impol Aluminium Industry

ANNUAL REPORT 2023

Impol Group and of Impol 2000, d. d. for 2023


6TH
largest Slovenian exporter
78,924
in EUR was the amount of the added value per employee
2,375
employees in the company
0.98
was the ratio between NET debt and achieved EBITDA


83.03
in EUR million was the amount of EBITDA
210,400
tonnes of products was the sales volume in 2023
45.44
in EUR million was the net profit
876.9
in EUR million was the volume of net revenues from sales

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01 REPORT ON OPERATIONS IN 2023

"Action is the foundational key to all success."

Pablo Picasso

JOINT REPORT OF THE BOARD OF DIRECTORS AND EXECUTIVE DIRECTORS ON THE OPERATIONS OF IMPOL 2000, D. D. AND THE IMPOL GROUP IN 2023 AND ORIENTATIONS OVER THE COMING YEARS

Dear shareholders, business partners and co-workers!

Stable, but at the same time flexible, innovative and sustainable - these are four valuable properties of aluminium, which at the same time summarise the leading principles of the Impol Group, which enabled us to successfully navigate through the demanding economic environment in 2023. Our commitment to these principles was key to achieving another successful financial year.

Q4 of 2022 already indicated that 2023 will be extremely unpredictable. The decline in demand for cold-rolled products, the rise in interest rates, the rise in labour costs, the rise in energy costs, inflation and, on the other hand, downward pressure on prices and the fall in the price of aluminium on the stock market had a significant impact on the operations of the Impol Group. Despite this, the Group achieved the second best result in its history of business operations, which is approaching its 200-year anniversary.

While in the first half of 2023 we achieved approximately 100% of the planned quantities, the second half of the year saw a drop in demand, so we only achieved around 75% of the planned quantities, or the same as the second half of 2022.

The price of aluminium remained fairly flat throughout the year and, on average, much lower than in 2022. The average price of aluminium in 2022 was 20 percentage points higher than the average price of aluminium in 2023, or well over EUR 500 per tonne. This meant that we significantly reduced investments in receivables and inventories and improved liquidity, while revenues also decreased by the same amount.

The pre-tax profit amounted to EUR 54,8 million. The rolling division reached 62% of the total volume, and the extrusion division contributed to the remaining part of the production.

The production and sales programme structure continues to be strongly dispersed to establish a higher level of at least partial stability and sustainability of the Company's operations and thus the Company itself during recessions and crises.

Good business economy was maintained primarily because of our own foundries enabling us to increase the share of our in-house production of input raw materials and thus purchase simpler input raw materials at lower prices, maintain and achieve higher quality products, develop sophisticated alloys and increase the share of secondary aluminium processing. We are still in the process of obtaining a permit for the construction of a new foundry in Impol-TLM in Šibenik. At Impol Seval in Sevojno, we are waiting for the restoration of casting capacities. The importance of this part of every production process is indicative of the necessity for considering the construction and upgrade of foundry capacities in the years to come as the highest of priorities. We are also increasing cooperation with foundry capacity providers.

In 2023, Impol also managed to secure an adequate structure of funding sources and maintain it at the same level as the previous year. Compared to the previous year, we managed to reduce the net debt to EBITDA and it amounted to 0.98, which indicates a satisfactory level of business performance and high liquidity at the end of 2023.

Comprehensive risk management and constant attempts to optimise the financing resources improved the structure of financing resources in such a way that already 27% of all short-term investments are financed by long-term sources of financing. This significantly improves the safety of operations and shortens the reaction time which in some cases plays a decisive role when entering sales and also purchase markets. Most importantly, the Impol Group finances almost 56% of its investments with equity. We are also strongly focused on insuring all assets and other business events in the selected manners.

We paid a lot of attention to the information system last year as well, namely with the refurbishment of certain modules, the change of technologies and cyber security. We are currently selecting a suitable ERP solution to replace our own solution.

We continued with our intensive development of the area related to quality. We maintain a system of independent verification of product and process quality, which we have been upgrading through the years, thus enabling a sustainable monitoring of the needs of the customers, who demand products of the highest grade of quality. We offer our customers several different technological paths with which we increase production safety and guarantee delivery periods.

As already mentioned, Impol's product portfolio is spread over several product programmes, which has repeatedly proven to be a niche advantage. In this way, we can provide a more comprehensive range of products to a certain group of customers, and the sensitivity to market fluctuations is also lower, as it is rare for the demand for products from all programmes to fall at the same time. This was particularly strongly reflected in the year, during which this issue was aggravated by the pandemic.

The Impol Group invested EUR 23 million in long-term assets in order to pursue development goals and manage the growth of the business volume, and due to the drop in aluminium prices in 2023 and the optimisation of stocks, it disinvested approximately EUR 21 million.

Given the results achieved, investments in the Impol Group are profitable and safe, evidenced by a timely and full settlement of all liabilities and organise uninterrupted operations.

The shares of Impol 2000, d. d. are not quoted on a regulated market and therefore Impol 2000, d. d. enables its shareholders to determine the value of their investment by objectively showing the value of the Company in its financial statements. The consolidated carrying amount of capital, including minority shareholders, per share in the Impol Group is steadily increasing and in 2023 is now amounting to EUR 365.60 per share.

In addition to the possibility of further development, the results achieved in 2023 also allow for the payment of a dividend of the same value as in the previous year.

When acquiring larger business shares in other companies, we will pursue the goals of including, above all, such programmes that upgrade existing programmes or supplement them in the direction of increasing their added value. In doing so, we will take into account that the inclusion of new programmes must not worsen the structure of resources for financing the entire process, so that this would increase the share of liabilities. The Impol Group will also continue to form stronger alliances inside the aluminium industry, especially in the SE Europe, whereas investments outside this area will mostly concentrate on extending the sales network. External resources in the form of financial leverage will be included in the Impol Group through those companies in the Group, which use these resources to finance those production programmes that will enable a return on these investments in subsequent periods – all in accordance with decisions previously adopted by the Board of Directors of the Impol Group. Financing within the Group will be carried out under external conditions and will include the costs of providing funds. Individual companies of the Group can also participate in financial markets independently, subject to a prior consent of Impol's Board of Directors.

The InfiniAL brand, which we also registered in 2023, is focused on the production of extruded and rolled aluminium products with a sustainable development approach. The brand emphasises a low carbon footprint and high content of recycled aluminium in accordance with ISO 14021.

Products under the InfiniAL brand include a different alloys used for a variety of purposes, highlighting Impol's commitment to technological innovation and environmental responsibility. These products are part of Impol's wider efforts to reduce the environmental impact of its operations through advanced recycling practices and the use of secondary raw materials.
Impol operates according to a one-tier management system. The constant presence and flexibility of the Board of Directors provided a permanent control over business operation, the decisions were adopted regularly and in line with our needs, and the guidelines for further operation were defined in a form of entering modifications of plans and the strategy. As part of its operations, the Board of Directors adopted 159 decisions at its all sessions, thus ensuring the conditions for a smooth business operation of all parts of the Impol Group.

In organising our business processes we guarantee transparency by rigorously observing the adopted Impol Group Business Conduct Code.

In 2023, we adopted a new business strategy for the period until 2030, with the goal of achieving growth in both key programmes – rolling and extrusion. We have also specifically defined the decarbonisation strategy of the Impol Group. Through the entire period, the Company also monitored the entire process through an internal audit and expects that this will continue further in the future.

The Board of Directors will keep closely monitoring the developments in the business, social and political environment and together with the management of the Impol Group it will adopt measures aimed at reducing their impact on the results of individual companies and of the Impol Group as much as possible. The transfer prices policy will be developed accordingly.

Of course, all of the above would not have been possible without our employees, so we would like to thank all employees whose dedication and team spirit are key to our achievements. We look to the future with confidence and optimism. We are confident that we will be able to remain stable in the years to come, but at the same time flexible, innovative and sustainable.

Jernej Čokl
(Board of Directors President)

Vladimir Leskovar
(Board of Directors Vice President)

Janko Žerjav
(Board of Directors Member)

Andrej Kolmanič
(Board of Directors Member)

Dejan Košir
(Board of Directors Member)

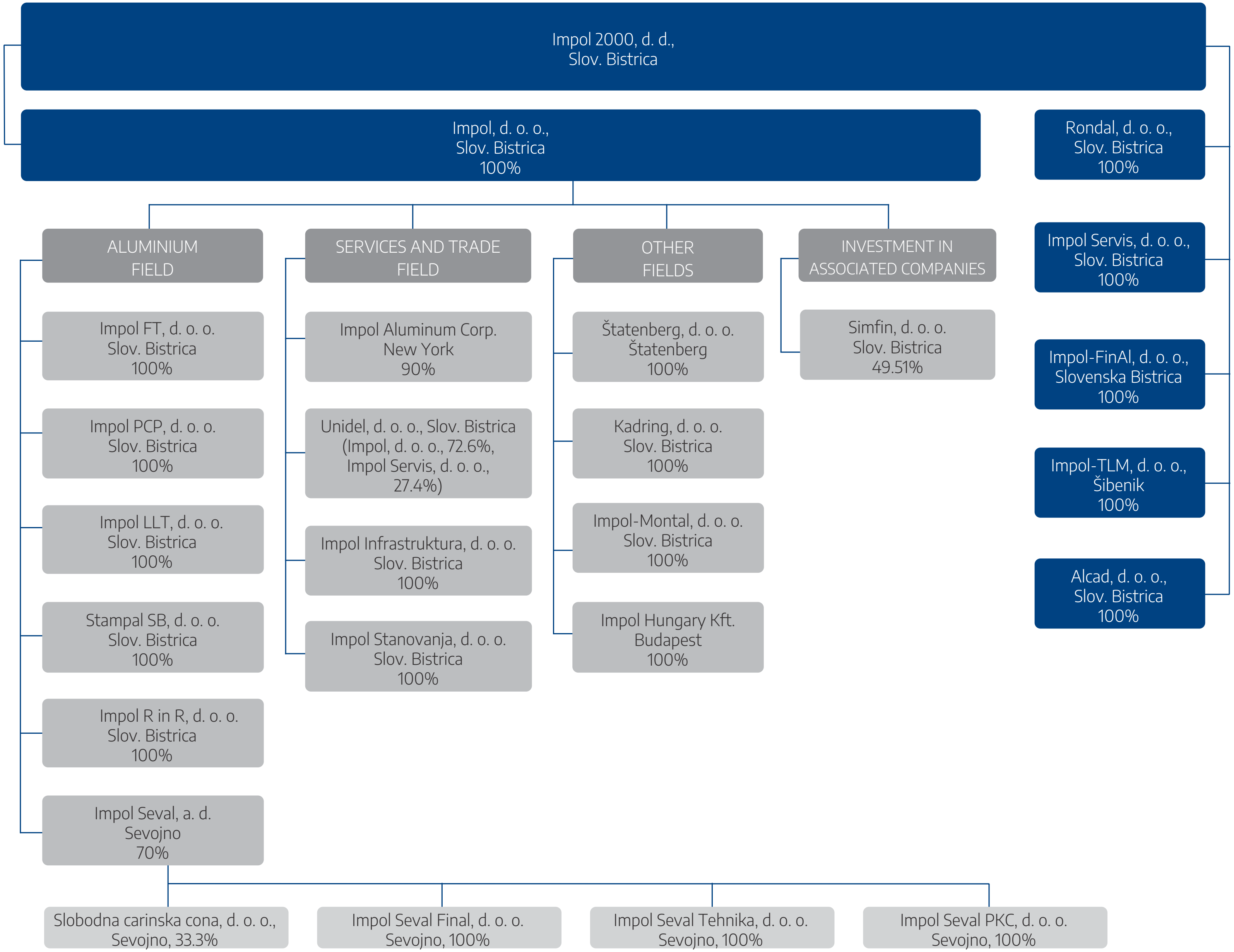
Andrej Kolmanič
(Chief Executive Officer)

Irena Šela
(Executive Director of Finance and IT)

Organisation of the Impol Group

Impol 2000, d. d. is the holding company of the Impol Group. The Company implements many activities; the biggest one regarding revenues is the transit sale of commercial goods. Other sources of revenues include planning, controlling, organising, financing and informing services, sale and after sale and other.

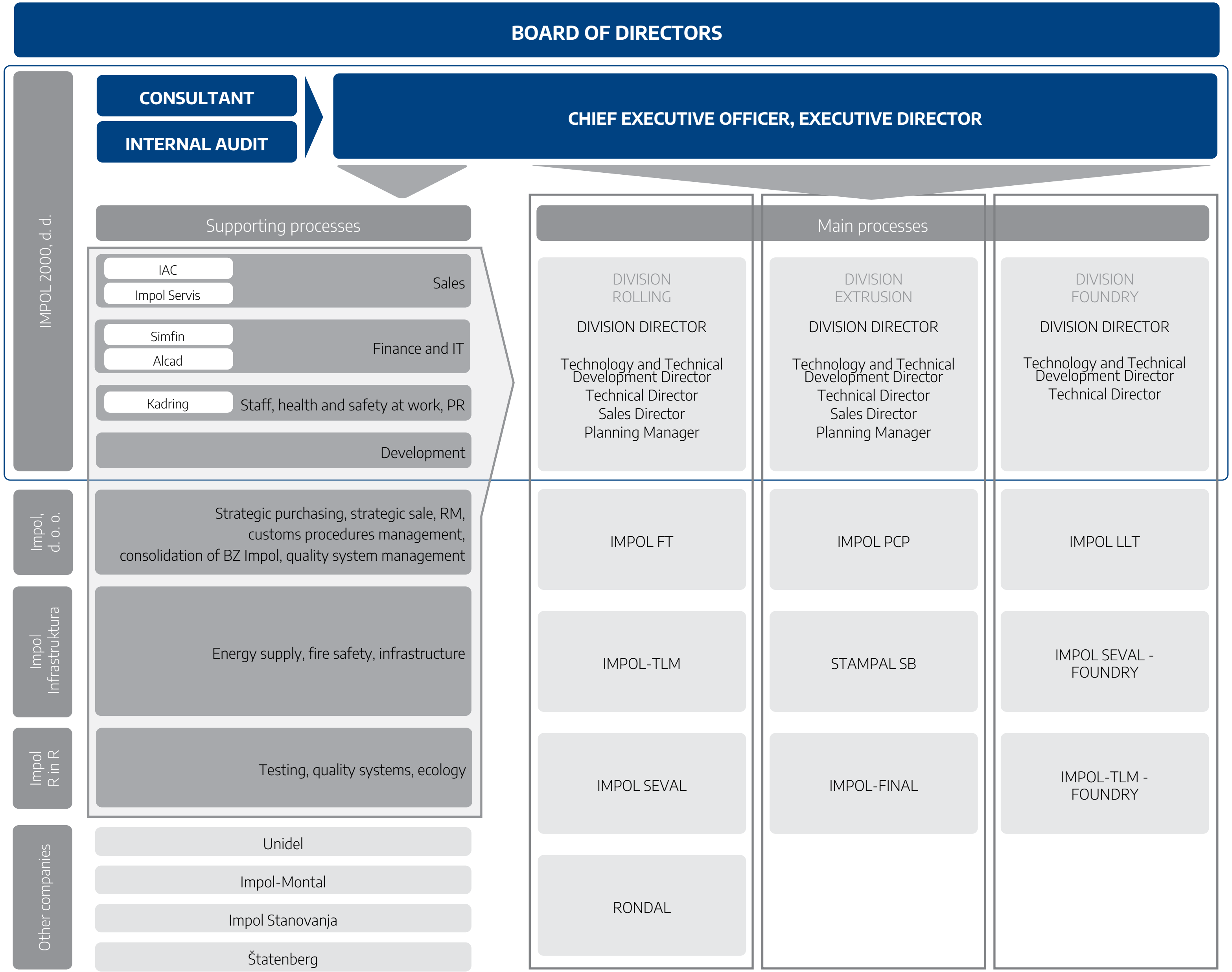
Figure 1: **The Impol Group organisation – ownership structure**



Division organisation

The Impol Group is organised in three divisions, namely rolling, extrusion and foundry, which enables the comprehensive development of individual programmes and the transfer of good practices. Within each individual division the development of the expert field, the achievement of set annual goals, the sale of specialised products to end buyers and ensuring the consistency of operations with corporate rules of the Impol Group are coordinated.

Figure 2: Division organisation



MANAGEMENT AND GOVERNANCE SYSTEM

All companies within the Impol Group are required to manage their business operations by observing the rules and policies, adopted in the Impol Group Code of Business Conduct, which is publicly accessible on the website of the Impol Group (www.impol.si).

The Company's management is responsible for keeping proper accounts and the establishment of internal controls, ensuring the functioning of internal controls, and the selection and application of accounting policies.

In order to make the systems of internal controls and risk management function, we perform the following:

- Unification of accounting policies and their consistent application;
- Provision and upgrading of a uniform accounting system that allows maintenance of uniform accounting policies;
- Provision and upgrading of a single business information system, which increases the efficiency of operational processes and at the same time provides the possibility of controlling all the Group companies;
- Implementation of adequate accounting and business reporting at all levels of the Group companies including:
    - The provision of accurate and reliable accounting data based on credible bookkeeping documentation and proofs of the existence of business events featuring all data that is necessary for correct record-keeping;
    - The provision of accurate, reliable and fair accounting data and reports that are appropriately verified before he publication by the implementation of controls at multiple levels, namely by the comparison of the data from subsidiary bookkeeping and the data in the book-keeping documents, comparison of the data of business partners (external confirmation), comparison of the actual physical state with the accounting records and by synchronising data between subsidiary bookkeeping and the general ledger;
- Implementation of regular internal audits;
- Implementation of regular external assessments;
- Establishment of a Risk Management Committee which monitors all the risks identified within the Group and, where appropriate, is engaged in individual processes where certain risks may occur or have occurred;
- Implementation of its own system of managing risks regarding aluminium operations.

Risk management is presented in detail in the risk related section.

We believe that the current system of internal controls in Impol 2000, d. d. and the Impol Group was effectively established in 2023 and that the operation was in accordance with the legal provisions and ensured the possibility of achieving business goals.

a. Data on the functioning of the Company's General Meeting and its key competences, and the description of the rules for the shareholders and the method of their enforcement

The shareholders shall exercise their rights on the Company matters at a General Meeting in accordance with the ZGD-1. The convocation of a General Meeting is regulated by the Statute. The General Meeting is convened by the Board of Directors. A General Meeting shall also be convened if shareholders whose shares represent one-twentieth of the share capital require it in a written form stating the purpose and reasons. If the Board of Directors refuses to give effect to the request, the minority may request the court to authorise it to convene the General Meeting. The same applies when the majority requests the extension of the agenda after the General Meeting of shareholders has been convened.

The Board of Directors shall convene the General Meeting one month before the meeting by publishing the notice on AJPES and the Company's website. The publication by the Board of Directors shall also indicate the time and place of the General Meeting.

The General Meeting can only be attended and the right to cast votes may be exercised by the shareholders who announce their participation at the General Meeting and who are entered into the central register of book-entry securities as owners of shares at cut-off date upon the General Meeting being convened.

The General Meeting shall decide regarding:
- the adoption of the annual report,
- the use of the distributable profit,
- the appointment and recall of the members of the Board of Directors,
- the granting of a discharge to the members of the Board of Directors,
- the amendments to the Statute,
- the measures to increase and decrease capital,
- the dissolution of the Company and status transformation,
- the appointment of an auditor,
- Other matters if stipulated by the Statute in accordance with the law or other matters laid down in the Act.

The General Meeting is responsible for the adoption of the annual report only if the Board of Directors fails to approve it, or if the Board of Directors leaves a decision on the approval of the Annual Report to the General Meeting.

At the General Meeting held on 14 July 2023 the shareholders took note of the Annual Report and the Report of the Board of Directors on the results of the verification of the Annual Report for 2022, and of the remuneration of the members of the management and supervisory bodies.

The General Meeting decided to use part of the formed accumulated profit of Impol 2000, d. d., amounting to EUR 10,667,670.00, for the disbursement of dividends to shareholders, whereby shareholders will be paid dividends in the amount of EUR 10.00 gross per share. The remaining portion of the accumulated profit in the amount of EUR 35,879,195.53 shall remain undistributed.

b. Data on the composition and functioning of the management and supervisory bodies and their committees

The Board of Directors which represents the Company is composed of non-executive directors. The President of the Board of Directors is the legal representative of the Company. The Board of Directors therefore runs the Company, whereas the two Executive Directors run the ongoing operations. The Executive Directors represent the Company in accordance with the law and are independent representatives of the Company. In accordance with the resolution adopted by the Board of Directors, the Executive Directors must obtain the approval for specific areas of operations:

- Acquisition, takeover and cessation of shareholdings in other companies and the establishment of new companies,
- Acquisition, disposal or encumbrance of real estate,
- Pledge or other forms of encumbering of other assets,
- Taking out short-term loans, leasing, emission of bills or commercial papers and acquisition of other liquid assets from external sources,
- Provision of guarantees,
- Granting loans to employees and third parties,
- Investments into fixed capital.

Composition of the Board of Directors after appointments made at the General Meeting from 1/1/2021 on:

- Jernej Čokl, Board of Directors President;
- Vladimir Leskovar, Board of Directors Vice President;
- Janko Žerjav, Board of Directors Member;
- Andrej Kolmanič, Board of Directors Member;
- Dejan Košir, Board of Directors Member.

Jernej Čokl, Vladimir Leskovar, Janko Žerjav and Andrej Kolmanič are members of the Board of Directors appointed by the General Meeting and whose term of office expires on 31/12/2026. Dejan Košir was appointed by a representative body of workers as a new member of the Board of Directors.

The Board of Directors appointed two Executive Directors:

- Andrej Kolmanič, Chief Executive Officer,
- Irena Šela, Executive Director of Finance and IT.

The term of office of the Executive Directors will run from 31/12/2020 to 31/12/2024.

5.8. Point 8, Paragraph 6, Article 70 of the ZGD-1 – Rules of the Company

Executive Directors are appointed by the Board of Directors. The term of office of the Executive Directors shall be four years with the possibility of reappointment. The Executive Director must meet the conditions laid down in the Companies Act ZGD-1, additional conditions may be determined by the Board of Directors. The Board of Directors shall decide on the conclusion, approval and termination of the contracts on the performance of a function of the Executive Director.

The Company has a Board of Directors which runs the Company, supervises the implementation of operations and performs other tasks in accordance with the law and statute. The Board of Directors consists of five members. Four members are elected by the General Meeting, and a representative body of workers of the Impol Group (hereinafter: RBEIG) shall have the right to elect one member in accordance with the statutory provisions and the agreement concluded between the Board of Directors and employee representatives – the Group electors.

A member of the Board elected by the RBEIG has a position of a non-executive director in the Board of Directors and represents the interests of all the employees in the companies affiliated to the Group. The term of the member of the Board of Directors appointed by the RBEIG is two years with the possibility of reappointment.

