
Contract assets	1,124,446	1,124,446	11,722,300	11,722,300
Cash and cash equivalents	33,711,915	33,711,915	51,203,361	51,203,361
Total non-derivative financial assets	720,697,842	720,697,842	772,697,237	772,697,237
Non-derivative financial liabilities at amortised cost				
Bank loans and other financial liabilities (excluding derivative fin.instr.)	(616,890,521)	(616,890,521)	(590,421,210)	(590,421,210)
Lease liabilities	(28,993,433)	(28,993,433)	(31,296,668)	(31,296,668)
Operating liabilities (excluding other non-current liabilities and current liabilities to the state and employees)	(521,844,374)	(521,844,374)	(608,048,368)	(608,048,368)
Total non-derivative financial liabilities	(1,167,728,328)	(1,167,728,328)	(1,229,766,246)	(1,229,766,246)
Derivative financial instruments at fair value				
Derivative financial instruments (assets)	1,354,826	1,354,826	2,525,437	2,525,437
Derivative financial instruments (liabilities)	(13,593,872)	(13,593,872)	(16,753,181)	(16,753,181)
Total derivative financial instruments	(12,239,046)	(12,239,046)	(14,227,744)	(14,227,744)

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

The Petrol Group Fair value of assets

(in EUR)	30 September 2023				31 December 2022			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss	-	1,945,580	-	1,945,580	-	2,646,334	-	2,646,334
Financial assets at fair value through other comprehensive income	-	33,359,886	3,993,859	37,353,745	-	37,699,989	4,446,423	42,146,412
Total assets at fair value	-	35,305,466	3,993,859	39,299,325	-	40,346,323	4,446,423	44,792,746
Non-current loans	-	-	1,733,750	1,733,750	-	-	949,277	949,277
Current loans	-	-	3,754,286	3,754,286	-	-	1,679,138	1,679,138
Non-current operating receivables	-	-	8,031,552	8,031,552	-	-	7,015,756	7,015,756
Current operating receivables (excluding rec. from the state)	-	-	716,226,998	716,226,998	-	-	840,186,387	840,186,387
Contract assets	-	-	9,963,895	9,963,895	-	-	13,319,362	13,319,362
Cash and cash equivalents	72,824,909	-	-	72,824,909	100,962,531	-	-	100,962,531
Total assets with fair value disclosure	72,824,909	-	739,710,481	812,535,390	100,962,531	-	863,149,920	964,112,451
Total assets	72,824,909	35,305,466	743,704,340	851,834,715	100,962,531	40,346,323	867,596,343	1,008,905,197

Fair value of liabilities

(in EUR)	30 September 2023				31 December 2022			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial liabilities	-	(295,029)	-	(295,029)	-	(8,837,601)	-	(8,837,601)
Commodity derivative instruments	-	(16,494,253)	-	(16,494,253)	-	(29,872,456)	-	(29,872,456)
Total liabilities at fair value	-	(16,789,282)	-	(16,789,282)	-	(38,710,057)	-	(38,710,057)
Non-current financial liabilities	-	-	(346,902,120)	(346,902,120)	-	-	(401,613,002)	(401,613,002)
Non-current lease liabilities	-	-	(101,743,476)	(101,743,476)	-	-	(101,100,126)	(101,100,126)
Current financial liabilities (excluding liabilities at fair value)	-	-	(112,077,436)	(112,077,436)	-	-	(87,818,832)	(87,818,832)
Current lease liabilities	-	-	(20,494,007)	(20,494,007)	-	-	(17,498,969)	(17,498,969)
Non-current operating liabilities (excluding other liabilities)	-	-	(2,024,000)	(2,024,000)	-	-	(2,024,000)	(2,024,000)
Current operating liabilities (excluding liabilities to the state, employees and liabilities at fair value)	-	-	(673,735,181)	(673,735,181)	-	-	(838,214,758)	(838,214,758)
Total liabilities with fair value disclosure	-	-	(1,256,976,220)	(1,256,976,220)	-	-	(1,448,269,687)	(1,448,269,687)
Total liabilities	-	(16,789,282)	(1,256,976,220)	(1,273,765,502)	-	(38,710,057)	(1,448,269,687)	(1,486,979,744)