The term of office of the Board of Directors members elected by the General Meeting is up to six years with the possibility of reappointment. The term of office of each member of the Board of Directors is finally decided by the General Meeting by adopting a resolution. If the term of office of a Board of Directors member is subject to early termination, the next General Meeting will elect a new member for the remainder of the term of office.

The Statute may be amended by the General Meeting requiring a majority of at least three quarters of the share capital represented.

5.9. Point 9, Paragraph 6, Article 70 of the ZGD-1 – Authorisations of the members of the management, especially authorisations for issuing or purchasing own shares

The authorisations are defined under point 4 of the statement – Information on the composition and functioning of the management and supervisory bodies and their committees. The Board of Directors and Executive Directors have no special powers in connection with the issue or purchase of treasury shares.

5.10. Point 10, Paragraph 6, Article 70 of the ZGD-1 – Important agreements in which the company is a party and which take effect, change or are cancelled on the basis of the change in the control over the company as a result of a bid, as stipulated by the act regulating acquisitions

The Company is not aware of any such agreements.

5.11. Point 11, Paragraph 6, Article 70 of the ZGD-1 – Agreements between the company and the members of its management or supervisory bodies or the employees which foresee compensation should such persons, due to a bid as stipulated by the act regulating acquisitions: resign, be fired without cause, or their employment relationship be terminated.

In the event of resignation, recall or termination of the employment contract without good reason, the management is not entitled to compensation.

At the meeting in person held on 4/01/2021, the Board of Directors adopted a decision to appoint Vladimir Leskovar, Tanja Ahaj and a member of the Board of Directors appointed by a representative body of workers, as members of the Audit Committee. From 28/01/2021, Dejan Košir replaces Bojan Gril as member of the Audit Committee.

Operation of the Audit Committee

Operation of the Audit Committee in 2023

The Audit Committee of Impol 2000, d. d. (hereinafter: AC) held in its full composition, as appointed, in 2023 five meetings in person at which it implemented its tasks in line with the provision of Article 280 of the Companies Act ZGD-1.

The Audit Committee:

a) Monitored financial reporting on the basis of the received financial and accounting reports on current business operations on monthly basis. The AC provided, as needed, in terms of the minutes of the AC comprising recommendations and proposals to ensure a coherent monitoring of the accounting report procedure. It monitored the preparation of individual annual reports of the Group companies and of the consolidates annual report in terms of content and timeline. At the same time it discussed important verifications and assessments, used for the preparation of financial statements and important and/or unusual transactions, it verified investments, solvency, liquidity and capital adequacy, and it assessed the quality of financial information. The AC established that the Company met the requirements in terms of solvency, liquidity and capital adequacy on the basis of its financial results from monthly and annual statements of accounts;

b) Reviewed the suitability and comprehensiveness of other measures taken and forwarded opinions to the Board of Directors;

c) Monitored the efficiency of internal controls which it deemed efficient and realised. The AC regularly monitored the assessment of work of the internal audit on the basis of the received monthly reports and it evaluated its operation as successful. By evaluating and following up the reports and by evaluating the operation of the Risk Management Committee, the AC establishes that all risk areas are adequately monitored and managed;

d) Monitored obligatory audit of annual and consolidated financial statements and established that the external audit was implemented successfully and comprehensively;

e) Monitored the external auditor's independence and established that the independence was ensured;

f) Verified the implementation of the contract concluded for the performance of an external audit between an independent auditor and Impol 2000, d. d., and other companies of the Group, where independent audits are necessary;

g) Verified an independent auditor's report and notified the Board of Directors about its agreement with the expressed opinion that the to consolidated accounts, profit or loss and cash flows fairly represent in all aspects the financial position of Impol 2000, d. d. and its subsidiaries in line with the International Financial Reporting Standards. It agreed with the auditors' conclusion that the business report is in line with the revised consolidated financial statements;h) Specifically verified and evaluated the content of the Annual report of the Impol Group and Impol 2000, d. d. and agreed with the proposal and presented the opinion to the Board of Directors;

i) Supervised the integrity of financial information provided by the Company and it participated in the defining of the important audit fields;

j) Cooperated with the independent auditor in the implementation of the audit of the Annual report of Impol 2000, d. d. and the Impol Group, mainly by mutual sharing of information on main and important audit issues;

k) Cooperated with an internal auditor in preparing and confirming an internal audit plan by mutual sharing information on the main internal audit issues as it followed the operation of internal audit on monthly basis through the reports it received on its operation;

l) Regularly provided views and proposal to the Board of Directors for the adoption of decisions in areas which it closely monitors in accordance with the purpose of its function (GRI 102-18).

Companies in the Impol Group

The Impol Group operates as part of the holding company Impol 2000, d. d., which has direct subsidiaries Impol, d. o. o., Rondal, d. o. o., Impol Servis, d. o. o., Impol-TLM, d. o. o., Impol-FinAl, d. o. o., and company Alcad, d. o. o. Impol, d. o. o. operates with fourteen active subsidiaries, three active dependent subsidiaries, and two active associated companies.

Consolidated accounts include all companies in which the Impol Group holds more than 50% management rights, meaning that Simfin, Impol Brazil and Slobodna carinska cona are not included in the consolidation and are included as associated companies in line with the equity method.

Table 1: Other operating companies within the Impol Group

	Company	Share
	Impol 2000, d. d. – parent company – directly controls:	
1	Impol Servis, d. o. o. (controls 27.4% of Unidel, d. o. o.)	100%
2	Impol, d. o. o. with the following subsidiaries:	100%
2.1	Impol Seval a. d. Serbia with the subsidiaries:	
2.1.1	Impol Seval PKC, d. o. o. (100%)	
2.1.2	Impol Seval Tehnika, d. o. o. (100%)	70%
2.1.3	Impol Seval Final, d. o. o. (100%)	
2.1.4 associated	Slobodna carinska cona (33.33%)	
2.2	Impol LLT, d. o. o.	100%
2.3	Impol FT, d. o. o.	100%
2.4	Impol PCP, d. o. o.	100%
2.5	Stampal SB, d. o. o.	100%
2.6	Impol R in R, d. o. o.	100%
2.7	Impol Infrastruktura, d. o. o.	100%
2.8	Impol Aluminium Corporation, New York (ZDA)	90%
2.9	Impol Stanovanja, d. o. o.	100%
2.10	Štatenberg, d. o. o.	100%
2.11	Unidel, d. o. o. (27.4% is owned by Impol Servis, d. o. o.)	72.6%
2.12	Impol-Montal, d. o. o.	100%
2.13	Kadring, d. o. o.	100%
2.14	Impol Hungary Kft.	100%
2.15 associated	Simfin, d. o. o.	49.5%
3.	Rondal, d. o. o.	100%
4 associated	Impol Brazil	50%
5.	Impol-TLM, d. o. o.	100%
6.	Impol-FinAl, d. o. o.	100%
7.	Alcad, d. o. o.	100%

Of 27 Group companies (including the associated ones), 9 operate abroad. Impol-TLM, d. o. o. is a direct subsidiary of Impol 2000, d. d., while there are no activities being carried out in the company Impol Brazil. There are also three subsidiaries of Impol, d. o. o. operating abroad: IAC, New York, USA, and Impol Seval a. d., Serbia, which is the 100% owner of three companies, and Impol Hungary Kft.

Subsidiaries and associated companies in which Impol 2000, d. d. exercises direct or indirect prevailing influence

Table 2: Subsidiaries of Impol 2000, d. d.

Subsidiaries - direct influence	Company registration number	Activity Standard Classification	Carrying amount of the financial investment in EUR 31/12/2022	Carrying amount of the financial investment in EUR 31/12/2023	Equity participation in %	Equity in EUR as of 31/12/2022	Net profit or loss in EUR in 2022	Equity in EUR as of 31/12/2023	Net profit or loss in EUR in 2023
Impol Servis, d. o. o., Partizanska ulica 38, Slovenska Bistrica	5482593	47,520	245,037	245,037	100	1,521,741	283,909	1,656,379	137,356
Impol, d. o. o., Partizanska ulica 38, Slovenska Bistrica	5040736	24,420	73,988,863	73,988,863	100	219,284,258	42,491,807	243,755,451	39,582,114
Rondal, d. o. o., Partizanska ulica 38, Slovenska Bistrica	5888859	25,500	100,000	100,000	100	8,849,953	1,629,013	9,386,577	1,451,573
Impol-TLM, d. o. o., Narodnog preporoda 12, Šibenik, Croatia	4433203	2442	63,773,761	63,773,766	100	62,798,454	1,786,393	64,174,676	1,359,546
Impol-FinAl, d. o. o., Partizanska ulica 38, Slovenska Bistrica	7176899	25,620	1,000,000	1,000,000	100	1,604,598	588,561	1,771,660	534,046
Alcad, d. o. o., Mroževa ulica 5, Slovenska Bistrica	5694507	62,010	2,227,000	2,227,000	100	885,807	185,204	1,024,152	147,274

Table 3: Subsidiaries of Impol, d. o. o.

Subsidiaries – direct influence	Company registration number	Standard Industrial Classification	Country of the company	Equity in EUR as of 31/12/2022	Net profit or loss in EUR in 2022	Equity in EUR as of 31/12/2023	Net profit or loss in EUR in 2023
Impol-Montal, d. o. o.	5479355	25,120	Slovenia	2,372,100	554,155	2,958,751	916,650
Impol Stanovanja, d. o. o.	5598010	68,320	Slovenia	3,569,518	22,615	3,633,346	64,466
Štatenberg, d. o. o.	5465249	56,101	Slovenia	454,655	11,301	459,179	4,523
Unidel, d. o. o.	5764769	14,120	Slovenia	1,735,717	138,989	1,865,794	140,811
Impol Aluminium Corporation, New York	/	51,520	USA	2,388,094	408,763	2,087,629	55,201
Impol Seval, a. d.	7606265	2442	Serbia	85,405,890	24,100,122	81,165,923	2,848,753
Impol Seval PKC, d. o. o.	17618245	7022	Serbia	53,635	11,172	67,139	24,782
Impol Seval Final, d. o. o.	17618261	6920	Serbia	85,505	32,205	96,811	43,683
Impol Seval Tehnika, d. o. o.	17618253	2562	Serbia	522,904	11,591	546,603	24,288
Stampal SB, d. o. o.	1317610	25,500	Slovenia	7,956,404	1,781,503	8,207,421	1,273,580
Kadring, d. o. o.	5870941	70,220	Slovenia	992,268	204,653	1,521,441	652,649
Impol FT, d. o. o.	2239418	25,500	Slovenia	12,397,805	5,387,793	12,731,952	3,607,292
Impol PCP, d. o. o.	2239442	25,500	Slovenia	23,166,964	10,006,939	23,352,412	6,316,632
Impol LLT, d. o. o.	2239434	24,530	Slovenia	6,379,969	1,510,117	8,518,480	3,081,866
Impol R in R, d. o. o.	2239400	72,190	Slovenia	1,032,401	107,646	1,297,180	276,555
Impol Infrastruktura, d. o. o.	2239426	68,320	Slovenia	770,691	74,576	857,586	93,449
Impol Hungary Kft.	/	1,724	Hungary	46,906	112,263	54,307	58,314

Other associated companies are those in which Impol 2000, d. d. directly or indirectly owns more than 20% in share capital.

Table 4: Associated companies where Impol 2000, d. d. has indirect influence

Associated companies – indirect influence	Country	Share in %
Simfin, d. o. o., Partizanska ulica 38, Slovenska Bistrica*	Slovenia	49.5
Slobodna carinska cona**	Serbia	33.33

*Shareholdingin possession of a subsidiary - Impol, d. o. o.
**Shareholding in possession of a subsidiary - Impol Seval, a. d., majority held by Impol, d. o. o.

Table 5: Associated companies where Impol 2000, d. d. has direct influence

Associated company – direct influence	Country	Share in %
Impol Brazil Aluminium Ltda, Rio de Janeiro, Brazil	Brazil	50

Shares and shareholders

After the share capital increase being entered on 15/02/2000, the Company's share capital amounts to EUR 4,451,540.

The share capital of Impol 2000, d. d., is divided into 1,066,767 registered no-par value shares.

The share capital of the is divided into:
- 23,951 no-par value shares of the first issue,
- 1,029,297 no-par value shares of the second issue,
- 13,519 no-par value shares of the third issue.

The shares are held by named persons, are of the same class and are transferable. The central share register is kept by KDD. At the end of the year, 821 shareholders were registered, which continues to show adequately diversified ownership. Approximately 49% of shares is owned by natural persons.

Members of the Board of Directors in the composition of up to and including 31/12/2023 own 18,156 of all shares of Impol 2000, d. d. or 1.70% in total.

The carrying amount of a share of Impol 2000, d. d. as of 31/12/2023 is presented in the table.

Table 6: **Carrying amount of a share of Impol 2000, d. d. in EUR**

Year	Carrying amount of a share – consolidated – including the equity of minority shareholders	Carrying amount of a share – consolidated – excluding the equity of minority shareholders	Carrying amount of a share of the Company Impol 2000, d. d. (the holding company)
2023	365.60	342.91	70.10
2022	335.10	311.22	65.30
2021	260.25	241.63	62.12
2020	236.43	215.77	56.25
2019	226.93	206.26	58.99
2018	207.94	188.86	57.39
2017	175.74	159.32	55.07
2016	144.38	130.76	53.53
2015	119.58	108.57	51.66
2014	99.88	91.04	49.61
2013	89.61	80.54	47.93
2012	77.78	69.83	45.88
2011	69.21	61.21	40.85
2010	56.46	49.90	36.19
2009	52.75	46.41	32.13
2008	53.33	47.27	26.54
2007	50.19	42.06	23.70

Table 7: **Overview of the shareholders as of 31/12/2023**

Holder	Number of shares	%
Bistral, d. o. o.	111,449	10.4%
Impol-Montal, d. o. o.	80,482	7.5%
Karona, d. o. o.	72,796	6.8%
Alu-Trg, d. o. o.	58,882	5.5%
Kranjc Danilo	56,041	5.3%
Upimol 2000, d. o. o.	54,787	5.1%
Alumix, d. o. o.	53,400	5.0%
Simpal, d. o. o.	53,400	5.0%
Albacore Investicije, d. o. o.	21,151	2.0%
Simfin, d. o. o.	19,173	1.8%
Others	485,206	45.5%
Total	**1,066,767**	**100.0%**

5.2. Restrictions on transfer of shares

The transfer of shares shall request a written consent of the Board of Directors, which verifies before the transfer if conditions for transfer, specified in the Company Statute, have been met.

5.3. Point 3, Paragraph 6, Article 70 of the ZGD-1 – Qualified holdings according to the ZPre-1

On 31 December 2023, qualified holdings on the basis of the first paragraph Article 77 of the Takeovers Act are presented in the table below.

Table 8: Shareholders with qualifying holdings as of 31/12/2023

Shareholder	Number of shares	Share
Bistral, d. o. o.	111,449	10.4%
Impol-Montal, d. o. o.	80,482	7.5%
Karona, d. o. o.	72,796	6.8%
Alu-Trg, d. o. o.	58,882	5.5%
Kranjc Danilo	56,041	5.3%
Upimol 2000, d. o. o.	54,787	5.1%
Alumix, d. o. o.	53,400	5.0%
Simpal, d. o. o.	53,400	5.0%

By controlling the companies Simpal, d. o. o., and Alumix, d. o. o., the company Upimol 2000, d. o. o., has an increased equity impact in Impol 2000, d. d.

5.4. Point 4, Paragraph 6, Article 70 of the ZGD-1

The Company did not issue any securities that would carry special control rights.

5.5. Point 5, Paragraph 6, Article 70 of the ZGD-1 – Employee share scheme

The Company has no employee share scheme.

5.6. Point 6, Paragraph 6, Article 70 of the ZGD-1 – Restrictions related to voting rights

The Statute of Impol 2000, d. d. includes a restriction of voting rights, namely a shareholder who holds more than 10% of the Company's shares cannot exercise the voting right for the shares exceeding 10% of the shares of the Company.

5.7. Point 7, Paragraph 6, Article 70 of the ZGD-1 – All agreements among shareholders that could result in the restriction of the transfer of securities or voting rights

The Company is not aware of any such agreements.

DIVERSITY POLICY

The purpose of the diversity policy is to provide the fundamental principles with regard to ensuring diversity of the management members with the goal to achieve the best possible efficiency of the management and thus to keep or increase the Company's developmental and competitive advantages. The diversity policy aims to encourage the diversity of the management members and their knowledge and skills.

When determining the optimal composition of the management and in preparing the proposal to the General Meeting of shareholders, we take into consideration especially the following diversity goals or aspects:

- the proposal for the selection management, which is appointed by the Company's General Meeting, should be drawn up in a manner that ensures the heterogeneity of the composition and the operation so that the know-how, skills and personal characteristics of individual management members complement each other. In case of a single-member body, the manager should have the widest possible range of expert knowledge, experience and skills from various different areas so as to contribute to the greatest extent possible to the achievement of the Company's business excellence. We also ask other people responsible for drawing up proposals – company shareholders to take into consideration this principle.
- We ensure proper continuity so as to achieve a suitable relationship between existing and new management members.

The selection of potential candidates for management members should, if possible, take into account diversity in terms of gender and age. The diversity policy should be considered particularly in the candidate selection and proposal process for members of the management body. We also ask all the company shareholders, who have the right to give proposals in the General Meeting's decisions, to take into consideration the diversity policy.

The management or supervision body of Impol 2000, d. d., is the Board of Directors, which is composed by five members. In the previous term (from 01/01/2015 to 31/12/2020) the Company's Board of Directors was composed of five members, all of which men, and two executive directors who were not members of the Board of Directors, whereby the main Executive Director was a man and the Executive Director of Finance and IT was a woman. As of 01/01/2021, the Board of Directors entered a new six-year term of office, whereby all five members are again men; however, in this term of office the Board of Directors appointed an Executive Director from its members, whereas the Executive Director of Finance and IT, who is not a member of the Board of Directors, is a woman. There are four women in the management of the Impol Group (Impol 2000, d. d., and directly or indirectly affiliated companies – 23 companies in total). With regard to the activity performed by the Impol Group - manufacturing and processing aluminium products, where there is a low degree of representation of women in managerial positions - we believe that this gender ratio in management or supervisory bodies of the Company is appropriate.

We established that the Company is implementing the diversity policy, since its management bodies are composed so as to ensure suitable know-how, experience and personal characteristics that contribute to the Group's growth and development.

Jernej Čokl
(Board of Directors President)

Vladimir Leskovar
(Board of Directors Vice President)

Janko Žerjav
(Board of Directors Member)

Andrej Kolmanič
(Board of Directors Member)

Dejan Košir
(Board of Directors Member)

Andrej Kolmanič
(Chief Executive Officer)

Irena Šela
(Executive Director of Finance and IT)

02 STRATEGIC ORIENTATIONS

"To be successful you must accept all challenges that come your way. You can't just accept the ones you like."

Mike Gafka

STRATEGIC ORIENTATIONS OF THE IMPOL GROUP

THE MISSION OF THE IMPOL GROUP

Sustainable manufacture of aluminium products which provide customers the best ration between price and quality, whereby we meet the expectation of all stakeholders.

Values

INNOVATION – development of new products that enable business growth and adding value.

DILIGENCE – recognising and rewarding employees who contribute to the development of the system with their efforts.

ADAPTABILITY – seeking flexible business models that enable an agile satisfaction of the needs of customers and other stakeholders.

EXCELLENCE – shaping business processes in the direction of business excellence with the intention of becoming a world-class company.

LOYALTY – encouraging employee loyalty and at the same time showing loyalty through sustainable development. of good business relations with business partners.

Key accelerators of change

The Impol Group will successfully adapt to and look for promising market opportunities in trends in the coming period.

Fundamental objectives

To increase added value per employee to EUR 80,000 and to ensure a business design in accordance with the guidelines of sustainable development.

Sustainable Development Pillars of the Impol Group

SUSTAINABLE BUSINESS MODEL

Focus profit to modernise and expand production and ensure at least 60% of the financing of business processes with the capital.

We are accountable to our shareholders, the management board and Code of business conduct.

Ensuring the increase of the value of shareholders' investments.

Adapting the organisational structure with the intention of facilitating the development of each individual division and achieving internal efficiency.

Following values of sustainable development and meeting the expectations of end users and other stakeholders of the Impol Group.

Following EU guidelines and timeline of introducing the legislation in the area of sustainability.

In addition to profitability, the fundamental operating goals also include ensuring a positive impact on the world.

SUSTAINABLE PRODUCTS

Promoting sales to industrial customers as their development supplier.

To be the leading European supplier of forging rods, extruded products, and to become a valued supplier of rolled products to the automotive industry.

Restructuring the production mix in order to accelerate the manufacture of products with higher added value.

Increasing the volume of finalised products to at least 10 thousand tonnes per year and developing new technologies for finalising rolled and extruded products.

Emphasis will be placed to eco alloys in developing new alloys.

Increasing the share of use of returnable packaging and recycled packaging.

ENVIRONMENTAL PROTECTION

Lowering flow and burn-off factors by 1% annually, thereby reducing required incoming material.

By 2030, the majority of primary aluminium will have low carbon footprint (max. 6 t CO_2/t)

By 2030, 37% of energy will be obtained from renewable resources.

Reducing total emissions by 55% by 2030.

Increasing the proportion of secondary raw materials used to 43% by 2030 at all sites, up to a maximum of 50% at the Slovenska Bistrica site.

Increasing the energy efficiency of installations and increase the use of electricity from renewable sources to 37% by 2030.

RECYCLING

Increasing the share of secondary input raw material to 50% and developing relevant technological processes accordingly.

We will primarily invest in increasing recycling capacities in the area of foundry.

Preparing a sales and purchasing model of establishing loop-backs with customers.

Preparing and processing waste aluminium before the melting phase with the goal of including contaminated waste and decreasing loss.

Reusing aluminium obtained from slag processing.

Establishing recycling of production materials and auxiliary resources.

SUSTAINABLE PRODUCTION/ PROCESSES

Increasing productivity, utilisation of the working equipment and reducing losses in processes with the project of operational excellence.

Optimising production and business processes by implementing a modern information system.

Introducing measuring productivity and OEE indicator; establishing standardisation processes and automatising scheduling and planning processes.

Increasing the efficiency of production processes by automatising and robotising production lines.

Increasing the efficiency of energy use by 2030 and achieve the national goal of 9% compared to the base year of 2020.

CARING FOR EMPLOYEES

Ensuring management excellence at all level with clear objectives, policies and consequences.

Developing areas, employment levels, where added value is raised, decreasing jobs without added value; establishing attractive jobs in order to ensure further development of the company and recruitment.

Ensuring a more just and transparent payment system that encourages productive work and development.

Upgrading the system of recruiting and selecting employees with the intention of introducing top staff from the desired areas into the system.