Petrol d.d., Ljubljana

Fair value of assets

(in EUR)	30 September 2023				31 December 2022			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss	-	1,354,826	-	1,354,826	-	2,525,437	-	2,525,437
Financial assets at fair value through other comprehensive income	-	29,374,412	2,117,914	31,492,326	-	33,376,691	2,117,914	35,494,605
Total assets at fair value	-	30,729,238	2,117,914	32,847,152	-	35,902,128	2,117,914	38,020,042
Non-current loans	-	-	47,569,843	47,569,843	-	-	59,134,780	59,134,780
Current loans	-	-	51,137,238	51,137,238	-	-	41,343,762	41,343,762
Non-current operating receivables	-	-	8,026,985	8,026,985	-	-	7,007,540	7,007,540
Current operating receivables (excluding rec. from the state)	-	-	547,635,089	547,635,089	-	-	566,790,889	566,790,889
Contract assets	-	-	1,124,446	1,124,446	-	-	11,722,300	11,722,300
Cash and cash equivalents	33,711,915	-	-	33,711,915	51,203,361	-	-	51,203,361
Total assets with fair value disclosure	33,711,915	-	655,493,601	689,205,516	51,203,361	-	685,999,271	737,202,632
Total assets	33,711,915	30,729,238	657,611,515	722,052,668	51,203,361	35,902,128	688,117,185	775,222,674

Fair value of liabilities

(in EUR)	30 September 2023				31 December 2022			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial liabilities	-	-	-	-	-	(745,579)	-	(745,579)
Commodity derivative instruments	-	(13,593,872)	-	(13,593,872)	-	(16,007,602)	-	(16,007,602)
Total liabilities at fair value	-	(13,593,872)	-	(13,593,872)	-	(16,753,181)	-	(16,753,181)
Non-current financial liabilities	-	-	(310,653,462)	(310,653,462)	-	-	(365,355,088)	(365,355,088)
Non-current lease liabilities	-	-	(25,243,191)	(25,243,191)	-	-	(27,331,350)	(27,331,350)
Current financial liabilities (excluding liabilities at fair value)	-	-	(306,237,059)	(306,237,059)	-	-	(225,066,122)	(225,066,122)
Current lease liabilities	-	-	(3,750,242)	(3,750,242)	-	-	(3,965,318)	(3,965,318)
Non-current operating liabilities (excluding other liabilities)	-	-	(2,024,000)	(2,024,000)	-	-	(2,024,000)	(2,024,000)
Current operating liabilities (excluding liabilities to the state, employees and liabilities at fair value)	-	-	(519,820,374)	(519,820,374)	-	-	(606,024,368)	(606,024,368)
Total liabilities with fair value disclosure	-	-	(1,167,728,328)	(1,167,728,328)	-	-	(1,229,766,246)	(1,229,766,246)
Total liabilities	-	(13,593,872)	(1,167,728,328)	(1,181,322,200)	-	(16,753,181)	(1,229,766,246)	(1,246,519,427)

Changes in Level 3 assets measured at fair value

(in EUR)	The Petrol Group		Petrol d.d.	
	2023	2022	2023	2022
As at 1 January	4,446,423	4,467,121	2,117,914	2,117,914
Disposals	(454,111)	(16,240)	-	-
Total profit or losses recognised in the statement of comprehensive income	1,547	-	-	-
As at 30 September	3,993,859	4,450,881	2,117,914	2,117,914

27. Related party transactions

(in EUR)	The Petrol Group		Petrol d.d.	
	1-9 2023	1-9 2022	1-9 2023	1-9 2022
Sales revenue:				
Subsidiaries	-	-	691,598,057	941,540,585
Jointly controlled entities	696,398	3,552,510	16,307	25,114
Associates	35,646	19,553	35,646	19,553
Cost of goods sold:				
Subsidiaries	-	-	129,718,931	97,368,513
Jointly controlled entities	56,595	96,888	-	-
Costs of materials:				
Subsidiaries	-	-	518,906	542,407
Jointly controlled entities	1,629	4,304	-	-
Costs of services:				
Subsidiaries	-	-	1,285,708	730,041
Jointly controlled entities	3,663	2,381	-	-
Gain from derivatives:				
Subsidiaries	-	-	6,024,616	4,687,243
Loss from derivatives:				
Subsidiaries	-	-	2,880,205	1,658,727
Fin. inc./expenses from interests in Group companies:				
Subsidiaries	-	-	701,048	299,422
Jointly controlled entities	278,538	390,091	931,389	115,217
Associates	886,672	762,125	905,389	814,437
Finance income from interest:				
Subsidiaries	-	-	1,328,115	936,152
Jointly controlled entities	5,869	1,261	5,869	1,261
Other finance income:				
Subsidiaries	-	-	85,068	112,804
Associates	344	516	344	516
Finance expenses for interest:				
Subsidiaries	-	-	1,667,419	1,718,362
Jointly controlled entities	260	260	260	260