Establishing a career system for employees with the intention of preserving knowledge, raising motivation and employee commitment.

Ensuring a safe and healthy working environment.

PARTNERSHIP WITH THE LOCAL COMMUNITY

We are an active partner in sustainable development of the local community.

We will encourage sustainable mobility.

The volume of resources, intended for donations/ sponsorships, will amount to at least 0.3‰ of income on an annual basis.

Fundamental strategic policies of the divisions

	ROLLING	EXTRUSION	FOUNDRY
VISION	To become a recognisable European rolling company – a reliable and competitive provider of thin and thicker aluminium rolled products for the industrial supply chain.	In the area of rods, bars and tubes, we will maximise the opportunities for production of drawn rods of all shapes and sizes as well as extruded rods from difficult-to-manufacture alloys so that Impol becomes the largest European manufacturer in this field.	To maximise the share of circulating material at the generation location and to include up to 50% of secondary aluminium in the average batch by 2026.
MISSION	The Rolling division develops comprehensive processing operations that include melting with recycling, hot rolling, cold and hot foil rolling with finishings and minimum engagement of external capacities.	Increasing the volume of operations through affiliated companies in the division with the intention of increasing added value per employee and raising the recruitment level terms of higher quality and shipping punctuality.	The fundamental objectives of the foundry division is to process aluminium by redirecting toward processing with higher added values.
INVESTMENTS	In the rolling division we will continue carrying out investments in the standardisation of the size of transport units and elimination of bottlenecks at individual locations. At Impol FT we will invest in cutting capacities of the thin programme. Investments at Impol-TLM will be directed toward modernising the cold-rolling mill and rolling capacities with the objective of raising productivity and programme quality. We are planning the construction of rolling oil distillation systems for “Air pure” rolling plants in Šibenik and Sevojno.	Increasing the capacities of cold processing. Increasing the capacities for finalising products and for manufacturing blanks.	Increasing casting capacities at the location in Šibenik. Increasing the capacities for processing secondary aluminium.
OBJECTIVES	Specialisation of production programmes by locations. Restructuring and improving the product mix from the current 65% of standard products, sold through distributors, from 20 to 30% of our products. Improving operational excellence and quality in processes with the aim of achieving a technologically specific consumption of raw material in the process chain. Increasing the share of self-sufficiency with casting formats from 170,000 tonnes or 73% to 288,000 tonnes or 100% in 2026. Integrating knowledge and capabilities in order to supply industrial B2B chains.	Developing an organisational model, consistent with the expectations of the automotive sector. Raising information support of business operations (ERP, MES...). Improving productivity per employee using process automation. Introducing new technologies of processing profiles and tubes.	The foundry capacities will be redirected toward supplying materials to production programmes with a special emphasis on ensuring comprehensive processing of the circulating material onsite and the inclusion of up to 50% of secondary aluminium into the average batch of increasing the recycling level, reducing environmental impact (decreasing the carbon footprint) and reducing the consumption of primary raw material.

Plan of Operations for the Impol Group in 2024

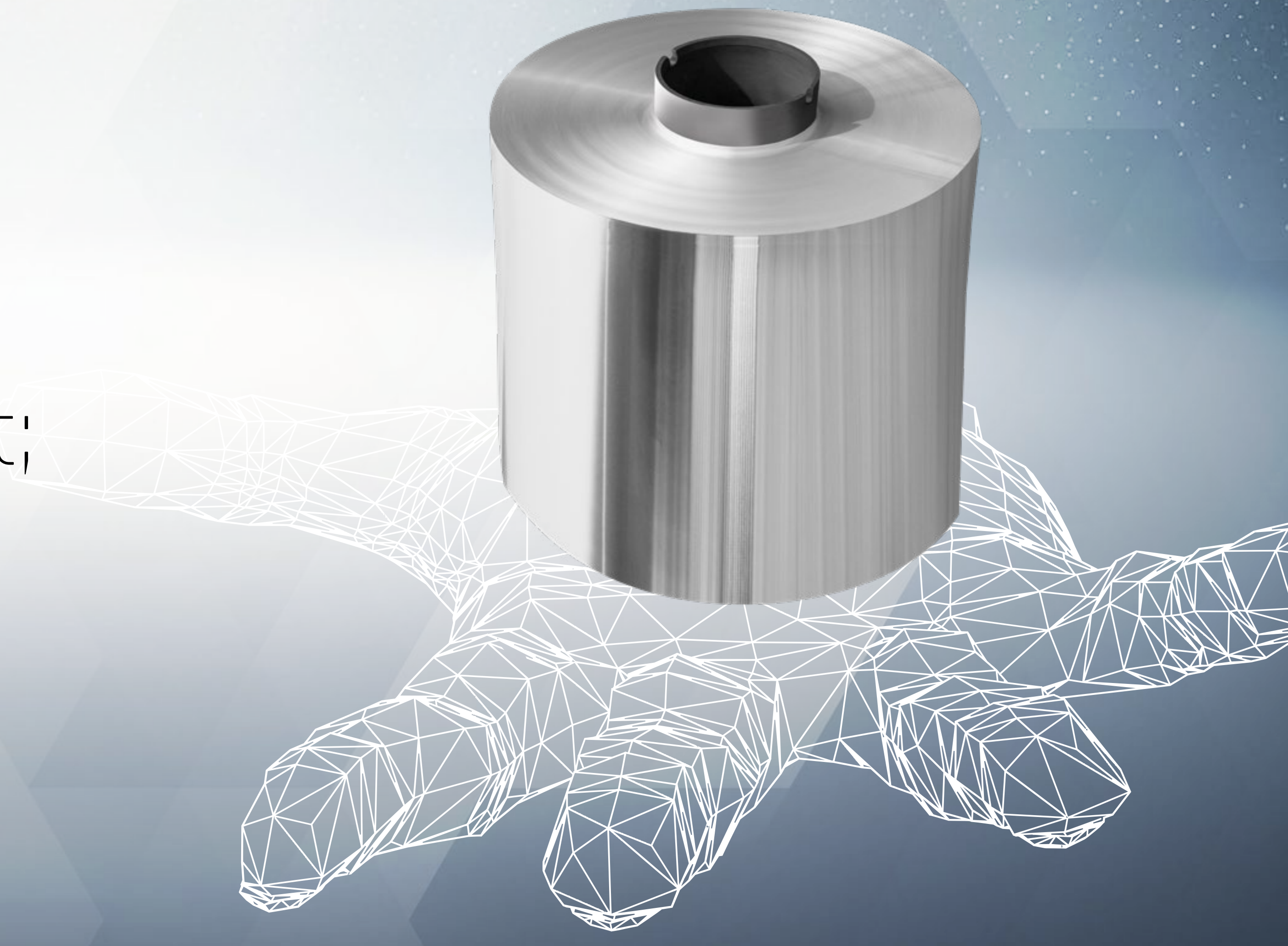
Table 9: Planned indicators for 2024

Indicators	
Cash flow from current operations (net profit after tax + depreciation) (in EUR 000)	48,316
Added value per employee in EUR	72,402
EBITDA (operating profit + depreciation) (in EUR 000)	63,743
EBIT (operating profit) (in EUR 000)	41,193
Profit before tax (PBT) (in EUR 000)	32,621
Net debt (in EUR 000)	82,996
Net debt/EBITDA	1.30

03 BUSINESS OVERVIEW

"Efficiency is doing things right; effectiveness is doing the right things."

Peter Drucker



PERFORMANCE ANALYSIS

Impol Group Performance

Notes on the Statement of Financial Position of the Impol Group

In the 2023 financial year, we generated net sales revenue of EUR 876.9 million, which is 23.24% less than in 2022. The reason for the decrease in revenues is the lower prices of aluminium on the stock exchange, which are the basis for the formation of sales prices, and lower achieved sales margins on the market, as well as quantitatively lower sales. The revenues generated in the domestic market account for 6.36% in the structure of sales revenues, and compared to the previous year they decreased by 25.77%. Revenues generated in foreign markets accounted for 93.64 percent of total revenues and in comparison with 2022 they decreased by 23.06%. Most of the revenues we generated in foreign markets are achieved in the markets of the European Union, which is presented in the report later.

Operating expenses of the Impol Group amounting to EUR 828.7 million are by 20.30% higher than in the previous year. The costs of goods, material and services decreased by 22.51% in comparison to the previous year and account for 85.15% in the structure. The most important category of operating expenses is the cost of material, which amounted to EUR 524.7 million in 2023, which is 21.83% less than in the previous year. Their share in total operating expenses equals 63.32%. The largest share of costs of material represents the costs of raw materials, and the remaining costs are the costs of energy products, water, packaging and other materials.

Costs of services which account for 7.61% of total operating expenses amounted to EUR 63.08 million in 2023 and increased by 0.25% compared to 2022. Costs of labour amounting to EUR 97.8 million are by 0.21% higher compared to 2022. Write-offs, which include depreciation costs, revaluation operating expenses of intangible assets and tangible fixed assets, revaluation operating expenses of current assets and revaluation operating revenues from leases in the amount of EUR 22.3 million, are by 17.78% lower compared to 2022. Other operating expenses in 2023 amounted to EUR 2.9 million, which is by 33.74% less than in the previous year. The biggest share of other operating expenses are the costs, associated with emission allowances, costs associated with the environmental taxes (concession for water, land use fee, etc.), various membership fees and donations.

In the 2023 financial year, we generated EUR 61 million of earnings before interest and taxes (EBIT) and EUR 83.0 million of earnings before interest, tax, depreciation and amortisation (EBITDA). Compared to the previous year, this means lower EBIT by 41.56% and lower EBITDA by 35%. We generated a negative financing result in the amount of EUR 6.1 million (2022: EUR -3.4 million).

Financial expenses relating to the interests from the liabilities to banks amounted to EUR 6.9 million in 2023 (2022: EUR 4.2 million).

We thus generated net profit of EUR 45.4 million (2022: EUR 87.3 million).

Notes on the Statement of Financial Position of the Impol Group

At the end of 2023, the assets of the Impol Group equalled EUR 682.9 million, which is EUR 8.6 million less than total assets of the Group at the end of 2022. Inventories and receivables, i.e. short-term assets, had the greatest impact on the decrease in assets.

Long-term assets amounted to EUR 235.1 million and increased by EUR 2.7 million, which is 1.17%. On 31/12/2023, short-term assets equalled EUR 445.6 million, which is EUR 11.6 million less than short-term assets of the Company at the end of 2022. Cash increased by EUR 32.2 million, whereas Inventories decreased by EUR 26.3 million. In 2023, business receivables decreased by EUR 16.3 million compared to 2022.

The total liabilities to sources of assets of the Impol Group amounted to EUR 682.9 million on 31/12/2023 and decreased by EUR 8.68 million in 2023. The Group increased capital by EUR 32.5 million (9.10% more than at the end of 2022), and short-term operating liabilities increased by EUR 4.7 million (i.e. 5.14% more at the end of 2022). Provisions and long-term accrued expenses and deferred revenues also increased slightly. The biggest decrease, by EUR 39.7 million, was recorded in short-term financial liabilities, which is by 34.73%.

Cash flow statement

In 2023, we generated a positive operating cash flow in the amount of EUR 121.1 million (in 2022 in the amount of EUR 71.7 million). We generated negative investing cash flow in the amount of EUR 22.7 million compared to the year before when it amounted to EUR 24.1 million. Cash flow from financing was negative in the amount of EUR 66.3 million (in 2022 it was negative in the amount of EUR 10.9 million). The closing balance of cash was thus increased by EUR 32.2 million compared 2022.

Performance of Impol 2000, d. d.

Notes on the Statement of Financial Position of Impol 2000, d. d.

In 2023, Impol 2000, d. d. generated net sales revenues of EUR 38.7 million from the sales of products, services and merchandise, which is 21.27% less than in the previous year. On the domestic market, we generated EUR 35.5 million in net revenues from the sale of products, services and goods, which is 91.97% of the total revenue from sales and just under 23% less than in 2022. In foreign markets we generated net revenues of EUR 3.1 million, which is 5.75% more than in 2022. In 2023, operating expenses decreased by 21.24% compared to 2022 and stood at EUR 38.5 million. Cost of goods and material sold account for 59.92% of all operating expenses and are followed by labour costs equalling 26.01%, costs of services represent 5.33% of operating expenses, whereas write-offs and other operating expenses together represent 1.65% of all operating expenses.

In 2023, we generated EUR 0.35 million of operating profit. In 2022, operating profit amounted to EUR 0.37 million.

The operating cash flow (EBITDA) in the amount of EUR 0.6 million was positive. In 2023, we generated EUR 15.6 million of positive financing result. Financial revenues in the amount of EUR 16.3 million are 62.3% higher than in 2022. In 2023, the net profit after tax amounted to EUR 15.8 million, while in 2022 it amounted to EUR 9.8 million.

Notes on the Statement of Financial Position of Impol 2000, d. d.

At the end of 2023, the assets of the Company represented EUR 151.7 million, which is 1.56% less than at the end of 2022. Long-term assets in 2023 are practically unchanged compared to long-term assets in 2022. The decrease in total assets is primarily the result of a decrease in cash.

As of 31/12/2023, total liabilities of the Company stood at EUR 151.7 million and were EUR 2.4 million lower than the liabilities of the previous year. Lower liabilities of the Company mainly result from lower short-term business liabilities and lower long-term financial liabilities.

The capital of the Company in the amount of EUR 74.8 million was 7.35% higher or EUR 5.1 million higher compared to 2022. In 2023, dividends were paid out in the gross amount of EUR 10.0/ share, which equalled EUR 10.6 million for all shares.

The net debt on the last day of 2023 (calculated as the difference between financial liabilities and monetary assets and short-term financial investments) amounted to EUR 65.7 million and is higher by EUR 0.2 million compared to the end of 2022.

Statement of cash flows of Impol 2000, d. d.

In 2023, we generated negative operating cash flow in the amount of EUR 4.9 million. In 2022, it was positive and it amounted to EUR 4.2 million. The cash flow from investing was positive and amounted to EUR 16.2 million in 2023. The negative cash result for financing amounted to EUR 13.5 million in 2023 (also negative in the amount of EUR 9 million in 2022). The entire cash result in 2023 was negative and amounted to EUR 2.2 million (in 2022 it was positive in the amount of EUR 5.1 million).

Review of 2023

2023 was marked by the following events in the aluminium industry:

- The negative trends from the Q4 of 2022 continued in 2023, which was particularly evident in the area of demand for rolled products, where the effects of overcrowded warehouses due to the temporary suspension of anti-dumping were still being felt. The distribution market reduced demand by 25%.
- The war between Russia and Ukraine still had a negative impact on the economy of the European Union and the world economy, and bans on the purchase of aluminium from Russia also appeared.
- High inflation and the decline in demand also had a negative impact on the achievement of sales margins.
- The trend towards sustainable business continued, which requires aluminium producers to achieve the highest possible level of recycling and reduction of the carbon footprint.
- The aluminium market grew globally despite negative trends, but China generated most of the growth.

The main successes of the Impol Group were as follows:

- Control of purchase prices of energy products at all locations.
- Adapting to rapid changes in technology and digitisation, strengthening technology and development teams.
- Uninterrupted provision of liquidity.
- Obtaining TISAX, ISO 50001, SA 8000 and TPM level 1 certificates.
- Managing costs and generating savings through projects of excellence.
- Successful provision of the necessary workforce, which shows the high reputation of the Impol brand as a recognised employer.

Expected trends:

- Reducing the competitiveness of Europe: the business environment in the European Union is becoming increasingly demanding and limited by many restrictions, which can reduce the competitiveness of European producers compared to the rest of the world.

- Increases in business financing costs: The fluctuation of short-term and long-term interest rates will have a negative impact on business financing, while the latter will slow down investment activities, which could lead to a decline in demand in certain market segments.
- Increased aluminium consumption: Despite the uncertain economic conditions, global aluminium consumption is expected to continue to grow in the future, with an average annual growth of 3%.
- Sustainability: Efforts towards sustainable aluminium production will continue to be strengthened, with a focus on recycling and reducing CO_2 emissions.
- Growing competition: The number of manufacturers of aluminium products is increasing, and at the same time, capacities are increasing, which makes business conditions tougher. There are big differences between manufacturers from different customs regarding business conditions – taxes, environmental contributions, salary costs, etc., which increases unfair competition.
- Growth in operating costs: Labour costs and other operating costs also increase as a result of inflation.
- Lack of manpower: The shortage of qualified employees and the decreasing interest of the population in shift work bring new challenges in business management.
- Fluctuation in commodity prices: Volatility in the prices of electricity, natural gas and other resources is still expected, which will affect production costs and profitability.
- Development of new aluminium applications: with the development of new aluminium applications, the aluminium market in Europe can expand into new areas. Aluminium can be used in a variety of products such as solar panels, energy storage devices, packaging and electric vehicles, which can lead to increased demand for aluminium and new market opportunities.

Table 10: Overview of results of the Impol Group in EUR million

Year/Indicator	2019	2020	2021	2022	2023
Consolidated net sales revenue	683.2	583.9	845.4	1,142.4	876.9
Consolidated operating expenses and costs	663.7	568.7	811.9	1,039.8	828.7
• of which depreciation	19.8	21.3	22.6	23.4	22.1
Operating profit	30.5	20.7	47.0	104.3	61.0
Financial revenues/expenses difference	-3.0	-4.3	-6.2	-3.4	-6.1
Profit (or loss) after tax	23.8	14.1	35.5	87.3	45.4
Cash flow from current operations*	44.0	35.7	58.6	110.5	68.2
Capital	242.1	252.2	277.6	357.5	390.0
Assets (active)	518.1	535.9	629.7	691.5	682.9
Share carrying amount in EUR (including the equity of minority owners)	226.93	236.43	260.25	335.10	365.60
Added value per employee in EUR	50,304	46,341	64,163	94,538	78,924
EBITDA** in EUR 000	50,367	42,000	69,627	127,738	83,033
Changes in EBITDA	0.848	0.834	1.658	1.835	0.650
Net debt*** in EUR 000	162,923	135,902	195,619	159,651	81,698
Net debt/EBITDA	3.23	3.24	2.81	1.25	0.98

* Calculated as net profit after tax plus depreciation plus difference in the change of provisions and of long-term accrued costs and deferred revenues at the end of the current year compared to the end of the previous year
** EBITDA = operating profit + depreciation
*** Net debt = long-term financial liabilities + short-term financial liabilities – monetary assets and cash equivalents – short-term financial investments

Table 11: Key indicators

	2019	2020	2021	2022	2023
Equity/all sources of operating assets	46.7%	47.1%	44.1%	51.7%	57.1%
Golden rule of balance sheet = long-term assets / long-term investments	149.6%	153.1%	166.1%	205.5%	213.9%
Long-term operating expenses	39.8%	48.6%	43.0%	31.8%	34.8%
Option to settle liabilities with property	190.7%	192.0%	181.4%	210.1%	237.7%
Financial expenses/expenses	0.9%	1.3%	1.1%	0.7%	1.0%
Income/employee ratio in EUR 000	291.24	243.99	343.00	474.01	375.51
Margin	3.5%	2.4%	4.2%	7.6%	5.2%
Debt/equity	111.5%	110.0%	124.0%	91.1%	72.6%

IMPORTANT EVENTS AFTER THE END OF THE FINANCIAL YEAR

Due to general price increases, the minimum wage rose. Inflation in Slovenia impacted the raise of minimum wage, which increased from EUR 1,203.36 to EUR 1,253.90, meaning a 4.2% increase. The payment system of the entire Impol Group was adjusted accordingly.

IMPOL IN THE WORLD OF ALUMINIUM

“The Impol Group is the largest producer of aluminium semi-finished products in Slovenia, offering customers a varied sales programme – rolled and extruded aluminium products with a high level of after-treatment, which meet the highest standards according to quality requirements. Our excellence is also confirmed by numerous representatives of prestigious trademarks from the most demanding industries, such as automotive industry, food industry, pharmaceutical industry, aeronautical industry, machine industry, transport industry, construction industry, etc. Our business transactions are directly connected to the model of our corporate responsibility which encompasses the orientation towards circular economy, the production of long-lasting products that can be entirely recycled, the responsible relationship towards nature, the environment, and our employees, as well as “looking forward”.

The main strategic advantage of the Impol Group is the diversity of the aluminium processing programme, since we master numerous aluminium treatment processes: casting, rolling, extrusion, drawing, forging, stamping and further processing (product finalisation). At the same time, we also create synergy effects by controlling other areas that support our core activity, i.e. processing of aluminium products. The activities within the Impol Group are organised according to individual companies which are subject to the same corporate rules, and which use marketing rules to conclude business transactions with each other.

On a global scale, processing of primary aluminium amounted to 70.5 million tonnes in 2023; the Impol Group achieved a 0.30% share of processing compared to newly created aluminium. In compliance with its strategic orientations, Impol continues to focus more on the added value in the product, even though the scope of our production continues to constitute an important factor, since fixed costs in a mass production process can only be properly contained with a sufficient quantity of products.

Figure 3: Production of primary aluminium by locations in 000 tonnes (Source: international-aluminium)

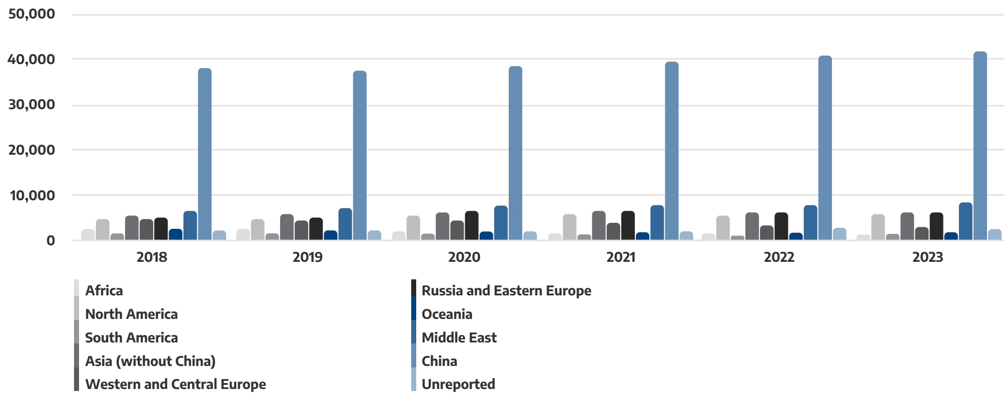
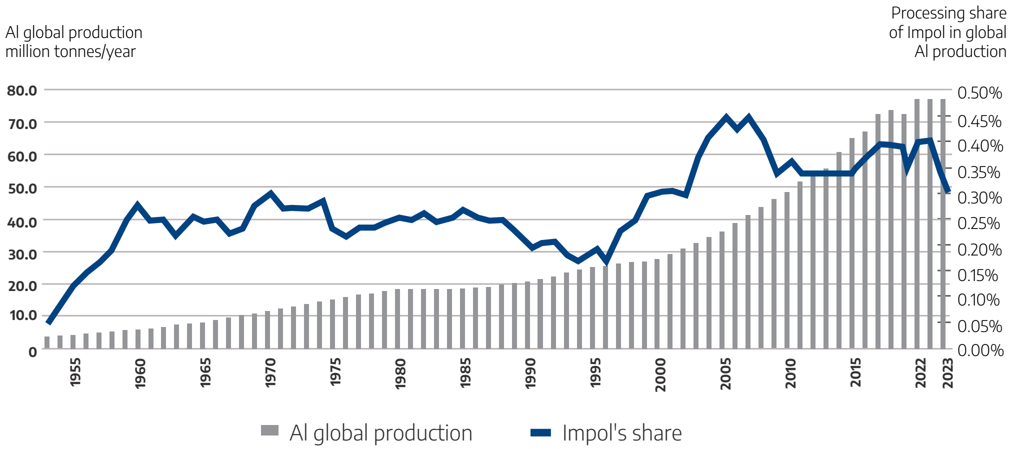


Table 12: Sales share by continents

Continent	In %
EU	89.42%
Europe - other countries	7.01%
North America	2.55%
Asia	0.43%
Central America	0.34%
Africa	0.12%
South America	0.08%
Australia	0.05%
	100.00%

Figure 4: The share of Impol in the use of produced primary aluminium (in 2023)



The aluminium processing industry is characterised by shaping the sales prices of its products in such a way that sales premiums are negotiated with customers given the primary aluminium price on the LME. The turnover in terms of value rises or falls independently from the quantitative volume of sales and also independently from changes in sales margins.

The same also applies to the purchase prices for aluminium raw materials, which are shaped by negotiating a purchase premium with suppliers given the quoted aluminium prices, usually including all delivery costs under the conditions of Incoterms DDP. In the past year, a purchase premium also included a regional annuity or a purchase premium, which is becoming constant and normal by making its amount public in Metal Bulletin. The aluminium price thus significantly impacts the size of direct costs; however, subject to appropriate forward collateral (hedging), its fluctuation should not have a direct impact on the business performance.

The industry is rather stable in terms of basic aluminium and alloy processing technology. The greatest dynamics can be observed in the field of process control, quality and supply chain optimisation processes. Annually we spend EUR 2–3 million on process control improvements. In such a way, we are safeguarding the competitiveness of our products and services in the future as well.

One of the rather important trends in our business processes is digitalisation, making it possible for us to efficiently control processes, implement optimisation methods, and find new business solutions.

The Impol Group follows trends in the industry and adopts strategic decisions with which it may efficiently manage risks and recognise opportunities.

SALES

The basic policy of the Impol Group is to add value to aluminium, which we are achieving by processing rolled and extruded aluminium products, and we also act as a development and strategic partner to our customers. In addition to the rolling and extrusion programme, we also offer niche products – blanks and slugs. We have improved at developing the area of product finalisation, where we are present on the market as a "tier 1" supplier of manufacturers in the automotive industry.

We offer our customers a wide selection of aluminium products and can adapt our offer to specific needs. We also developed the segment of further processing aluminium products – forging, coating, anodising and other mechanical processing. The entire production is designed and run as individual production carried out on a mass scale so as to meet the price-related expectations of our customers.

Due to efficiently managing our customers' needs, developing our offer and seeking synergy effects, we operate within three divisions – foundry, rolling and extrusion.

The main task of the foundry division is to optimise operating costs, technologically upgrade our range and the quality of finalised products, and to entirely adapt to the needs of end users. Our own foundry enables us a much greater flexibility. The rolling division is currently dealing mainly with managing the economy of the volume and with stabilising operations due to the increase in capacities. These activities are also joined by product customisation, acquisition of more demanding customers and penetration into the automotive industry, where we have great opportunities for further growth and development. As our capacities increase, the extrusion division invests a lot of effort in increasing the range of products with additional processing – finalisation – and developing complex products that require an in-depth mastering of the technology.

Our competitive advantage:

- managing the entire aluminium production chain,
- diversification of the sales program,
- development supplier.

Products and Services

Figure 5: Sales by product type

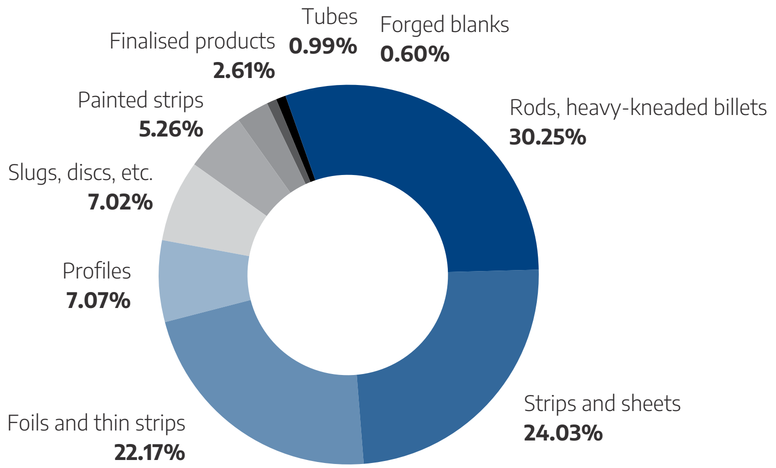


Figure 6: Sales by branch activity

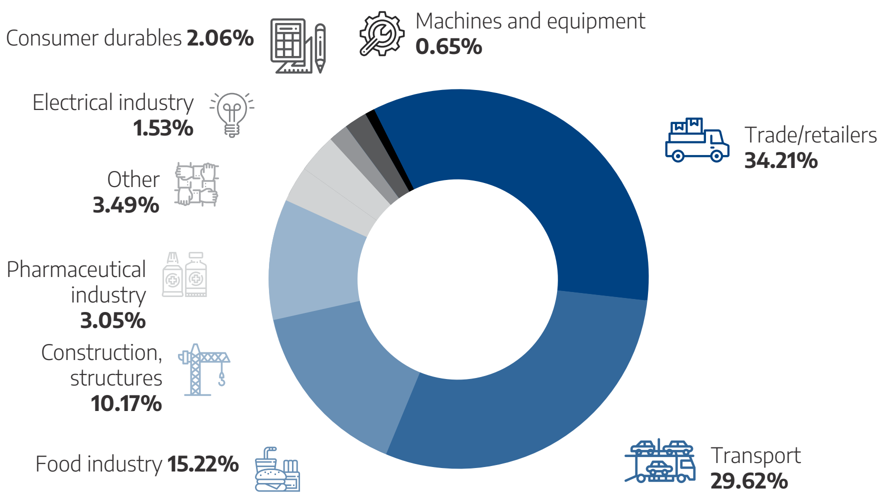


Figure 7: Revenues of the Impol Group by countries

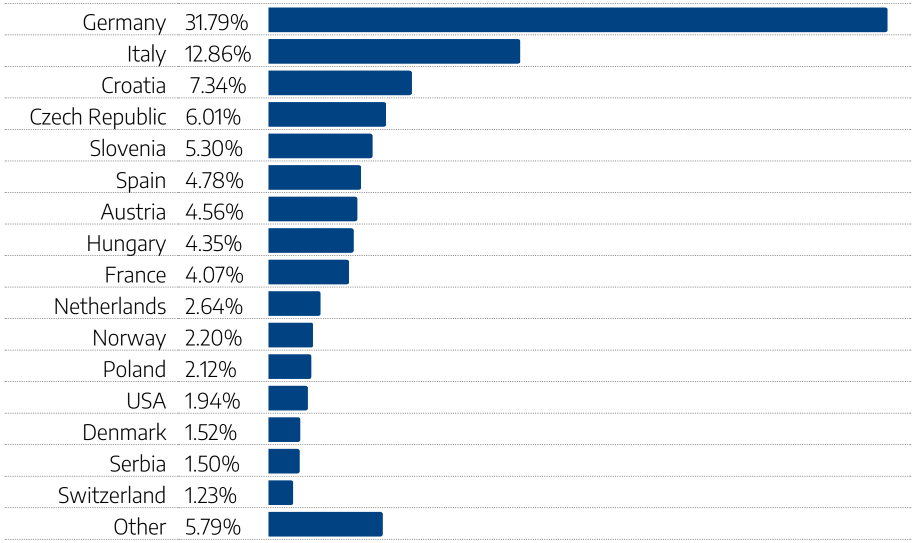
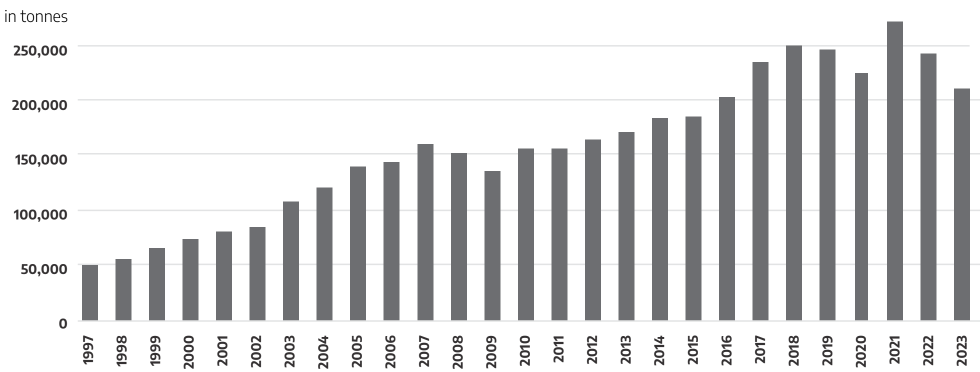


Figure 8: Trend in sold quantities of products



Brands

Products of the Impol Group are being marketed under the Impol brand with the exception of products of the blanks niche programme, which are marketed under the Stampal SB brand and products of the slugs niche programme, which are marketed under the Rondal brand. In appearing on the market, emphasis is put on the interconnectedness of the Group, which creates numerous advantages for customers (operating stability, supply reliability, quality management, etc.). Retail products are marketed within the framework of Impol Servis, under the name Alumix.

In order to focus on sustainable business, we developed the new InfiniAl brand. For products under this brand, we guarantee a low carbon footprint, namely below 4 kg of CO_2 per 1 kg of aluminium product, and at least a 50% share of recycled aluminium in accordance with the ISO 14021 standard.

The companies Impol Stanovanja, d. o. o., Unidel, d. o. o., and Kadring, d. o. o., also conduct business operations on the local market outside the main activity. All the companies specified above market their services under the brands with the same name as the name of the Company. (GRI 102-7)

PURCHASING

Supply chain

In 2023, the procurement function played a key role in ensuring sustainability, efficiency and competitiveness. Our procurement team has successfully overcome various challenges including disruptions in supply chains, fluctuating market prices and changing environmental policies. Despite these challenges, we have successfully maintained reliable supply chains, optimised costs and built strategic partnerships with suppliers.

Primary and secondary aluminium in various forms make up the largest share in terms of raw material purchasing. Given the fact that we are a producer with no raw material sources of its own, appropriate raw materials must be purchased prior to the production of every single product.

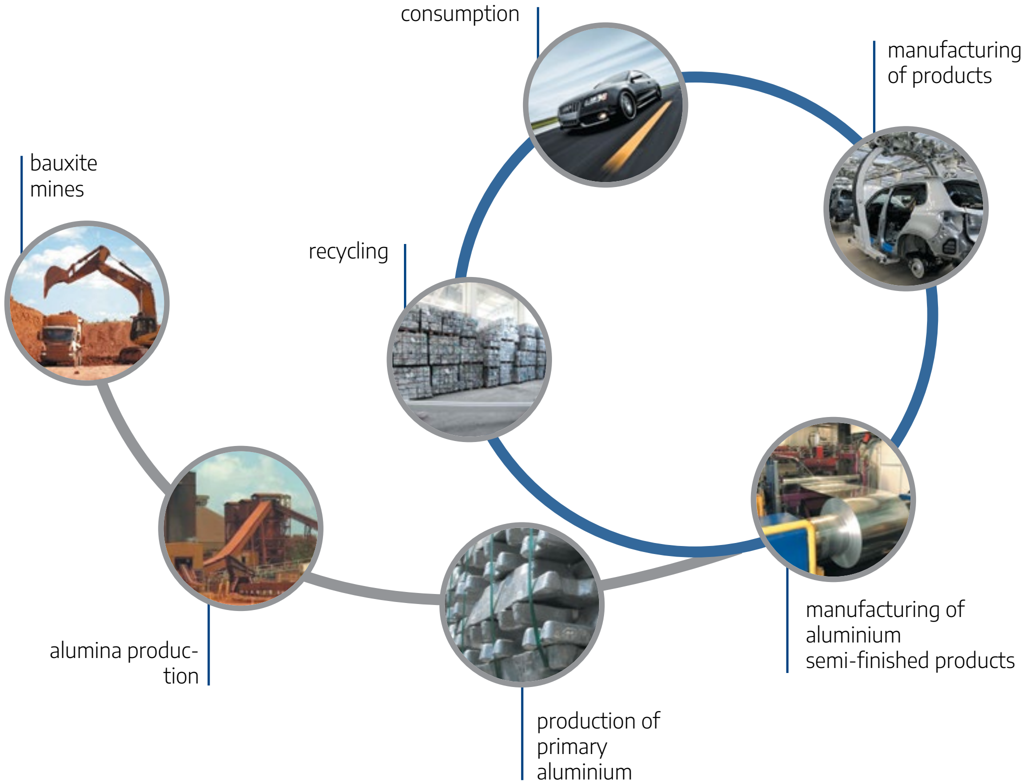
In 2023, we purchased the following shares of aluminium for the production of 212,095 tonnes of aluminium products:

- primary aluminium: 36%,
- formats (rolling slabs, billets): 28%,
- secondary aluminium: 35%.

For the procurement of secondary raw materials we introduced a return loop system, which means that waste, which is generated during the processing of our products at our end customers, is collected and used as an input raw material in our foundries. In this way we contribute to the sustainable consumption of energy and resources, since we replace primary aluminium and alloying elements, which are necessary for the production of alloys, with return and secondary aluminium. We are also increasing the proportion of "post-consumer" procurement of secondary aluminium. In this way, we increase the proportion of secondary and recycled aluminium in our products. We invest in the latest technology and equipment in foundries to ensure a cost-effective and technologically efficient method of smelting.

When purchasing primary aluminium, we contribute to the sustainable development and offer of eco-alloys with an increased share of the purchase of low-carbon primary aluminium. In 2023, the Impol Group concluded a five-year contract for the supply of low-carbon raw materials with two producers.

Figure 9: Closed loop system



We manage to ensure a regular supply of raw materials and materials through good procurement planning, strategic purchasing contracts, continuous development of suppliers, management and maintenance of target stocks and maintaining business ties with all global suppliers. Building strong and collaborative relationships with key suppliers is our priority. We promote partnerships based on trust, transparency and mutual benefit. We are aware of the importance of the resilience of supply chains, which is why we manage potential disruptions by managing risks and introducing contingency measures.

Trend in the price of aluminium

After witnessing an extremely turbulent year in 2022 (the start of the Ukrainian crisis, the associated sharp rise in energy prices and a record rise in both stock market aluminium prices and MB premiums), the situation has completely changed in 2023.

The high prices of aluminium (around EUR 2400/t on the LME, MB premiums for ingot 300 or for a billet EUR 600/t) started to gradually drop in Q1 of 2023. By the end of 2023, prices thus decreased linearly: the price of aluminium on the LME fell well below the EUR 2,000 mark (i.e. a drop of EUR 500/t or about 20%), and the drop in MB premiums was even greater: for ingots, the lowest prices were around EUR 170/t (a drop of EUR 130 or -44%) as well as for billets (drop by EUR 330 or -54%).

The reasons can be found in the cooling of the global economy and decreasing demand in most industries, especially construction, later also in the packaging segment, to which the Impol Group had to respond appropriately, especially in the supply of raw materials.

Figure 10: Spot price trend at the LME in EUR/t

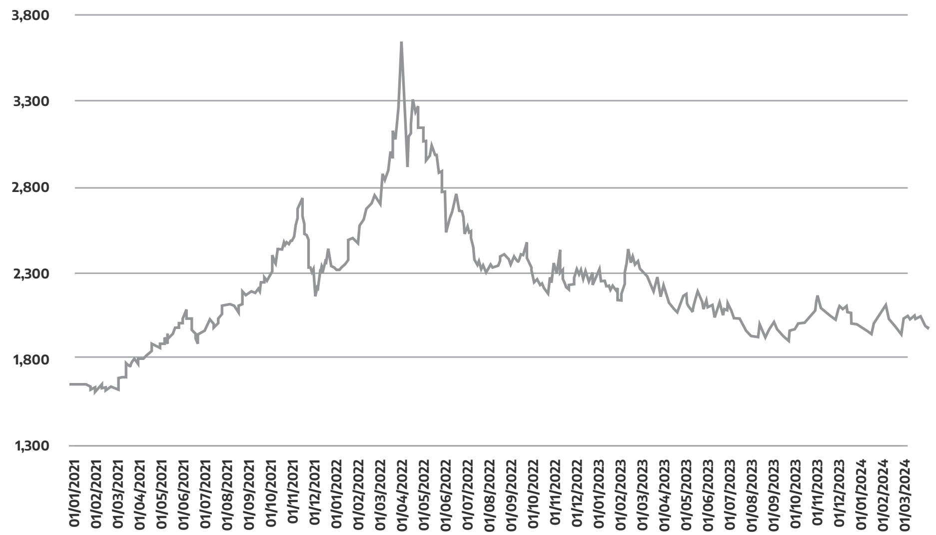
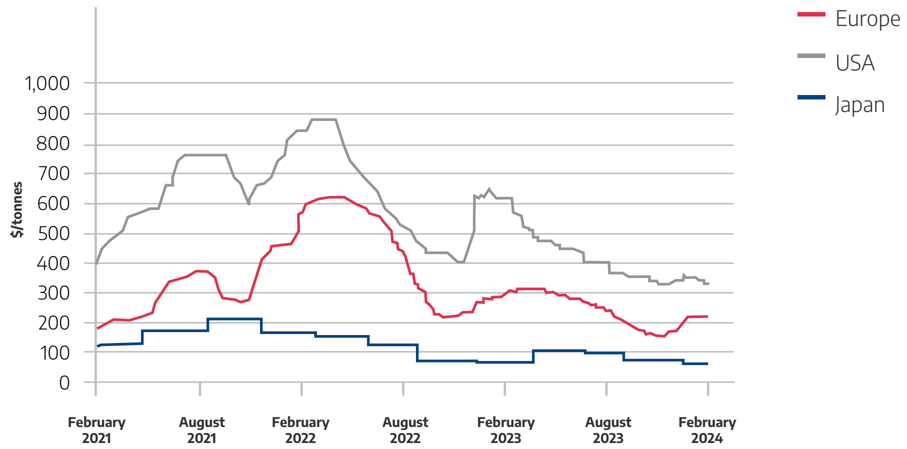
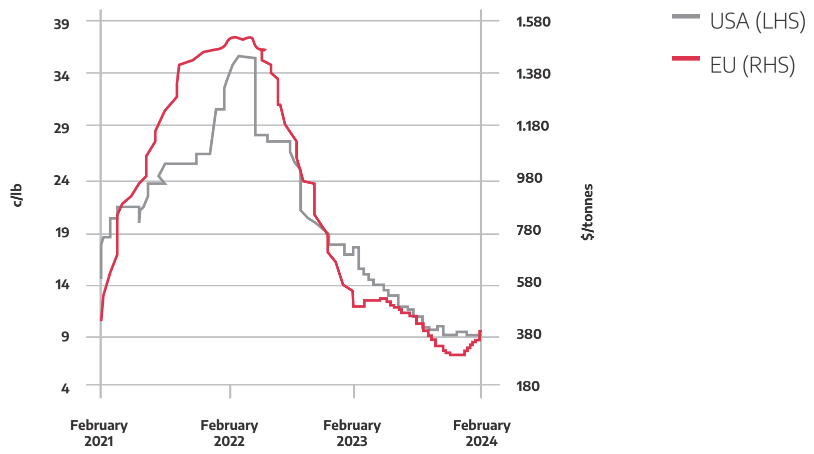


Figure 11: Trend in ingot premiums



*Source: Fastmarkets MB

Figure 12: Trend in billet premiums



*Source: Fastmarkets MB

Development in the Impol Group

In 2023, our main focus was the development of technologies which form the basis for products intended for the automotive industry. The extruding division focused on the development of technologies to achieve technical specifications in the production of profiles for the automotive industry, as well as on the optimisation of alloys to increase the productivity of extrusion of higher complexity profiles. The development of technology for the production of profiles of the highest strength class intended for safety components, as well as technology for profiles used for body parts, also continued. In addition, the development of a module for managing development activities and analytics for monitoring the implementation of activities took place.

The rolling division developed technology for the creation of deep traction sheet metal used in automotive industry. We also continued developing sheet metal and foil properties for various applications.

The ECO-Almag6 alloy is also being developed, which is being developed together with South Korea's KITECH Institute.

We have announced a project for the GREMO Mission entitled GREMO Lightweight, within which we will develop new products and tools for the design of alloys and aluminium products.

We completed 126 different projects, with a total completion of 90.65%, which is better than in 2022, when the completion was 73.04%. The projects that we started in 2023 and were planned for completion in 2024 will continue this year.

For 2024, we are planning further development of profiles for the automotive industry with higher mechanical properties, development of a new foil for corrosion protection of other materials, improvement of the reformability of the film and continuation of the development activities that we started in 2022. Special emphasis will also be placed on the development of green alloys, which will be sold under the InfiniAl brand.

Table 13: Overview of realised projects by work areas in 2023

	Projects
Number of new technologies	16
Number of new alloys	4
Number of improved alloys	6
Number of new products	16
Number of improved technologies	51
Number methods for technology and processes	19
Number of improved products	25

Table 14: Overview of the number of tasks and their realisation in 2023

	Number of projects	Planned to be concluded in 2023	Concluded projects	Proportion*
R&D tasks	74	74	69	93.24%
Project tasks automotive industry	12	2	2	100%
R&D tasks automotive industry new technology	3	3	2	66.67%
R&D projects (own financing)	1	1	1	100%
R&D projects (tenders - co-financing)	5	0	0	0%
Technological solutions	67	59	52	88.14%
Total	162	139	126	90.65%

*When calculating the share, we took into account projects that were completed in 2023. Projects that were implemented in 2023 but have a projected completion in 2024 or later were not included in this calculation.

Investment Activity

In the extrusion division, in 2023 we continued with the development of a line for casting rods, which appears on the market as an alternative to extruded rods for forging. A dosing ramp on the levelling machine was also installed, the control for the automatic dosing of bars on the OCN line was updated, and packing line 2 in the tube plant was updated. Two new production buildings with 5,000 square meters of space for the production of finished products and the establishment of a warehouse were completed. We have completed the production of blanks from rods for forging with an investment in a new building and a new extrusion line.