(in EUR)	The Petrol Group		Petrol d.d.	
	30 September 2023	31 December 2022	30 September 2023	31 December 2022
Investments in Group companies:				
Subsidiaries	-	-	555,292,232	554,032,932
Jointly controlled entities	624,897	1,277,748	233,000	233,000
Associates	56,848,799	56,968,277	26,610,477	26,610,477
Non-current loans:				
Subsidiaries	-	-	46,601,923	59,087,634
Current operating receivables:				
Subsidiaries	-	-	98,950,305	83,627,973
Jointly controlled entities	336,267	1,100,698	19,566	15,433
Associates	399	1,568	284	1,487
Current loans:				
Subsidiaries	-	-	47,950,049	40,046,732
Jointly controlled entities	431,749	247,383	431,749	247,383
Contract assets:				
Subsidiaries	-	-	2,219,675	5,542,493
Non-current financial liabilities:				
Subsidiaries	-	-	21,000,000	21,000,000
Current financial liabilities:				
Subsidiaries	-	-	201,358,173	164,958,704
Jointly controlled entities	300,000	300,000	300,000	300,000
Current operating liabilities:				
Subsidiaries	-	-	6,018,229	8,515,784
Jointly controlled entities	844	898,293	-	876,704
Contract liabilities				
Subsidiaries	-	-	14,428,586	2,527
Other liabilities				
Subsidiaries	-	-	-	11,321,656

28. Contingent liabilities

(in EUR)	Petrol d.d.		Petrol d.d.	
	30 September 2023	31 December 2022	30 September 2023	31 December 2022
Guarantee issued to:	Value of guarantee issued		Guarantee amount used	
Petrol d.o.o.	167,082,826	176,237,013	117,591,970	110,590,551
Geoplin d.o.o. Ljubljana	91,494,780	21,000,000	168,688	-
E 3, d.o.o.	15,000,000	15,000,000	6,726,467	3,812,407
Petrol BH Oil Company d.o.o. Sarajevo	5,437,589	5,437,589	572,292	166,588
Petrol LPG d.o.o.	4,700,000	4,700,000	-	-
Petrol Trade Handelsgesellschaft m.b.H.	3,000,000	3,000,000	3,000,000	1,800,000
Petrol d.o.o. Beograd	1,832,300	3,999,800	712,525	1,023
Petrol LPG HIB d.o.o.	971,455	460,163	64,601	-
Petrol Crna Gora MNE d.o.o.	725,000	3,000,000	261,312	206,682
Vjetroelektrarna Ljubač d.o.o.	-	23,792,130	-	-
Aquasystems d.o.o.	-	373,318	-	373,318
Total	290,243,950	257,000,013	129,097,855	116,950,569
Bills of exchange issued as security	112,225,563	103,464,125	112,225,563	103,464,125
Other guarantees	6,291,279	7,599,569	6,291,279	7,599,569
Total contingent liabilities for guarantees issued	408,760,792	368,063,707	247,614,697	228,014,263

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 3,400,888 (31 December 2022: EUR 3,150,872). 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 1,859,919 as at 30 September 2023 (31 December 2022: EUR 1,799,722).

The total value of lawsuits against the Group as defendant and debtor totals EUR 5,091,152 (31 December 2022: EUR 4,233,150). 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 2,519,863 as at 30 September 2023 (31 December 2022: EUR 2,511,603).

29. Events after the reporting date

In the period from 29 August 2023 to 5 October 2023, the President and Members of the Management Board of Petrol d.d., Ljubljana each purchased 700 ordinary shares of Petrol d.d., Ljubljana, with the symbol PETG, ISIN SI0031102153.

There were no other events after the reporting date that would significantly affect the financial statements for the first nine months of year 2023.