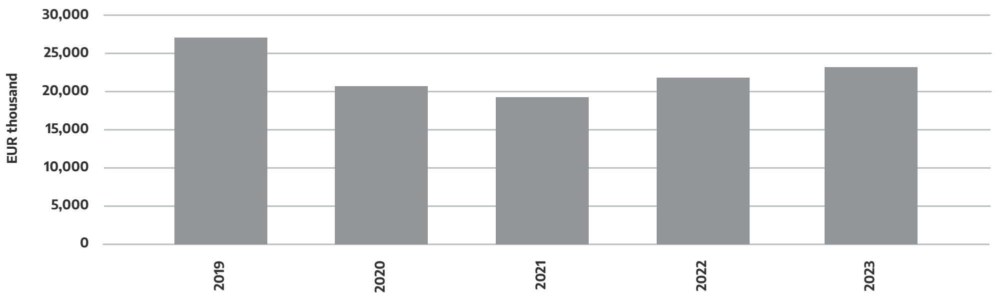
In the foundry, we built a new covered warehouse, which is intended for the storage of rolling internal waste. The induction furnaces were modernised, where we replaced the entire control system on the induction furnaces, which increased productivity and reduced the impact of reactive energy on the electrical network. Construction of a new foundry information system has begun.

In the rolling mill, we started with the reconstruction and modernisation of the pusher-type furnace for heating the rolling slabs, the reconstruction of the cooling and ventilation system on the dyeing line, the revitalisation of the Al-strip annealing furnace and the replacement of the micrometer in the rolling mill.

Table 15: Investment volume in EUR million

	2019	2020	2021	2022	2023
Investment in acquisition of shares / stakes	2.0	0.0	0.0	0.0	0.0
Investment in fixed assets (tangible fixed assets and investment property)	27.9	22.1	20.8	22.7	24.5
Investment in short-term assets	-20.4	17.0	96.7	63.4	-11.3
Total	**9.5**	**39.1**	**117.5**	**86.2**	**13.3**

Figure 13: Investment volume in fixed assets



Financing and dividend policy

In 2023, the Impol Group continued to consolidate the structure of its financing sources by financing 57% of total investments with equity. Compared to the previous year, we reduced the share of short-term resources due to the drop in aluminium prices on the LME, thus reducing the financing of inventories and receivables. The borrowing within the Group is mainly carried out through Impol, d. o. o., and through Impol Seval, a. d. in Serbia.

Owing to the need to ensure adequate repayment of long-term and short-term loans taken out by all Group companies and to guarantee a higher share of capital as a source for the financing of investments in durable short-term assets, we continue to maximise the use of profit for these purposes. Profit generated by Group companies is thus sufficiently concentrated and allocated to investments that yield the highest profits and feature the shortest repayment periods.

The share of financing of the Group outside the banking system represents 2.4% of total financial liabilities. We devote special attention to the engagement of assets in short-term investments (inventories, receivables, cash, other) and their continuous optimisation so as to avoid problems that are difficult to manage such as a shortage of funds or reduced availability of said funds from external short-term financing sources.

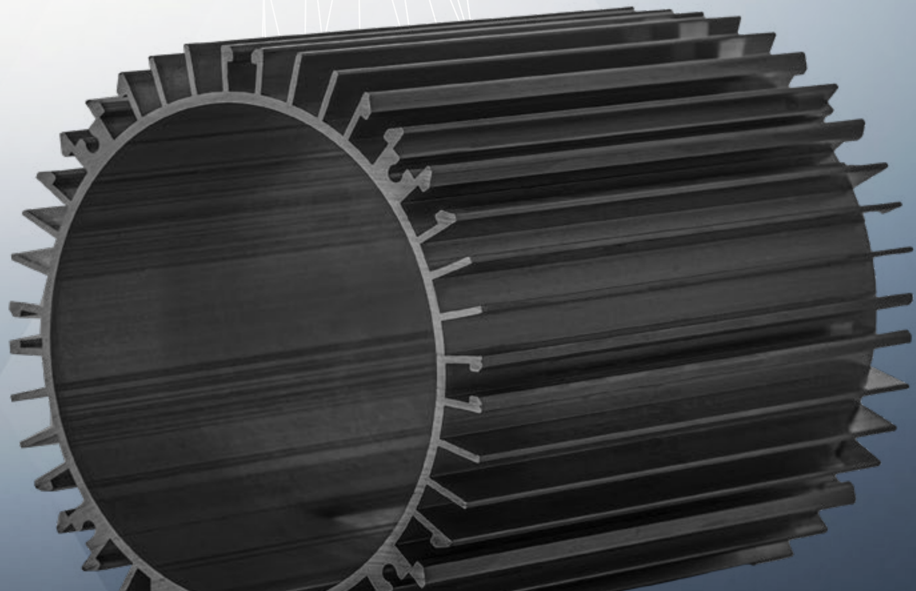
Shareholders provide support to the Company through the dividend policy and by approving the operating strategy and plans as they are aware that profit is to a great extent recognised as a future development cost only in the marketplace, which is why the dividend policy is formulated correspondingly.

All long-term investments were initiated solely on the basis of a prior decision of the Board of Directors.

04 SUSTAINABLE DEVELOPMENT

"The only way you can predict the future is to build it."

Alan Kay



NON-FINANCIAL OPERATION STATEMENT

1. Description of the Company's business model

Management's statement: Core principles of sustainable development

We are always planning the business operations of the Impol Group by thinking ahead and placing our focus on the creation of long-term stability and perspective. This is also reflected in the socially responsible approach to the environment, employees and other company stakeholders. With the purpose of guaranteeing long-term business operations, we have shaped the core principles of sustainable development, which include the key stakeholders of our business processes.

Using advanced technologies we manufacture high-quality aluminium and aluminium alloy products.

- We offer our clients services of a high-quality level.
- By introducing and implementing constant improvements to processes we wish to achieve the long-term satisfaction and loyalty of our clients.

We are committed to the establishment of sound working conditions for our employees, the preservation of their health and safety, the establishment of a fair relationship with our co-workers, and to the promotion of motivation and willingness to work.

- We consistently pursue the policies of safety and health at work, and we are constantly improving the working conditions and actively reducing accidents at work.
- We care for the well-being of our employees. The salaries they receive are significantly higher than the average in the sector and of the Slovenian average. Each year, employees receive high leave subsidy, and upon achieving the set annual objectives also a bonus at the end of the year and a Christmas bonus.
- We systematically develop the careers of our employees, accelerating the passing on of knowledge and awarding them in a stimulative manner.

All our activities are aimed at minimising negative impact on the environment and promoting coexistence with nature.

- We intensively increase the utilisation of secondary recycled aluminium.
- We reduce non-beneficial impacts on the environment with intensive investments.
- By analysing the energy-efficiency of our machines we implement the project of systematically reducing the consumption of energy products.
- We produce part of electric energy ourselves using a solar power plant.

We operate in a transparent and fair way in compliance with high moral and ethical standards.

- Business operations are organised in accordance with the Impol Code of Business Conduct that defines our values, method of work, the Company's expectations vis-à-vis employees and the rules of cooperation between the companies in the Impol Group.

Since we are integrated in the local environment, we continuously foster care for coexistence with the local inhabitants, accelerate the development of social activities and contribute to a better quality of life.

- We sponsor associations and other organisations, and financially support the organisation of local and also national events.
- We actively report on our operation, plans and strategies, thus informing all the interested stakeholders.
- We reduce negative impacts on the environment, investing mainly in noise reduction.

Strategic marketing position
The Impol Group has implemented a plan for the strategic organisation of sales in order to maximise marketing opportunities: namely the sales programme of the Company is equally distributed among end customers and vendors, and is also spread between different types of alloys, products, and markets of use.

Andrej Kolmanič
(Chief Executive Officer)

Irena Šela
(Executive Director of Finance and IT)

The table shows a list of the main stakeholders of the Impol Group. our attitude toward them and how we recognise and meet their needs (GRI 102-40).

Table 16: Stakeholders of the Impol Group

Who are they?	What do they expect?	Policy of the Impol Group	How do we satisfy their needs?
Customers	Quality products, respecting agreements, punctuality of supplies, development support, ethical business. Recognising statutory requirements and ensuring compliance.	Ensuring high-quality values and prices of products and create long-term growth through partnerships.	Cooperating in the development of products, advisory meetings, visits and receiving clients, target communication, satisfaction surveys.
Employees	Employment safety, pleasant working environment, safe work, career development, recognitions and rewards.	Employing the best people and motivating them with a targeted development of their commitment.	Developing employee competences, stimulative rewarding system, providing quality information, providing feedback.
Suppliers	Partnership relations, process efficiency, safe business operations, ethical business.	Finding an optimal ration between price and quality of service and observing the fundamental principles of sustainable development.	Regularly providing feedback, publishing invitations to tender, rigorously observing business agreements.
Investors, banks	Profitability of business operations, fulfilling agreements, transparency.	Responsibly managing financial resources and justifying the trust of investors.	Holding regular meetings, informing through annual and half-year reports, respecting obligations.
Shareholders	Profitability of business operations, transparency, increasing the value of the company.	Creating conditions for growth and development of the company and for profitability of the investors.	Regular meetings, informing through annual and half-year reports, informing about the stock market.
Government and regulatory bodies	Respecting legislative provisions, contributing to the economic growth.	Strictly observing the statutory regulations and constructively participating in forming the business environment.	Membership in interest associations, receiving governmental visits.
The Local Community	Providing support in developing the local community and reducing disturbing factors for the environment.	Minimising negative impacts on the local community and supporting local projects that raise quality of life of the local residents.	Sponsoring and donating to local organisations, projects for reducing the negative impact on the environment.
Media	Transparent communication, presenting challenges, supporting publications.	Providing timely and relevant information to the public, supporting the development of economic media and supporting quality media with advertising policies.	Press releases, interviews, answers to questions, organising visits, publishing messages for the public and ads.
Business associations	Actively participating in exercising influence on governmental policies for the development of the economy.	Ensuring cooperation in business associations with the intention of optimising a national business environment.	Membership in associations, participating in conferences, seminars, preparation of material.

BUSINESS POLICIES

Policy of the Impol Group

Using advanced technologies we manufacture high-quality aluminium and aluminium alloy products. We offer comprehensive and quality services to our users. We are committed to prevent pollution and we strive to constantly reduce environmental impacts which are the consequence of our current and past activities. At the same time we are increasing our energy efficiency. We will constantly improve quality management systems, environmental management systems, health and safety at work systems, social responsibility and energy management systems by following the commitments which we have set in various areas of our business operations.

QUALITY
- Our operations will be focused on business growth, long-term financial safety and added value per employee.
- We will improve the level of user satisfaction by meeting deadlines and ensuring timely deliveries and by upgrading the information system for an improved information transfer.
- We will invest in advanced technology and develop innovative products with higher added value.

THE ENVIRONMENT AND ENERGY
- We will contribute to preserving natural resources of decarbonisation by recycling secondary raw materials and by prudently using all resources, particularly by reducing specific uses of energy products by developing and investing in energy-efficient plants and renewable energy sources.
- We will ensure responsible management of chemicals, look for substitutes for dangerous substances and act in accordance with the REACH directive.
- We will minimise negative impacts on animals, air quality, water, land, forests and other natural resources, reduce the volume of waste, preserve biodiversity and respect the rights of the local population.
- We will invest in the top available production techniques, introduce safer and health and environmentally friendly processes and reduce the level of noise in our surroundings. We will report on GHG emissions and other environmental aspects.

HEALTH AND SAFETY AT WORK
- We will build an organisational culture in which employee safety and health are a priority with the intention of constantly preventing the occurrence of accidents at work and other incidents.
- We will ensure a high degree of fire safety.
- We will constantly raise the awareness among employees, train them for safe work and encourage a healthy lifestyle.
- We will include workers' representatives in the management of the safety and health at work system and regularly consult and actively encourage the involvement of our employees.

INFORMATION PROTECTION
- We will constantly invest in the improvement of processes, relevant technology and raise awareness among people in order to increase the level of information protection.
- We will build an organisational culture in which protecting the organisation's professional secrecy, protecting personal information and other rights and liberties of individuals is an important aspect and a strong imperative of our operation.

RISK MANAGEMENT
- In all areas of operation we will recognise and manage risks that could jeopardise the company's operations.

PARTNERSHIP
- We will listen to the expectations, ideas and initiatives of all interested parties, particularly to users, employees and the public, and will respond to their needs.
- Our activities in the area of managing employees will be directed toward building employee commitment, encouraging teamwork, developing leadership and preventing injuries and damage to health.
- We will identify the relevant statutory requirements and ensure compliance. The Group and individual companies will also identify and adhere to all other commitments that have been made with the involvement of stakeholders at all levels of operation.
- We will comply with all applicable laws and regulations related to the use of private or public security forces.

The specified policy of the Impol Group is binding for all companies and processes operating on its behalf.

The policy is accessible to the general public.

Environment

Policy

Our fundamental environmental principles and commitments regarding the prevention of pollution are set out in:
- the policy, which also lays out the environmental policy;
- the environmental management programme;
- the quality system documents.

We established and certified an Environmental Management System according to the requirements of the ISO 14001:2015 standard. The responsibility for fulfilling the environmental requirements is borne by all employees in the companies of the Impol Group, and the management is ensuring all the necessary resources and thus guarantees for their realisation and the achievement of the environmental goals.

Our lasting commitment to environmental protection is reflected in the efficient implementation of environmental programmes aimed at the mitigation of negative impacts on the environment. Our commitments to protect the environment are reflected mainly in:
- preventing water pollution;
- reducing emissions into the air;
- a limited, controlled and careful use of hazardous substances;
- the use of alternative energy sources;
- contributing to global energy efficiency, which we are achieving by using and processing our own and external sources of secondary aluminium.

Due diligence

We carry out our due diligence as an integral part of environmental management. We perform monitoring, internal reviews, where the compliance with adopted rules, requirements of the ISO 14001 standard and statutory requirements is being verified. Periodic inspections are also a part of our due diligence with regard to environmental management. Reports on the impacts on the environment, amendments to the legislation and opportunities to integrate the environmental management system into the Group's processes are drawn up on a monthly basis. As part of the management review we verify the environmental policy, assess the results of internal reviews and make relevant decisions for improving the system.

Environmental management programme and new objectives

Our lasting commitment to environmental protection is reflected in the efficient implementation of environmental programmes aimed at the mitigation of negative impacts on the environment.

We try to protect the environment by preventing the pollution of the Bistrica stream, reducing the emissions into the atmosphere as well as by using hazardous substances in a limited, controlled and prudent way, by using alternative energy sources and by contributing to global energy efficiency. All this is possible because we are using and processing our own and external sources of secondary aluminium.

Main risks and their management

We recognised environmental risks at the company-management level in the Group and at the operating level due to the implementation of activities in the companies within the Group.

At the management level a risk of failure to comply with statutory requirements is recognised. We manage risks by consistently following all the changes and new developments in the area of statutory requirements, by participating in public hearings and thus recognising and introducing new obligations in time.

For the recognised environmental aspects we identified and assessed operational environmental risks. At this level we implement preventive measures. These measures include regular inspections of warehouses, inspections of the state of packaging units and of the collecting containers, the tightness of the reservoirs, we monitor quantities and carry out internal monitoring of waste water.

Processes include measures to be adopted in case of an emergency. For this purpose we have allocated means of intervention on agreed locations and instructions on how to use these means. Our professional fire brigade is trained and equipped for intervention in case of environmental disasters.

We conduct drills for instances of identified accidents on a yearly basis, verifying the competence of employees and critically assessing the efficiency of the performed intervention. The drill results are also used to improve the intervention procedures.

We manage risks:
- by respecting applicable statutory requirements;
- by training employees for a careful management in accordance with the instructions for environmental management and the rules of procedure;
- with instructions and management of third parties entering plants;
- with monitoring and reviews;
- by quick recording and informing about extraordinary events and efficient interventions;
- by providing systems of quality management according to ISO 9001, to the ISO 14001 environmental standard and to the ISO 45001.

We pass on the requirements regarding the introduction of the environmental management system to suppliers and all who work for the organisation.

Key indicators of success

Emissions of substances into the air and water, and consumption of process water

We carry out regular measurements of emission into the air and water on all locations. At the location Slovenska Bistrica we also carry out permanent measurements of chlorides and organic substances emitted from the foundry. Reports indicate that there are no exceeding values.

Waste water is generated when changing water in the recirculation cooling systems. Upon changing water, regular monitoring is carried out, which does not indicate that the prescribed limit values are exceeded. Water circulates in the recirculation cooling systems, only losses are replaced with fresh water. By putting in place recirculation cooling systems we reduced the specific consumption of process water by 50% in the last ten years.

CO_2 emissions

Impol, d. o. o, in Slovenska Bistrica, is committed to trade with CO_2 emissions. Emissions are generated by the combustion of natural gas and fuel oil on technological machines and in the boiling room. The CO_2 emission is recorded by years in the table.

Due to the fact that TGP emissions increase with the increase of production capacities, we select technological equipment with a low specific consumption of energy products and technical solutions which are specified in the implementing decision of the commission (EU) 2016/1032 as the best available techniques (GRI 305-1, 305-2, 305-4, 305-5, 305-7).

The consumption of energy products is presented in the table (GRI 302-1).

Table 17: Consumption of energy products and reporting on TGP emissions

YEAR	Gas consumption (Sm^3/Nm^3)	Fuel oil consumption in tonnes	CO_2 emissions/t	Production in t	Specifically in CO_2/t
2007	13,753,685	184.12	26,320	117,067.554	0.224827453
2008	13,074,976	301.93	25,462	107,548.950	0.236748011
2009	11,958,399	277.28	23,408	94,762.752	0.247016887
2010	13,223,117	202.76	25,556	111,452.649	0.229299171
2011	13,831,022	189.8	26,660	116,064.727	0.229699416
2012	13,583,614	186.443	26,184	117,328.898	0.223167527
2013	14,677,504	180.19	28,234	121,368.3676	0.232630632
2014	15,937,999	154.26	30,528	129,615.755	0.235526923
2015	16,724,874	127.8	31,932	130,767.708	0.244188726
2016	16,955,249	48.9	32,115	135,936.4785	0.236250051
2017	17,905,082	0	33,744	135,377.297	0.249258929
2018	17,687,100	0	33,328	142,114.919	0.234514435
2019	17,541,281	0	33,057	140,129.726	0.235902838
2020	16,870,092	0	31,789	130,066.873	0.244405045
2021	17,684,177	0	35,172	158,020.613	0.22257855
2022	16,944,079	0	34,230	155,807.146	0.205394179
2023	**16,538,888**	**0**	**33,494**	**141,894.107**	**0.236049267**

Note: since 2021 on, data for gas are expressed in Nm^3.

Table 18: Consumption of energy products at Stampal SB and CO_2 emissions from the use of natural gas

YEAR	Consumption of gas in Nm³	Consumption of diesel in L	CO_2 emissions/t	Production in t	Specifically in CO_2/t
2021	531,699	0	1,057	1,260.681	0.838
2022	589,717	0	1,191	1,373	0.867
2023	**580,897**	**805**	**1,179**	**1,366.302**	**0.863**

Table 19: Consumption of energy products at Rondal and CO_2 emissions from the use of natural gas and diesel

YEAR	Consumption of gas in Nm³	Consumption of diesel in L	Emissions of CO_2/t	Production in t	Specifically in CO_2/t
2021	1,381,679	10,742	2,748	10,274.896	0.267
2022	1,407,070	11,257	2,873	11,232	0.256
2023	**1,340,228**	**10,799**	**2,743**	**11,713.249**	**0.234**

Table 20: Total consumption of energy products in the Impol Group in Slovenska Bistrica (Impol, d. o. o., Stampal SB, Rondal and supporting companies)

YEAR	Consumption of gas in Nm³	Consumption of diesel in L	Consumption of LPG/t	Power consumption in kWh	Production in t
2021	19,597,555	338,488	22.56	121,283,489	169,556.19
2022	18,960,769	334,124	20.14	120,111,708	168,412.4
2023	**18,479,938**	**340,906**	**20.15**	**113,276,385**	**154,973.694**

Since 2020, Impol-TLM is trading in greenhouse gas emission; emissions caused by the combustion of natural gas are shown in the table below.

Table 21: Emissions trading at Impol-TLM, d. o. o.

YEAR	Consumption of gas in Nm³	Consumption of diesel in t	CO_2 emissions/t	Production in t	Specifically in CO_2/t	Power consumption in kWh
2020	7,815,137	0.130	14,726	112,153	0.121	63,578,877
2021	8,650,384	0.133	16,810.7	119,579	0.141	67,611,464
2022	7,495,301	0.133	14,562	102,127	0.143	62,710,233
2023	**7,716,165**	**0.133**	**15,151**	**95,235.24**	**0.159**	**58,547,358**

The greenhouse gas emissions trading system has not yet been established in Serbia; however, we have calculated emissions caused due to the consumption of energy products, the values of which are shown in the table below.