Appendix 1: Organisational structure of the Petrol Group

The Petrol Group, 30 September 2023	Fuels and petroleum products	Merchandise and services	Energy and solutions	Other
The parent company				
Petrol d.d., Ljubljana	•	•	•	•
Subsidiaries				
Petrol d.o.o. (100%)	•	•	•	•
Petrol javna rasvjeta d.o.o. (100%)			•	
Adria-Plin d.o.o. (75%)	•			
Petrol BH Oil Company d.o.o. Sarajevo (100%)	•	•	•	
Petrol d.o.o. Beograd (100%)	•	•	•	
Petrol Lumennis PB JO d.o.o. Beograd (100%)			•	
Petrol Lumennis VS d.o.o. Beograd (100%)			•	
Petrol Lumennis ZA JO d.o.o. Beograd (100%)			•	
Petrol Lumennis ŠI JO d.o.o. Beograd (100%)			•	
Petrol 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%)			•	
Vjetroelektrane Glunča d.o.o. (100%)			•	
IG Energetski Sistemi d.o.o. (100%)			•	
Petrol Geo d.o.o. (100%)				•
EKOEN d.o.o. (100%)			•	
EKOEN S d.o.o. (100%)			•	
Zagorski metalac d.o.o. (75%)			•	
Mbills d.o.o. (100%)		•		
Atet d.o.o. (96%; 100% voting rights)			•	
Atet Mobility Zagreb d.o.o. (100%)			•	
Vjetroelektrana Ljubač d.o.o. (100%)			•	
E 3, d.o.o. (100%)			•	
STH Energy d.o.o. Kraljevo (80%)			•	
Petrol - OTI - Terminal L.L.C. (100%)	•			
Geoplin d.o.o. Ljubljana (74.34%)			•	
Geoplin d.o.o., Zagreb (100%)			•	
Geoplin d.o.o. Beograd (100%)			•	
Zagorski metalac d.o.o. (25%)			•	
Jointly controlled entities				
Geoenergo d.o.o. (50%)			•	
Soenergetika d.o.o. (25%)			•	
Vjetroelektrana Dazlina d.o.o. (50%)			•	
Associates				
Plinhold d.o.o. (29.84%)			•	
Aquasystems d.o.o. (26%)			•	
Knešca d.o.o. (47.27% of the company is owned by E 3, d.o.o.)			•	

As at 30 September 2023, the Petrol Group diagram does not include inactive companies.

Appendix 2: Alphabetical list of abbreviations in the report

AC	Alternating current
AEO	Authorised Economic Operator
APM	Alternative performance measures
AQUIS	software to optimize water distribution in real-time
BAM	Bosnia-Herzegovina Convertible Mark
CEGH	Central European Gas Hub
CEX	Customer Experience
CINEA	European Climate, infrastructure and Environment Executive Agency
DC	Direct current
EBITDA	Earnings Before Interest, Taxes, Depreciation and Amortization
ECB	European Central Bank
EEX	European Energy Exchange
EOL	Energy Renovation of Ljubljana
EOQ	European Organization for Quality
EPS	Earnings Per Share
ERP	Enterprise Resource Planning
ESG	Environmental, social, and governance
ESMA	European Securities and Markets Authority
ESRS	European Sustainability Reporting Standards
EUO	Energy Management of Buildings
EQTM	European Quality Trademark
FED	Federal Reserve Bank
FSC	Forest Stewardship Council
GBC	Green Building Council
GDP	Gross domestic product
GWh	Gigawatt hour
HACCP	Hazard Analysis Critical Control Point
HERA	Croatian Securities and Markets Authority
IAS	International Accounting Standards
IFRS	International Financial Reporting Standards
ISCC	International Sustainability and Carbon Certification
ISO	International Organisation of Economic Co-operation and Development
JP VOKA	Public Utility Company
LPG	Liquefied petroleum gas
KDD	Central Securities Clearing Corporation
KWh	Kilowatt hour
MULTI-E	Project for the development of e-mobility and alternative fuel infrastructure services in Slovenia, Croatia, and Slovakia
MWh	Megawatt hour
NEXT-E	European project to expand an EV-charging infrastructure in Central and Eastern Europe
NMB	Unleaded petrol
OECD	Organisation of Economic Co-operation and Development
OPEC	Organization of the Petroleum Exporting Countries
PE	Population equivalent - unit for measuring purification plant capacity
RC	Responsible Care
RES	Renewable energy sources
RSD	Serbian Dinar
SCADA	Supervisory Control And Data Acquisition
SIST	Slovenian Institute for Standardization
SPP	Solar power plant
TCFD	Task force on Climate-Related Financial Disclosures
TNPS	Transactional Net Promoter Score
TWh	Terawatt hour
URBAN-E	European project to facilitate e-mobility, intermodal transport and green transport services in city centres (Ljubljana, Bratislava, Zagreb)