Table 22: Emissions trading in Serbia

YEAR	Consumption of gas in Nm³	Consumption of diesel in t	CO_2 emissions/t	Production in t	Specifically in CO_2/t	Power consumption in kWh
2020	15,617,246	160.19	29,428	44,275.113	0.665	38,231,375
2021	19,184,163	190.42	40,931*	62,525.22	0.654	45,159,955
2022	14,408,100	144.30	26,684.2**	42,696.17	0.625	37,833,659
2023	**14,206,792**	**135.37**	**26,764****	**40,763.51**	**0.657**	**37,725,839**

*the EPA calculator was used for the calculation: https://www.epa.gov/energy/greenhouse-gas-equivalencies-calculator
**Calculated taking into account the CO_2 emission factor per unit of energy used (1852.03 kgCO_2/1000Nm³) from the Rules on final energy conversion factors in primary and carbon dioxide emission factors ("Official Gazette of the RS" no. 111/2021 i 6/2023) of Serbia no. 111/2021 and 6/2023)

CO_2 emissions: Scope 1 and Scope 2

Table 23: CO_2 emissions by country

YEAR	CO_2 emissions	Impol in Slovenska Bistrica Scope 1	Impol in Slovenska Bistrica Scope 2	Impol-TLM Scope 1	Impol-TLM Scope 2	Impol Seval Scope 1	Impol Seval Scope 2
2021	t/CO_2	39,946	42,813*	16,811	8,113	40,931	49,631
	CO_2/t	0.235	0.253	0.1406	0.068	0.654	0.7938
2022	t/CO_2	39,254	42,399*	14,562	8,278	26,684	41,579
	CO_2/t	0.233	0.252	0.1426	0.0811	0.6250	0.9738
2023	**t/CO_2**	**38,393**	**39,194***	**15,151**	**7,670**	**26,764**	**41,461**
	CO_2/t	**0.248**	**0.253**	**0.159**	**0.081**	**0.657**	**1.017**

Scope 1: includes emissions from the use of natural gas, diesel and LPG (generation of CO_2 emissions directly at the location)

Scope 2: includes emissions from the use of electric energy

Reporting on GHG emissions: CO_2 emissions, generated due to the use of natural gas and fall into the ETS system, are reported

Impol in Slovenska Bistrica → includes the companies Impol, d. o. o., Stampal SB and Rondal and supporting companies

Notes:
*The average specific emission factor for electricity in Slovenia is used, which is published every year on the website of the Jožef Štefan Institute. https://ceu.ijs.si/izpusti-co2-tgp-na-enoto-elektricne-energije/
For years 2021 and 2022: 0.353 kg CO2/kWh (average 2016-2021)
For 2023: 0.346 kg CO2/kWh (average 2016-2022)

Figure 14: Comparison t CO_2 (scope 1 and scope 2) in 2021, 2022 and 2023

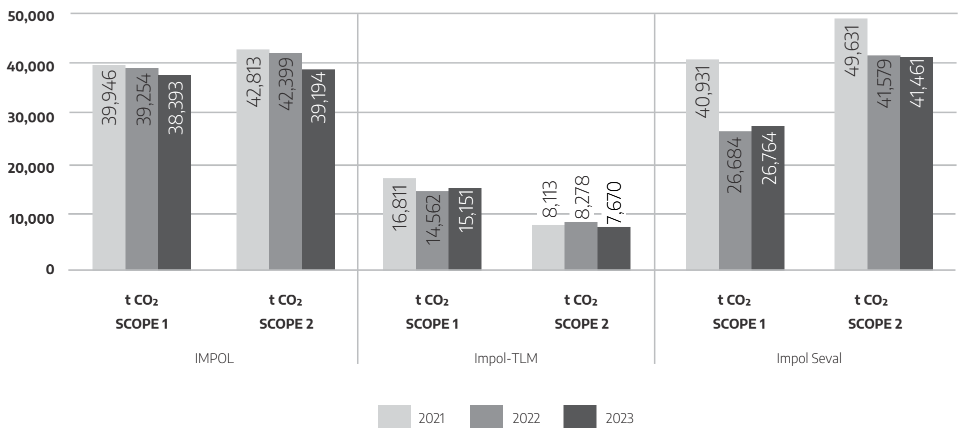


Figure 15: Comparison t CO_2/t (scope 1 and scope 2) in 2021, 2022 and 2023

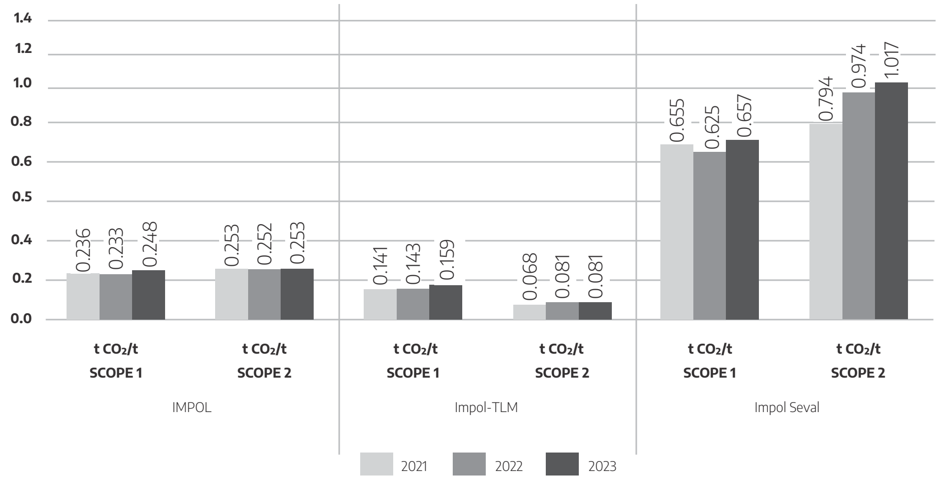


Table 24: 2023 emissions

	Company			
	Total Slovenia	Impol Seval	Impol-TLM	Total in kg/year
total dust	1,364	1,029	1,627	4,020
nitrogen oxides (NO and NO_2), expressed as NO_2	50,511	45,685	6,026	102,222
fluoride and its compounds, expressed as HF	0	68	NM	68
manganese and its compounds, expressed as Mn	0	NM	NM	0
lead and its compounds, expressed as Pb	0	NM	NM	0
Total powdered inorganic substances II	0	NM	NM	0
Total powdered inorganic substances II and III	0	NM	NM	0
Total powdered inorganic substances III	0	NM	NM	0
chlorine inorganic compounds, if not specified in the hazard group I, expressed as HCl	2,741	NM	NM	2,741
organic compounds, expressed as total organic carbon (TOC)	49,222	6,590	98,339	154,151
polychlorinated dibenzodioxins (PCDD) and polychlorinated dibenzofurans (PCDF)	$1.22 * 10^{-5}$	NM	NM	$1.22 * 10^{-5}$
ammonia NH_3	93	NM	NM	93

NM - no measurement

Table 25: Volume and type of waste water in Slovenia (GRI 303-1)

2023	Total industrial	Industrial into the Bistrica watercourse	industrial to treatment plant	Total urban	Urban to municipal treatment plant	Urban into the Bistrica watercourse
Location Slovenska Bistrica	211,269	5,261	23,011	46,250	29,199	0

Table 26: Volume and type of waste water in Serbia (GRI 303-1)

2023	Total industrial	Industrial into the Đetinja watercourse	industrial to treatment plant	Total urban	Urban to municipal treatment plant	Urban into the Đetinja watercourse
Location Serbia	14,648 m^3	0	14,648 m^3	4,317 m^3	0	4,317 m^3

Table 27: Volume and type of waste water in Croatia (GRI 303-1)

2023	Total industrial	Industrial into the sea	industrial to treatment plant	Total urban	Urban to municipal treatment plant	Urban into the sea from municipal treatment plant
Location Croatia	1,016,819	1,016,819	0	79,691	79,691	79,691

Indicators of a rational use of energy, water and industrial gasses

Table 28: Indicators of a rational use of energy, water and industrial gasses in Slovenia

	Cumulatively 1-12 2023							
	Energy product		Plan	Production	Consumption		Deviation	
		unit	unit/t	tonnes-persons	unit	unit/t	unit/t	%
Total Impol	El. energy	kWh	750.00	154,973.694	113,029,113	728.11	-21.89	-2.92
	Natural gas	Nm^3	120.00		18,460,013	118.92	-1.08	-0.90
	Ind. water	m^3	1.20		200,492	1.29	0.09	7.63
	Drinking water	m^3/person	1.30	14,093	37,584	2.67	1.37	105.14
	Nitrogen	kg	45.00		5,698,145	36.71	-8.29	-18.43
	Argon	kg	4.90		527,959	3.40	-1.50	-30.59

	Cumulatively 1-12 2022							
	Energy product		Plan	Production	Consumption		Deviation	
		unit	unit/t	tonnes-persons	unit	unit/t	unit/t	%
Total Impol	El. energy	kWh	750.00	166,655.161	119,934,580	719.66	-30.34	-4.05
	Natural gas	Nm^3	120.00		18,940,866	113.65	-6.35	-5.29
	Ind. water	m^3	1.20		197,882	1.19	-0.01	-1.05
	Drinking water	m^3/person	1.30	14,652	21,982	1.50	0.20	15.41
	Nitrogen	kg	45.00		6,570,330	39.42	-5.58	-12.39
	Argon	kg	4.90		400,178	2.40	-2.50	-51.00

	Comparison 22/23			
			Production	Consumption
	Energy product	unit	persons	per unit
Total Impol	El. energy	kWh	0.93	1.01
	Natural gas	Nm^3		1.05
	Ind. water	m^3		1.09
	Drinking water	m^3/person	0.96	1.78
	Nitrogen	kg		0.93
	Argon	kg		1.42

Table 29: **Indicators of a rational use of energy, water and industrial gasses in Croatia**

	Cumulatively 1-12 2023							
	Energy product		Plan	Production	Consumption		Deviation	
		unit	unit/t		unit	unit/t	unit/t	%
Impol-TLM	El. energy	kWh	650.00	95,294.000	58,547,358	614.39	-35.61	-5.48
	Natural gas	Nm³	70.00		7,716,165	80.97	10.97	15.67
	Ind. water	m³	10.00		1,016,819	10.67	0.67	6.70
	Drinking wter-demi water	m³	0.30		21,595	0.23	-0.07	-24.46
	Drinking water	m³/person	2.50	4,762	58,181	12.22	9.72	388.71
	Nitrogen	kg	40.00		4,553,708	47.79	7.79	19.46
	Argon	kg	4.00	30,242	189,420	6.26	2.26	56.59

	Cumulatively 1-12 2022							
	Energy product		Plan	Production	Consumption		Deviation	
		unit	unit/t	tonnes-persons (PV)	unit	unit/t	unit/t	%
Impol-TLM	El. energy	kWh	650.00	102,127.000	62,710,233	614.04	-35.96	-5.53
	Natural gas	Nm³	70.00		7,495,301	73.39	3.39	4.85
	Ind. water	m³	10.00		1,098,810	10.76	0.76	7.59
	Drinking water - demi water	m³	0.30		27,396	0.27	-0.03	-10.58
	Drinking water	m³/person	2.50	5,076	50,103	9.87	7.37	294.82
	Nitrogen	kg	40.00		5,231,402	51.22	11.22	28.06
	Argon	kg	4.00	32,687	127,000	3.89	-0.11	-2.87

			Comparison 23/22
			Consumption
	Energy product	unit	per unit
Impol-TLM	El. energy	kWh	1.00
	Natural gas	Nm³	1.10
	Ind. water	m³	0.99
	Drinking water - demi water	m³	0.84
	Drinking water	m³/person	1.24
	Nitrogen	kg	0.93
	Argon	kg	1.61

Table 30: **Indicators of a rational use of energy, water and industrial gasses in Serbia**

	Cumulatively 1-12 2023							
	Energy product		Plan	Production	Consumption		Deviation	
		unit	unit/t	tonnes-persons (PV)	unit	unit/t	unit/t	%
Impol Seval, a. d.	El. energy	kWh	930.00	40,758.772	37,725,839	925.59	-4.41	-0.47
	Natural gas	Sm³	355.00		15,140,184	371.46	16.46	4.64
	Ind. water	m³	3.00		136,387	3.35	0.35	11.54
	Drinking water	m³/person		557	4,317	7.75	7.75	
	Nitrogen	kg			488,980			
	Argon	kg			209,820			

	Cumulatively 1-12 2022							
	Energy product		Plan	Production	Consumption		Deviation	
		unit	unit/t	tonnes-persons (PV)	unit	unit/t	unit/t	%
Impol Seval, a. d.	El. energy	kWh	795.00	42,696.167	37,833,659	886.11	91.11	11.46
	Natural gas	Sm³	359.00		15,204,834	356.12	-2.88	-0.80
	Ind. water	m³	3.10		154,643	3.62	0.52	16.84
	Drinking water	m³/person		565	7,690	13.61	13.61	
	Nitrogen	kg			277,500			
	Argon	kg			211,400			

			Comparison 23/22
			Consumption
	Energy product	unit	per unit
Impol Seval, a. d.	El. energy	kWh	1.04
	Natural gas	Sm³	1.04
	Ind. water	m³	0.92
	Drinking water	m³/person	0.57
	Nitrogen	kg	
	Argon	kg	

When purchasing new technologies we follow the BAT (best available technique) guidelines, thus ensuring that the new equipment is energy efficient and that it enables the reduction of consumption per unit of product (GRI 302-3).

The source of the supply of industrial and drinking water are public utility companies. Water is not recycled, however, industrial water is re-used several times for purposes of cooling for which we have bypass cooling systems in place.

Hazardous waste

All companies of the Impol Group have in place a waste management system. Waste is collected separately, appropriately stored and handed over to authorised producers or disposal services. When selecting the final waste management system we give precedence to their processing. We draw up annual reports, in accordance with the applicable legislation, about the volume of waste generated within companies.

The total volume of hazardous waste generated in the Impol Group in 2023 amounted to 4,186 tonnes and is higher by 16% compared to 2022. The specific quantity of hazardous waste amounts to 14.39 kg/t. The specific quantities are lower by 2% than in 2022.

We constantly raise awareness among employees regarding the significance of separating waste and ensuring their usefulness, which at the same time contributes to the reduction of the use of natural resources.

Table 31: Hazardous waste in kg for 2023

Number	Name	Slovenia	Serbia	Croatia	Total
06 02 05*	Other bases (lye)	764,560			764,560
08 01 11*	Mixture or waste paints		0		0
08 03 17*	Waste from removing paint or lacquer sludge containing organic solvents or other hazardous substances		40,640		40,640
10 10 09*	Flue-gas dust containing hazardous substances	83,840			83,840
11 01 05*	Acids for leaching				0
11 01 06*	Acid not specified elsewhere	2,500			2,500
11 01 07*	Bases (lye) for leaching	9,580			9,580
11 01 09*	Sludges and filter cakes not included in 10 01 10	149,200			149,200
11 01 16*	Saturated or spent ion exchange resins	4,680			4,680
11 01 98*	Other waste containing hazardous substances	1,880			1,880
12 01 06*	Waste oil		6,140		6,140
12 01 07*	Mineral-based machining oils free of halogens (except emulsions and solutions)		33,560		33,560
12 01 09*	Machining emulsions and solutions free of halogens	243,584	365,000	747,040	1,355,624
12 01 12*	Spent waxes and fats	880			880
12 01 14*	Machining sludges containing hazardous substances		1,600		1,600
12 01 18*	Metal sludge	1,840			1,840
12 01 20*	Spent grinding bodies and grinding materials containing hazardous substances			1,840	1,840
12 03 01*	Water-based washing liquids	1,167,273			1,167,273
13 01 10*	Waste non-chlorinated hydraulic oils				0
13 02 05*	Mineral-based non-chlorinated engine, gear and lubricating oils	220,687		13,680	234,367
13 03 07*	Non-chlorinated insulating oils and oils for heat transfer based on mineral oils			81,200	81,200
13 05 02*	Sludge from oil/water separators	3,480			3,480
13 05 07*	Oily water from oil/water separators	800			800
15 01 10*	Packaging containing residues of or contaminated by hazardous substances	1,906	33,900	11,700	47,506
15 01 11*	Metal packaging containing hazardous hard porous matrix (e.g. asbestos), including empty pressure tanks	1,040			1,040
15 02 02*	Absorbents and filter materials, wiping cloths and protective clothing	26,180	200	44,630	71,010
16 01 04	End-of-life vessels			105,900	105,900
16 01 07*	Oil filters	1,580		30	1,610

16 01 21*	Hazardous components not listed under 16 01 07 to 16 01 11 and 16 01 13 and 16 01 14				0
16 05 06*	Laboratory chemicals, consisting of or containing hazardous substances, including mixtures of laboratory chemicals	560		260	820
16 06 01*	Waste batteries and accumulators	1507	500		2,007
16 07 08*	Waste containing oil		4,370	900	5,270
16 07 09*	Waste containing other hazardous substances				0
20 01 21*	Fluorescent tubes and other mercury-containing waste	540	160		700
20 01 25*	Edible oils and fats	110			110
20 01 35*	Discarded electrical and electronic equipment other than those mentioned in 200121 or 200123	1,750	1,960	1,080	4,790
	Total (kg)	**2,689,957**	**488,030**	**1,008,260**	**4,186,247**

Renewable energy sources

In 2023, the solar power plant generated 1,075,789 kWh of electric energy.

Since it was put into service in 2011, the power plant generated 14,101 MWh of electric energy. In case that the mentioned energy would be obtained from natural gas, we would need around 2,156,176 m^3 of natural gas and would generated 4,700 tonnes of carbon emissions. If lignite was used to produce electric energy, we would consume 5,661 tonnes of it, thus generating 10,801 tonnes of emissions. By using solar energy we reduce the consumption of natural resources and consequently the emission of greenhouse gasses.

Biodiversity

The Impol Group has production facilities on three locations: Slovenska Bistrica (Slovenia), Šibenik (Croatia) and Sevojno (Serbia). These facilities are not located in conservation areas, but in industrial zones with a tradition spanning several decades.

In Slovenska Bistrica the nearest protected area is Natura 2000, namely the "Bistriški jarek", which is a special conservation area located approximately 700 metres away. The border of the "Bistriški jarek" conservation area also overlaps with the border of the ecologically important Pohorje area. The nearest natural reserve is located 1.4 km from the zone, namely in teh settlement of Visole, which is the site of a serpentine flora habitat. There are special conservation areas also in Serbia in Croatia, located more than 500 km from the industrial zone.

During every production expansion we verify that the expansion does not negatively impact on by any nature protection area located in the vicinity of the industrial zone. For this reason we do not generate or increase the impact on biodiversity and natural values (GRI 304).

Fire protection

Fire protection activities and measures in Impol Group companies are aimed at the protection of the employees, assets, animals and the environment against fire and explosions.

Special attention is paid to the implementation of preventive activities mostly in order to reduce the possibility of fire and to ensure safe evacuation of people and assets in the event of a fire outburst and to prevent the fire from spreading. Fire protection measures are observed in the designing of new facilities, as well as during reconstruction works, the use of facilities and the implementation of technological processes.

In order to guarantee suitable fire safety, fire prevention programmes are of key importance in all areas of operation of the Company. Awareness and safety-oriented culture are also of crucial importance; furthermore, they must always be held at the forefront in the minds of responsible workers, employees, and other users of premises.
In 2023, five fires were recorded in companies of the Impol Group at the location Slovenska Bistrica. Four fires occurred in Impol LLT, d. o. o., and one fire occurred in Impol FT, d. o. o., namely in the FTT production process. Fire interventions were carried out without injuries to fire fighters and employees.

16 interventions were made by fire fighters in 2023 with regard to the protection of the environment. Most of the interventions (8 cases) were due to mitigating the consequences resulting from faults to hydraulics systems on forklifts and operating devices; in two cases due to fuel leakage from freight vehicle fuel tank, in another two cases due to spillage of roller oil during transfer and in four cases due to other defects. Various absorption agents and decontamination or degreasing materials and agents were used to remove the consequences of the leakage of environmentally hazardous fluids. The listed cases of environmental accidents occurred at locations where there were not consequences for the environment.

Social and HR matters and the respect of human rights

Policy

Our almost 200-year long tradition is based on a fair attitude towards employees that gave rise to the growth and development of the Impol Group. We are focused on satisfying all common needs of the employees, and their satisfaction is shown by numerous indicators.

In the Impol Group our social responsibility is primarily substantiated through a fair attitude toward employees, whereby we observe the following principles:
- fair payment for a well-performed job;
- creating opportunities for career development;
- promoting inter-generational cooperation;
- developing own human resources;
- ensuring equal promotion opportunities for all employees;
- promoting innovation;
- actively promoting a healthy lifestyle and preventing accidents;
- finding appropriate solutions for employees with disability;
- respecting employee loyalty.

We are traditionally strongly connected to our local community, which also represents our most important pool of loyal, hard-working and dedicated employees. We establish an even stronger relationship with the local community by organising numerous activities, among which:
- promoting and supporting the "metallurgy technician" programme at the Slovenska Bistrica Secondary School;

- actively cooperating with local educational institutions through donations;
- promoting associations and interest groups which actively contributed to enhancing the quality of life of local residents;
- transparent communication.

Due diligence

We carry out due diligence on systems of employee development and the respect of human rights with the following activities:

- Promotion of social dialogue: we have established a consultative body for social responsibility, within the framework of which we organise regular meetings with employee representatives from all companies of the Impol Group in Slovenska Bistrica. We have also established workers' councils that actively work in larger companies in the Impol group. We work with a representative union and maintain a constructive social dialogue. We established a Representative Body of Employees of the Impol Group (RBEIG) that connects all employees in the Group on all locations and convenes with the intention of putting in place a framework for promoting social dialogue, exchanging information and electing a worker's director.
- Ensuring compliance with the legislation: we regularly carry out internal reviews of standards and documentation with which we verify the compliance of our operations with the legislation. Furthermore, we regularly train employees and participate in the organisation of expert conferences.
- Monthly reporting: we monitor key indicators in the area of managing employees on a monthly basis and recommend amendments to the legislation.
- Acquisition of the SA 8000 standard: in 2023, we were certified according to the SA 8000 standard, which further encourages us to develop socially responsible business.

Glavna tveganja in njihovo obvladovanje

Tveganja, povezana s človeškimi viri, smo prepoznali na ravni upravljanja družb v skupini Impol in jih delimo na več področij.

Table 32: **Risks related to human resources**

Risk area	Possible causes	Management methods
Competences	• Adequate competence of the employees. • Key staff fluctuation.	• Introduced mentoring system for new employees and employees switching job posts. • Regular measurement of the commitment and satisfaction of employees. • Creating and updating competence matrixes.
Lawsuits, court hearings	• Potential hazards at the workplace, resulting in injuries. • Mobbing in the workplace. • Unequal treatment of employees.	• Active promotion of health a lifestyle at the workplace. • Regular employee training. • Working information office for preventing mobbing. • Training managers for safety and health at work management. • Regular checks of working equipment. • Observing equality principles which are specified in the Code of Business Conduct of the Impol Group.
Productivity	• Unused employee potential. • Inadequate management.	• Implementing development discussions with key employees. • Regular training of managers for the development of management competences. • Monitoring the work of managers using defined indicators. • Regular assessment of the employees and stimulative salary policy.

Key indicators of success

Table 33: Employees by Impol Group companies as of 31/12/2023

Country	Company	2017	2018	2019	2020	2021	2022	2023
Slovenia	Impol 2000, d. d.	53	110	109	110	117	131	127
	Impol, d. o. o.	41	37	41	37	36	17	17
	Impol FT, d. o. o.	286	271	267	262	270	238	221
	Impol PCP, d. o. o.	459	441	425	439	462	460	436
	Impol LLT, d. o. o.	136	149	151	148	153	151	153
	Impol R in R, d. o. o.	35	41	43	43	41	42	41
	Impol Infrastruktura, d. o. o.	21	22	23	21	21	21	20
	Stampal SB, d. o. o.	61	60	64	70	79	90	93
	Rondal, d. o. o.	66	67	63	66	67	74	71
	Impol Stanovanja, d. o. o.	2	2	2	2	2	2	2
	Unidel, d. o. o.	37	37	38	35	32	35	35
	Kadring, d. o. o.	17	18	20	19	19	19	21
	Impol Servis, d. o. o.	7	7	8	10	9	9	9
	Impol-FinAl, d. o. o.	7	13	38	55	97	108	131
	Alcad, d. o. o.	/	/	24	41	41	42	44
	Total Slovenian companies	**1,228**	**1,275**	**1,316**	**1,356**	**1,446**	**1,439**	**1,421**
Serbia	Impol Seval, a. d.	539	533	532	532	524	470	463
	Impol Seval PKC, d. o. o.	12	12	11	11	12	11	11
	Impol Seval Tehnika, d. o. o.	82	77	75	75	76	62	63
	Impol Seval Final, d. o. o.	24	24	25	25	26	23	20
	Impol Seval President, d. o. o.	10	10	8	/	/	/	/
	Total Serbian companies	**667**	**656**	**651**	**640**	**638**	**566**	**557**
Croatia	Impol-TLM, d. o. o.	385	414	423	430	424	414	395
USA	Impol Aluminium Corporation	1	1	1	1	1	1	0
Hungary	Impol Hungary Kft.	2	2	2	2	3	2	2
Impol Group	**Total number of employees**	**2,283**	**2,348**	**2,393**	**2,429**	**2,512**	**2422**	**2375**

GRI 102-41

Table 34: Staff turnover at the Impol Group

	Arrivals		Departures		% of total turnover		% of turnover due to consensual terminations of the employment relationship	
	2022	2023	2022	2023	2022	2023	2022	2023
Slovenia	127	102	134	120	9.20%	8.50%	3.91%	2.76%
Serbia	29	8	101	17	16.32%	3.05%	1.94%	0.72%
Croatia	23	28	34	47	8.04%	11.84%	4.73%	4.79%
Impol Group	**179**	**138**	**269**	**184**	**10.76%**	**7.78%**	**3.52%**	**2.62%**

GRI 102-7

Table 35: Employee gender structure at the Impol Group

	Slovenia	Serbia	Croatia	Hungary	Impol Group
Men	1,127	450	343	1	1,921
% of men	79.31%	80.79%	86.84%	50.00%	80.88%
Women	294	107	52	1	454

Table 36: Education and qualification structure

	Doctoral Degree	Master's Degree	Bachelor's Degree	Higher education	College	Secondary School Degree	Qualified	Semi-qualified	Non-qualified
Slovenia	0.70%	0.49%	11.47%	8.94%	7.74%	34.13%	27.59%	5.70%	3.24%
Serbia	0.00%	0.00%	14.00%	2.51%	0.00%	45.06%	32.68%	0.72%	5.03%
Croatia	0.00%	0.00%	13.92%	4.30%	1.01%	30.63%	39.49%	9.37%	1.27%
Total	**0.42%**	**0.29%**	**12.56%**	**6.66%**	**4.80%**	**36.11%**	**30.76%**	**5.14%**	**3.33%**

Table 37: **Type of employment, contracts**

	Employment contract for an indefinite period of time	Employment contract for a definite period of time	Individual contract
Slovenia	1387	34	70
Serbia	533	24	14
Croatia	377	18	6
Hungary	2	/	/
USA	/	/	1
Impol Group	**2300**	**75**	**91**

Table 38: **% of employees under special protection and the disabled**

	% of the employees under special protection (age)	% of the disabled
Slovenia	13.23%	4.86%
Serbia	28.37%	12.30%
Croatia	31.65%	1.50%

Table 39: **% of sick leaves**

	% of total sick leaves	% of sick leaves burdening the company
Slovenia	6.91%	3.44%
Serbia	7.95%	5.44%
Croatia	6.92%	4.77%

Table 40: **Training and education of the employees**

	Slovenia	Serbia	Croatia
Number of hours of training per employee	41.62	13.4	5.47
Number of beneficiaries of grants	58	5	2

(GRI 404-1)

In the Impol Group, the number of employees decreased by 1.94% compared to the previous year (the number of employees on 31/12/2023 was 2,375). Compared to the previous year, the number of employees in Slovenska Bistrica decreased by 1.25% (the number of employees on 31/12/2022 was 1,421), in Serbia the number of employees decreased by 1.59% (the number of employees on 31/12/2023 amounted to 557), and in Croatia the number of employees decreased by 4.59% (the number of employees on 31/12/2023 was 395).

Employees use child-care leave and parental leave in accordance with the provisions of the local labour code. After having used this type of leave, we did not record any employee departures from the Company in 2023.

Regionally speaking, the Impol Group in Slovenska Bistrica employs the great majority of people from the Podravje region with the rest coming from other Slovenia regions. This type of employment policy is also implemented in Serbia and Croatia. Representatives of the management (company managers, directors and members of the Board of Directors) on all three locations come from the local environment (Impol-TLM is an exception, since the company director is a Slovenian national) (GRI 102-8, 202-2, 401-1, 403-3, 404-1).

All employees attend periodic internal training during which they become familiar with the protection of human rights, rights of employees and prevention of mobbing at the workplace.

In 2023, we greatly increased the scope of employee training within the Impol Group in Slovenska Bistrica, which was crucial for the effective digitisation of internal processes.

Table 41: **Accidents and incidents at work**

	Number of accidents at work 2021	Number of incidents 2021	Number of accidents at work 2022	Number of incidents 2022	Number of accidents at work 2023	Number of incidents 2023
Slovenia	21	536	28	494	34	573
Serbia	23	68	21	104	19	232
Croatia	7	87	7	203	11	42
Total	**51**	**691**	**56**	**801**	**64**	**847**

In 2023, we recorded a total of 64 accidents at work, which represents a 14.29% reduction of accidents compared to 2022. All accidents were mild (GRI 403-2).

Periodically, we measure the mood and employee satisfaction. The measurement of the mood and commitment of employees in 2023 has shown an increase in indicators among employees. The average engagement rate in 2018 was 32%, an increase of 4% compared to 2016. In 2020, we successfully increased the level of employee engagement to 41%, while we found that the share of engaged employees in 2022 increased to 50%. The share of engagement dropped to 33% in 2023.

Activities of the Impol Group

Fair payment
- Employees in Slovenia and Serbia earn wages that are above the average in the industry sector and above the national average.
- Employees receive a high amount of holiday pay.
- At the end of the year, employees received a performance bonus.

Health and safety at work
- The occupational health and safety system is continuously being improved.
- We have a system of line controls in place.
- We are improving working conditions.
- The Impol Health Promotion Society has been established to help improve the quality of life of our employees.
- We organise health promotion weeks.
- The company pays for the supplementary pension insurance of its employees. The savings scheme includes all employees who also pay an insurance premium on an individual basis.

Loyalty
- Every year, events are organised to promote loyalty and sense of belonging of the Impol Group employees.
- Every year, we select the best employees and invite them to lunch with the company director.
- Employees receive awards for 10, 20, 30 or 40 years of service at the Impol Group in Slovenia and for 10, 20, 30 and 35 years of service at Impol Seval in Serbia. A similar programme will be established in Croatia as well.
- Internal magazines Metalurg in Slovenia and Seval in Serbia are regularly published so as to promote the culture of belonging and mutual respect. In Croatia, the annual Metalurg and the monthly Metalurg reporter are published.
- There is a Representative Body of Employees of the Impol Group (RBEIG) operating within the Impol Group composed of members elected by the employees. Its task is to elect a worker-director and exchange information within the Impol Group.

Knowledge and understanding
- We develop the competences of managers and expect them to have maintain positive relations with co-workers. These relations were defined by the governance standards that apply to all managers within the Impol Group.
- We support the development of competencies of all key Impol Group employees.
- Our employees are provided with education and training in accordance with the needs of the Impol Group.

Self-actualisation
- A system for the rewarding of innovation and useful proposals has been set up.
- Employees are engaged in project teams and provided with opportunities to prove their abilities.

Respecting human rights

We consistently observe all the statutory provisions of the Republic of Slovenia in the area of respecting human rights. Several different mechanisms have been established in order to ensure the welfare of our employees:
- mobbing at the workplace prevention office;
- mobbing officers in every company;
- workers' councils are established;
- a SA 8000 consultative body was established with periodic meetings;
- operating RBEIG body, the purpose of which is to coordinate demands with regard to the care for employees and working conditions.

Child labour
The International Labour Organisation defines child labour as "work that deprives children of their childhood, their potential and their dignity, and that is harmful to physical and mental development". This type of work also includes work that adversely affects children's education. With our standards we commit not to collaborate with suppliers that employ children under 18. The exception is summertime work and internships of high-school students with which they may obtain working experience and additional income.

Our policy is designed with the well-being of children and the protection of their interests in mind. Although the phenomenon of child labour is a rare occurrence nowadays, the Impol Group developed approaches to deal with possible cases of child labour. No instances of child labour were detected in our supply chain, which is also the result of an efficient assessment of our suppliers. Our requirements with regard to child labour as well as youth work are presented in our employment conditions which are provided to all suppliers and which are binding in all controlling companies abroad (GRI 408-1).

Forced labour
According to the International Labour Organisation, forced labour is "labour performed involuntarily and under the threat of punishment. It refers to situations in which persons are coerced to work through the use of violence or intimidation, or by more subtle means such as accumulated debt, retention of identity papers or threats of denunciation to immigration authorities". In accordance with our employment standards we commit not to collaborate with partners that use forced labour in any form (prison labour, prohibited labour, etc.). No employee should be forced to work on the basis of intimidation, force and any political coercion, penalty or due to different political views.

The Impol Group strongly condemns and prohibits any form of forced labour in the Group itself as well as in the supply chain, which includes suppliers and clients (GRI 409-1).

Supply chains and conflict materials
We pass on our commitments related to environmental management, sustainable development,

and care for the health and safety of our employees, to our suppliers of material and services. For this purpose, we perform annual assessments of our suppliers pursuant to the following criteria: performance quality, environmental management, and care for the safety and health of employees. Only suppliers that confirm acting in accordance with the requirements of standards or legislation make it to our list of confirmed suppliers of the Impol Group (GRI 308-2).

Use of conflict minerals
Within the Impol Group, we use tin in our production process. We asked our tin supplier to fill out the CMRT (Conflict minerals reporting template) form and specify the confirmed tin manufacturers. All the tin that we use in the Impol Group originates from confirmed manufacturers from Indonesia and Malaysia (GRI 308-2, 414-2).

Anti-corruption efforts

Policy

In carrying out our work, we observe high business ethics standards; pursuant to the Impol Group Code of Business Conduct, we are building a culture that encourages legal, ethical, and transparent behaviour and decision-making by all employees.

Due diligence

We put in place a system of internal audit, which verifies the compliance of business operations with the Slovenian legislation and includes the prohibition of corruption. At the same time, all employees are bound to respect the Impol Group Code of Business Conduct. We also put in place a transparent supply system, involving a greater number of decision-makers who also carry out control over business ethics themselves.

Main risks and their management

The main risks in this area are the loss of reputation in the public, loss of financial assets due to corruptive business conduct and loss of trust of business partners. We prevent this by using an advanced information supply system containing control elements, with regular college meetings with detailed reports, with transparent communication and with a consistent observance of the principles listed in the Code of Business Conduct of the Impol Group. We also set in place a zero tolerance policy toward criminal acts.

Key indicators of success

The key indicators of success are the compliance of business operations with the legislation, which is also evident by the fact that there are no pending court cases against employees of the Impol Group in connection with corruptive behaviour.
There were no pending court cases in 2023 with regard to uncompetitive behaviour or actions initiating monopoly. No major penalties or fines were paid due to failure to comply with laws and regulations in areas where Impol operates (GRI-206-1).

Memberships in Communities/Associations

The Impol Group believes that connecting and cooperating is the key to success. This is why we support interest associations and organisations through memberships and at the same time we participate in projects that support organisations to connect with each other and the mutual transfer of knowledge.

We are members of the Chamber of Commerce and Industry of Slovenia, the Chamber of Commerce of the Štajerska region, the ASC association and the SRIP MatPro Strategic development partnership. We are also members of the European Aluminium Foil Association (EAFA) and the Aluminium Stewardship Initiative (ASI). We co-founded the Slovenian Centre of Excellence for Space Sciences (GRI 102-12, GRI 102-13).

GRI Reporting

Table 42: Index according to the GRI GS (Global Standards) reporting standard – basic option (Core)

GENERAL STANDARD DISCLOSURES			
GRI – standard	Disclosure	Page	Notes / restrictions
GRI 101: Basis			
GRI 102: General disclosures			
Organisation presentation			
102-1	Organisation name	13	
102-2	Primary brands	33	
102-3	Organisation HQ	13	
102-4	Local activities	13	
102-5	Ownership and legal form	13; 16	
102-6	Markets (geographical and sectoral division and division by types of clients)	30, 32	
102-7	Organisation size (number of employees, number of activities, sales revenues, obligations/equity, number of products/services)	53, 72-91	
102-8	Employees by type of employment, type of contract, region, gender	53, 54	
102-9	Description of the organisation's supply chain	34	
102-10	Significant changes in the reporting period relating to the organisation’s size, composition, ownership and supply chain		There were no significant changes.
102-11	Clarification whether and how the organisation applies principle of prudence	40	
102-12	External documents, principles and other economic, environmental and social initiatives signed and supported by the organisation	56	
102-13	Membership in organisations	56	
Strategy and analysis			
102-14	Statement of the highest decision-maker in the organisation with regard to the importance of sustainable development for the organisation and the strategy of addressing the organisation's sustainable development	39	
Ethics and integrity			
102-16	Description of values, principles, standards and principles of conduct, such as codes of conduct and codes of ethics		Described in the Company’s policy and Code of Business Conduct of the Impol Group (accessible via http://www.impol.si)

Management			
102-18	Management composition of the organisation, including commissions of the highest management authority	10-12	Management and governance system
Involving stakeholders			
102-40	List of groups of stakeholders with which the organisation cooperates	40	
102-41	Share of all employees by collective agreement	48	
102-42	Starting points for recognising and selecting stakeholders with which the organisation cooperates or to be involved	40	Purchasing audit processes
102-43	Approaches for involving stakeholders, including the frequency of cooperation by groups of stakeholders	40	Purchasing audit processes
102-44	Key topics and questions raised during the cooperation with stakeholders and how the organisation responded to them, including its reporting	37	
Report information			
102-45	Units included in consolidated financial statements	10	Companies in the Impol Group + consolidated report
102-46	Process of defining the report and delimiting topics		The topics are defined on the basis of the sustainability analysis in accordance with the GRI guidelines.
102-47	List of essential topics	58	
102-48	Effects of the change of information from previous reports and reasons for them	26	
102-49	Significant changes compared to previous reporting periods in relation to limiting the volume and aspects		There were no significant changes.
102-50	Reporting period (calendar, fiscal year)	58	
102-51	Date of the last previous report	58	
102-52	Reporting cycle (annual, two-year)	58	
102-53	Contact information for questions relating to the report	58	
102-54	Reference regarding the report in accordance with the GRI standards	58	
102-55	Index by GRI guidelines	58	
102-56	External reporting verification by GRI guidelines		An external verification has not yet been carried out.
SPECIFIC STANDARD DISCLOSURES			
103-1	Explanation of an essential topic and its limits		Described in the Management's statement
103-2	Management approaches and their constituents		Described in the section "Strategic orientations"
103-3	Evaluation of management approaches		Described in the section "Strategic orientations"

ECONOMIC IMPACTS			
GRI 201: Economic performance			
201-1	Directly generated and distributed economic value	23; 68-70	
201-3	Liabilities from the pension plan	82	
201-4	Significant received state aid	109	
GRI 202: Presence on the market			
202-2	Share of local staff in higher management	48, 49	
GRI 204: Purchasing practice			
204-1	Share of assets for purchasing, used for local suppliers at important production locations	31	
GRI 206: Competition protection			
206-1	Number of legal procedures in the area of competition protection, monopoly prevention and monopoly practices and results of concluded procedures in the reporting year		There were no pending legal procedure from the specified area in the reporting period.
ENVIRONMENTAL IM-PACTS			
GRI 301: Materials			
301-1	Used material by weight and volume	31	We control the information about weight.
301-2	Processing return and circular material	31	
GRI 302: Energy			
302-3	Energy intensity (energy consumption per unit/tonne of product)	42	
302-4	Energy consumption reduction	42	
GRI 303: Water			
303-1	Water consumption by sources	42	
303-3	Share and total volume of recycle and re-used water		
GRI 304: Biodiversity		46	
GRI 305: Emission to air			
305-1	Volume of direct greenhouse gas emissions (Scope 1)	45	
305-2	Volume of indirect greenhouse gas emissions (Scope 2)	45	A system for managing this information is being established.
305-4	Intensity of greenhouse emissions (volume of emissions per product unit)	44	

305-5	Reduction of greenhouse gas emissions	44	
305-7	NO_x, SO_x and other significant emission to air by type and weight	46; 47	
GRI 306: Waste water and waste			
306-1	The entire quantity of waste water by quality and emission destination	46	
306-2	Total weight of waste by type and manner of disposal		
GRI 307: Compliance			
307-1	Amount of fines due to non-compliance with the environmental legislation		In 2023 there were no non-compliances.
GRI 308: Environmental verification of suppliers			
308-2	Significant existing and potential negative environmental effects in the supply chain and adopted measures	51, 52	
SOCIAL IMPACTS			
GRI 401: Hiring employees			
401-1	Number and rate of newly employed persons and employee fluctuation	49	
401-3	Return to work and rate of employee retention after having used paternal leave, by gender	49	
GRI 403: Health and safety at work			
403-2	Rate of injuries at work, absenteeism, number of fatalities at work	49	
403-3	Employees with a high level of risk for occupational diseases	49	
GRI 404: Training			
404-1	Average number of hours of training per year per employee by gender and employee category	49	
GRI 406: Non-discrimination			
406-1	Number of discrimination cases and measures for their elimination		No cases of discrimination were recorded.
GRI 408: Child labour			
408-1	Activities and suppliers where there is a possibility of recognised risk of violations being committed in the area of child labour	53	
GRI 409: Forced or mandatory work			
409-1	Activities and suppliers where there is a possibility of recognised risk of violations being committed in the area of forced labour	53	
GRI 412: Human rights			
412-2	Number of hours of training employees about human rights policies and procedures in relation to their aspects, which are significant for the Company's business activity, and share of employees included in such training	52	
GRI 413: Local communities			
413-1	Share of activities in which the local community was involved or for which certain impacts were verified and development programmes were prepared	37	
GRI 414: Verification of suppliers regarding working practices			
414-2	Significant existing and potential negative impacts in relation to working practices in the supply chain and adopted measures	51	

GRI Reporting

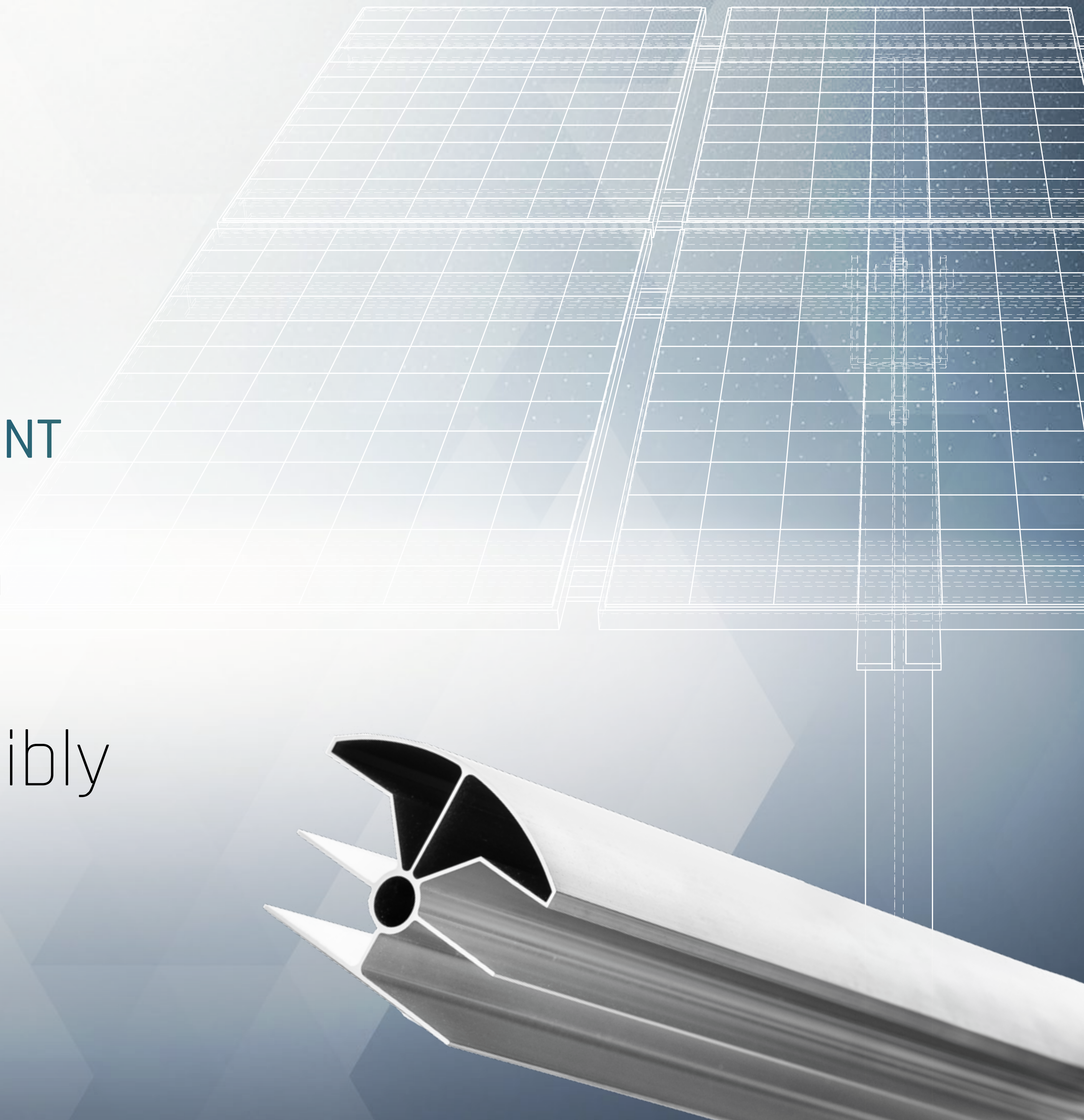
The Impol Group reports according to standards of the Global Reporting Initiative, Global Standards (GRI, GS), attaining the basic level. Reporting ensures a high level of transparency toward stakeholders of the Company, enables the comparison of sustainable reporting with other companies and competitors. The reporting content and the GRI content table are based on topics which are important to the Impol Group. The procedures of managing key topics are presented in individual sections. Reporting refers to the Impol Group and all its affiliated companies.

An audit was carried out by independent auditors, for purposes of the financial report as well as the non-financial operation statement. (GRI 102-54, GRI 102-55, GRI 102-56)

The entire report refers to the period that started on 01/01/2023 to 31/12/2023 (GRI 102-47).

In case of eventual questions regarding the report content concerning the Impol Group, contact Irena Šela (irena.sela@impol.si). (GRI 102-53)

05 RISK MANAGEMENT



"Only those who will risk going too far can possibly find out how far one can go."

Thomas Stearns Eliot

RISK MANAGEMENT

The Impol Group is present in a highly competitive industry. Considering that our sales represent approximately 95% of export and we have companies abroad, we are facing financial, political, economic, regulatory and business risks. The exposure to various risks is regularly monitored in the Impol Group and measures to manage these risks are adopted accordingly. Within the Impol Group, risk management is based on the principle that the risk assessment and management is the integral part of all business activities. The basic guidelines of risk management are specified in the Code of Business Conduct of the Impol Group. We are constantly building a risk management system. Active risk management is the primary responsibility of individual business areas which are responsible for the establishment of appropriate and effective internal controls and the implementation of business activities in accordance with prescribed restrictions and given strategic objectives.

The second level comprises of the Risk Management Committee (RMC) as part of the weekly coordination. Its tasks are to:

a) determine the most important areas of risks in the Impol system, identify risks and draft proposals to decrease them and submit the proposals to the Board of Directors;

b) address important business events and identify the most significant risks in advance and the measures to decrease;

c) examine potential methods and procedures for risk minimisation, propose their use and monitor the implementation of measures aiming at risk reduction together with the assessment of the results of this process.

The third level is the Internal Audit which periodically reviews the effectiveness and reliability of the internal control environment in accordance with the regulatory requirements.

The Impol Group faces several risks within the scope of its business process. They were divided into:

- business risks,
- financial risks,
- operational risks.

The risks are explained into details in the table below.

Table 43: **Types of risks and their management through the application of special measures (business risks)**

Risk area	Risk description	Measures	Risk assessment
Changes in the area of international government regulations, trade restrictions and legislative changes, including changes in the area of taxes	• Risk of changes in legislation in the location where the Group is present. • Risk of regulation of the international business environment.	• Monitoring changes in individual areas of business operation, and analysing the impacts of new draft laws or amendments on the business operations of the Group. • Using modern tools to monitor changes. • Training and verification of knowledge of employees. • Involvement of legal experts.	Moderate
Market and prices	Sales: • Market prices do not follow the changes in purchase prices or they only adjust to the them with a lag long for several months. • Customer service – delays resulting from production stoppages, inadequately organised logistics cause excessive costs and delays. Purchasing: • Raw materials – primary, secondary aluminium, billets, rolling slabs, alloying elements – unexpected events in the areas of prices and purchase premiums, exchange rate risk (negative exchange rate differences), unreliable supply sources and associated negative effects on production, liquidity gaps caused by the need to purchase large quantities all at once or price increase. • Energy products – unexpected increase in prices, shortage of readily available sources.	• Conclusion of contracts by determining sales premiums so that the changes in purchase premiums are translated in the sales premiums. • With internal organisational measures, Impol is continuously training its employees for quality and full compliance with all the obligations. • Measuring customer satisfaction. • Monitoring the competition. • To avoid risks, contracts are concluded for longer, at least one year delivery periods. • We take care of the appropriate level of stocks, providing resources from different locations. • Majority of energy is purchased for a period of at least two years in advance.	Moderate

Risk area	Risk description	Measures	Risk assessment
Investments	The risks that occur, are: • Risks associated with investment planning in fixed assets in terms of its value, performance, schedules, and on the other hand, investments in the provision of permanent working capital caused by the investment in fixed assets. • Increase in fixed costs and the resulting need to increase the volume of sales and the threat of an increase in losses. • Being late in mastering the technical-technological aspects of new investments, new markets; neglecting the costs resulting from the above. • Cash flow being too weak to ensure the return of invested assets. • Neglect investments into durable short-term assets and their subsequent financing with short-term sources of financing despite the investment definitely being a long-term one.	The risks associated with the investments in short-term assets are reduced by the establishment of adequate investment elaborates, economic assessment during the investment approval phase, establishment of a contractor selection system, our own control during the investment implementation phase, adequate monitoring in the accounting and real-time analysis of the investment realisation, and by the direct decision-making of the Board of Directors for each individual investment in fixed assets. We achieve the reduction of investment risks to current assets by setting objectives in advance in the area of forming inventories and dates of recovering receivables from customers as well as by introducing a relevant policy of obtaining and directing external financial sources. These types of investments are thus financed by long-term assets, and we strive to finance a considerable portion of short-term assets with long-term sources of funding.	Moderate

Risk area	Risk description	Measures	Risk assessment
Human resources	Risks present in this area: • Lack of mobility and the associated costs that are higher than it would be justified. • Inadequate assurance of knowledge retention. • Risk associated with the acquisition of key personnel. • Civil claims for damages. • Lack of labour force on the market.	• The education and training of our employees is planned and regularly monitored. Their responsibility at workplaces is strengthened by introducing a system of governance standards. The risks related to a lack of adequate professional labour force on the market is managed by our scholarship policy, thus ensuring us future employees, by the development of key staff and by a directed governance policies including goals. In order to ensure a more efficient management, accepting responsibility and improving relationships we organise workshops on all levels of management. We carry out employee profiling on key job positions with the intention to prepare career plans and in this manner promptly train successors before they take those key positions. • Measuring the organisational climate.	Moderate
Research and development	Risk of inefficiency of development processes and provision of new products.	Planning development projects and research. Special emphasis is placed on product development with the aim of becoming a development supplier to customers. Introduction of a system of applied and technological development, participation in development consortia.	Moderate
Environmental protection	Risks of release of hazardous substances, deviation from legal requirements, loss of reputation due to excessive burden on the environment – noise.	This area is being managed with constant control over emissions and by turning on devices which prevent/decrease the risks of burdening the environment.	Moderate

Table 44: **Risks controlled as a part of the business process (financial risks)**

Risk area	Risk description	Measures	Risk assessment
Liquidity risk	Liquidity risk is the risk of incurring loss owing to short-term insolvency.	Impol is using its resources and investments in a manner which allows the company to be able to comply with all of its due liabilities at any given moment. For larger liabilities, Impol establishes (beforehand) earmarked deposits or enables prearranged credit lines. By planning the expected cash outflows or inflows, Impol minimises risks by taking into consideration its normal business operations and any potential fluctuations paying special attention to guaranteeing a suitable level of inventories and receivables.	Moderate
Risk of a change in the prices of aluminium raw materials	The price of aluminium is formed on the LME and price changes are constant. Customers seek to purchase products based on the prearranged price basis for aluminium.	Risks are managed by hedging – i.e. forwards and futures contracts.	Moderate
Risk of changes in foreign exchange rates	The threat of loss caused by unfavourable exchange rate fluctuations – this mainly applies to USD.	Hedging is ensured by means of appropriate derivative financial instruments and making arrangements on the purchase of basic raw materials in the local currency, natural protection.	Moderate
Interest rate risk	Risk of unfavourable interest rate trends.	We manage the risk by monitoring the policy of the ECB and the FED, using appropriate derivative financial instruments – interest rate swaps, negotiations with credit institutions.	Moderate
Credit risks	Risk of write-offs of receivables due to customers' failure to pay.	We control the credit risk through the process of credit control which encompasses internal credit rating of customers within the group, with the help of the chosen credit insurance company. The majority of the Group's customers are insured, especially when it comes to larger customers. The Group's policy is that individual buyers shall not exceed 7 percent of all sales. Transactions with customers located in high-risk markets are carried out only on the basis of advance payments or prime bank guarantees. By regularly monitoring open and past due trade receivables, the ageing structure of receivables and average payment deadlines, the Impol Group maintains its credit exposure within acceptable limits given the strained conditions on the market.	Moderate
Claims for damages and lawsuit risk	Risk of claims for damages being filed by third parties as a result of loss events caused inadvertently by the company through its activities, possession of items and placement of products on the market.	We manage risks by insuring general liability and product liability (mainly for the segment of the manufacture of products intended for the means of transport industry).	Moderate
Risk of changes in foreign exchange rates	The threat of loss caused by unfavourable exchange rate fluctuations – this mainly applies to USD.	Hedging is ensured by means of appropriate derivative financial instruments and making arrangements on the purchase of basic raw materials in the local currency, natural protection.	Moderate

Operational risk is the risk of incurring losses together with legal risk arising from:

1. Inadequate or incorrect implementation of internal procedures,
2. Other incorrect actions by the people belonging to the company's internal business area,
3. Inadequate or incorrect functioning of systems within the company's internal business area, or
4. External events or acts.

This is why we are constantly improving or adapting our organisational structure, and also continuously improving the entire IT system in order to ensure that business events are monitored in real-time.

Table 45: Types of risks and their management through the application of special measures (operational risks)

Risk area	Risk description	Measures	Risk assessment
Risks in production	In the field of production control, we are facing the following risks: • Failure to control production processes (poorly reproducible processes, which generate unhappy customers), oversupplies which can provoke an increase in exchange risks, cost-related risks, price-related risks, or solvency risks. • Equipment reliability – insurance costs, deductibles. • Bottlenecks – disruptive inventories, disrupted flow with logistical difficulties, failures to meet delivery deadline. • Production planning process.	We are successfully managing risks by constantly improving the planning process, planning of the entire supply chain, monitoring technological and development trends and by ensuring appropriate production capacities.	Moderate
Risk of information technology	• Failure to manage internal controls. • Multiple processing of the same data. • Disruptions in the production process due to disturbances in the field of information sources.	Security measures, a plan for uninterrupted operation of information technology. All databases exchanged between different applications are monitored through a common database (IT backbone). The IT system is managed at the operational transactional level with a highly advanced hardware providing sufficient capacities and performance. Key components are duplicated and redundantly connected. Applied solutions are compatible with the IT infrastructure and standards. Impol stores data on a daily basis (backup of all databases) by introducing data protection policies and the associated management processes. The Company strives to minimise risks and therefore uses consolidated data infrastructure, separated solutions to protect data from the rest of the infrastructure, two location-independent copies of protected data and the support for the stored copy of the data. Special attention is also paid to the renovation of the ERP system. We conduct security assessments, penetration tests or red teaming exercises with third parties to assess our security, attitude and to continuously improve our processes.	Moderate
Risks associated with employees	Occurrence of accidents and injuries, unplanned absence.	Measures in the field of risk assessment at the workplace, continuous education and training in the working environment, a system of replacement.	Moderate

Internal audit

The Internal Audit Department at the Impol Group is organised as part of the parent company Impol 2000, d. d., and particularly in the subsidiary in Serbia. With its operations it assists the Board of Directors and Supervisory Board in the decision-making process so as to minimise risks. The Internal Audit Department operates in line with the annual plan confirmed through an audit commission by the Board of Directors and in compliance with prompt resolutions adopted by the Board of Directors in respect of the department's engagement in the process for the resolution of problems. In 2023, the Internal Audit Department was involved in 90 projects and provided 97 proposals for improvement. On the basis of these proposals an implementation plan or a direct solution was prepared and based on that appropriate proposals of decisions were also developed. The Internal Audit Department cooperates with the Audit Commission and external auditors. Throughout the year, it reported monthly about its operations to the Board of Directors and to the Executive Directors. It operates within the framework of the entire Impol Group for companies in Slovenia and outside of it. In accordance with the Serbian legislation, an internal audit service was also organised in the subsidiary Impol Seval, where an internal auditor was appointed, who monitors the legality of operations and performance in Serbia.

The Internal Audit Department functions in line with the International Standards for the Professional Practice of Internal Auditing, the Ethical Code, the Impol Group Code of Business Conduct, and the generally accepted guidelines for its operation. In this way, it ensures immediate and high-quality implementation of the findings of internal audits. Thus, lower operating costs and a positive effect on business operations are ensured.

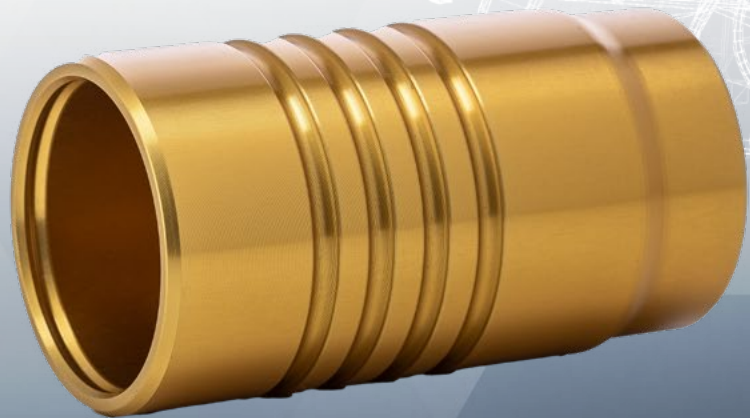
Internal audit reviews were carried out in the following areas: video surveillance, energy, monitoring of internal information, electronic and physical document archive, review of operations in subsidiaries, review of compliance with legislation in the areas of accounting, finance, taxes and audit, review of comprehensive business compliance, review of the inclusion of sustainable operations in the operation of the Impol Group, in particular a review of compliance with social responsibility and ethics, digitisation of the production process, in particular foundries, control and updating of the information system for risk management in DNA, compliance with the Code of Business Conduct of the Impol Group, cooperation with the external auditor and provision of information from the field of internal controls, inspection of control of the area of the Whistleblower Protection Act (ZZPri), amendments to the Income Tax Act and amendments to labour legislation, records of working hours and compliance with the mandatory lunch break, inspection of the area of elimination of conflicts of interest and verification of internal controls in this area, payment of contributions for additional pension insurance, review of contracts between subsidiaries of the Impol Group and conformity of performance and billing of services with contracts, taxation of receipts, use of mobile devices and their use for official purposes, transfer price recording system, material flows in the area of raw material movement in Slovenska Bistrica and outside, to Croatia and to Serbia, IT security and consideration of artificial intelligence, maintenance of code books in the information system and tracking of changes in work instructions, projects co-financed by the state and recording the traceability of documents, transport logistics, internal controls in the field of monitoring orders and NSP, processing requests, operation solar power plants, procurement documents and eArchive, review of salary regulations, projects of excellence and lean production, review of costs of magazines, newspapers and company vehicles, inventory in Impol-TLM and onboarding process for new employees.

The internal audits, where possible, are carried out according to the COSO (The Committee of Sponsoring Organisations of the Treadway Commission) methodology.

06 FINANCIAL REPORT OF THE IMPOL GROUP FOR THE YEAR 2023

"The road to success is always under construction."

Lily Tomlin



EXECUTIVE DIRECTORS' LIABILITY DECLARATION

The Executive Directors are responsible for preparing an Annual Report of the Impol Group that provides a true and fair view of the financial situation of the Impol Group as well as of its operating results for 2023.

The Executive Directors hereby confirm to have diligently applied the appropriate accounting policies and that accounting estimates have been prepared following the principle of prudence and good management. The Executive Directors also confirm that the Financial Statements including notes are drawn up based on the assumption of future operations of the Company and in compliance with the legislation in force and the International Financial Reporting Standards as adopted by the EU.

The Executive Directors are responsible for proper accounting, adoption of appropriate measures for preservation of property, constant monitoring of other risks when conducting business and adoption and implementation of measures for minimization of such risks, and prevention and detection of fraud and other irregular or illegal activities.

Andrej Kolmanič
(Chief Executive Officer)

Irena Šela
(Executive Director of Finance and IT)

Slovenska Bistrica, 15 April 2024

DECLARATION OF THE BOARD OF DIRECTORS

The Board of Directors confirms consolidated financial statements and financial statement of Impol 2000, d. d. for the year ending on 31/12/2023 and for the applied accounting guidelines. This Annual Report was adopted by the Company's Board of Directors at its session held on 24 April 2024.

Jernej Čokl
(Board of Directors President)

Vladimir Leskovar
(Board of Directors Vice President)

Janko Žerjav
(Board of Directors Member)

Andrej Kolmanič
(Board of Directors Member)

Dejan Košir
(Board of Directors Member)

Slovenska Bistrica, 24 April 2024

INDEPENDENT AUDITOR'S REPORT FOR THE IMPOL GROUP

AUDITOR
REVIZIJSKA DRUŽBA d.o.o. PTUJ

This is a translation of the original report in Slovene language

INDEPENDENT AUDITOR'S REPORT

To the shareholders of IMPOL 2000 d.d.,
Slovenska Bistrica

Report on the audit of the consolidated financial statements

Opinion

We have audited the consolidated financial statements of IMPOL 2000, d.d., Partizanska 38, Slovenska Bistrica, and its subsidiaries (hereinafter 'the IMPOL Group'), which comprise the consolidated statement of financial position as at December 31, 2023, the consolidated income statement, the consolidated statement of other comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, and a summary of material accounting policy information and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the IMPOL Group as at December 31, 2023, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code, including International Independence Standards) together with the ethical requirements that are relevant to our audit of the financial statements in Slovenia, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

Management is responsible for other information. The other information comprises the business report, which is an integral part of the Annual report of the IMPOL Group and IMPOL 2000, d.d., but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover other information.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, assess whether the other information is materially inconsistent with the financial statements, legal requirements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. In addition, our responsibility is to report, based on the knowledge and understanding

AUDITOR
REVIZIJSKA DRUŽBA d.o.o. PTUJ

obtained in the audit, on whether the other information contains any material misstatements of fact. Based on the procedures performed, we report that:

- *the other information is in all respect consistent with audited consolidated financial statements;*
- *the other information is prepared in compliance with applicable law and regulation; and*
- *based on knowledge and understanding of the Group obtained in the audit on the other information, we have not identified any material misstatement on fact.*

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRSs adopted by the European Union, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.
In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those Charged with Governance are responsible for overseeing the IMPOL Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
- *Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.*
- *Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the organization's internal control.*
- *Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.*
- *Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the organization to cease to continue as a going concern.*
- *Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.*
- *Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.*

We communicate those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

AUDITOR
REVIZIJSKA DRUŽBA d.o.o. Ptuj
Murkova 4, Ptuj

April 18th, 2024

Certified auditor:

Simon Pregl, univ. dipl. ekon.

Simon Pregl

CONSOLIDATED FINANCIAL STATEMENTS OF THE IMPOL GROUP

Accounting policies and notes form an integral part of the consolidated financial statements of the Impol Group presented below and should be read in conjunction with them. The consolidated financial statements contained in this report are presented in EUR without cents. Due to the rounding off of value data, there may be insignificant deviations from the sums given in the tables as part of the notes to the consolidated financial statements.

Consolidated income statement

Table 46: Consolidated income statement for 2023 in EUR

Item			Note	2023	2022
1.		**Net sales revenues**	**1**	**876,874,781**	**1,142,366,202**
	a)	Net sales revenues in the domestic market		55,783,004	75,146,097
	b)	Net sales revenues in the foreign market		821,091,777	1,067,220,105
2.		**Change in the value of product inventories and unfinished production**		**6,265,076**	**-6,698,437**
3.		**Capitalised own products and services**		**126,631**	**195,992**
4.		**Other operating revenues (including operating revenues from revaluation)**	**1**	**6,384,979**	**8,219,062**
5.		**Costs of goods, materials and services**	**2**	**705,671,156**	**910,658,510**
	a)	Cost of goods and materials sold, and costs of the materials used		642,590,217	847,736,370
	b)	Costs of services		63,080,939	62,922,140
6.		**Labour costs**	**2**	**97,824,587**	**97,621,794**
	a)	Costs of wages and salaries		69,500,933	67,367,726
	b)	Social security costs (pension insurance costs are shown separately)		11,826,585	11,407,837
	c)	Other labour costs		16,497,069	18,846,231
7.		**Write-offs**	**2**	**22,306,412**	**27,131,237**
	a)	Depreciation		22,078,846	23,436,767
	b)	Revaluation operating expenses of intangible assets and tangible fixed assets		74,068	3,636,542
	c)	Revaluation operating expenses of current assets		152,933	57,928
	d)	Revaluation operating expenses from leases		565	0
8.		**Other operating expenses**	**2**	**2,895,583**	**4,369,808**
9.		**Financial revenues from participating interests**	**3**	**373,006**	**284,040**
	a)	Financial revenues from participating interests in associate companies		240,158	191,204
	b)	Financial revenues from participating interests in other companies		132,848	92,836
10.		**Financial revenues from loans granted**	**3**	**32,309**	**5,659**
	a)	Financial revenues from loans granted to others		32,309	5,659
11.		**Financial revenues from operating receivables**	**3**	**1,778,996**	**3,690,898**
	a)	Financial revenues from operating receivables due from others		1,778,996	3,690,898
12.		**Financial expenses from the impairment and write-offs of financial investments**	**3**	**0**	**0**
13.		**Financial expenses from financial liabilities**	**3**	**7,142,238**	**4,387,488**
	a)	Financial expenses from loans received from associated companies		16,985	5,649
	b)	Financial expenses from loans received from banks		6,888,909	4,198,421
	c)	Financial expenses from other financial liabilities		205,924	144,814
	d)	Financial expenses from leases		30,420	38,604
14.		**Financial expenses from operating liabilities**	**3**	**1,170,470**	**2,950,161**
	a)	Financial expenses from trade creditors and bills of exchange		12,217	2,544
	b)	Financial expenses from other operating liabilities		1,158,253	2,947,617
15.		**Income tax**	**4**	**9,478,236**	**12,804,225**
16.		**Deferred taxes**	**5**	**-91,897**	**877,870**
17.		**Net profit or loss for the accounting period**		**45,438,993**	**87,262,323**
		Of which profit/loss attributable to non-controlling interest		880,558	7,281,848
		Profit/loss attributable to owners of the parent company		44,558,435	79,980,475
		Continuing operations result		45,438,993	87,262,323
		Discontinued operations result		0	0

Second comprehensive consolidated income statement

Table 47: **Second comprehensive consolidated income statement in EUR**

	Note	2023	2022
Net profit or loss for the accounting period		45,438,993	87,262,323
Other comprehensive income in the accounting period		-933,718	201,855
a) Items that later will not be reclassified to the profit or loss statement		-393,105	37,825
Actuarial gains and losses of defined benefit plans (employee benefits) (+/-)	16	-393,105	37,825
b) Items that will later be reclassified to the profit or loss statement		-540,613	164,030
Effective part of change in fair value of cash flow hedging instrument (interest rate swaps)	16	-131,843	244,438
Deferred taxes due to the change in fair value of cash flow hedging instrument (interest rate swaps)	5, 16	24,592	-46,443
Gains and losses arising from the translation of financial statements of foreign operations (impact of changes in exchange rates) (+/–)	16	-433,362	-33,965
Total comprehensive income in the accounting period		44,505,275	87,464,178
• of which total comprehensive income of non-controlling interest		848,869	7,324,598
• of which total comprehensive income of controlling interest		43,656,406	80,139,580

Consolidated statement of financial position

Table 48: **Consolidated statement of financial position in EUR**

		Note	31/12/2023	31/12/2022
A.	**LONG-TERM (NON-CURRENT) ASSETS**		**235,142,650**	**232,425,214**
I.	**Intangible assets and long-term deferred costs and accrued revenues**	**6**	**2,728,947**	**3,431,108**
1.	Long-term property rights		1,445,663	2,017,062
2.	Goodwill		1,261,518	1,261,518
3.	Long-term deferred development costs		21,766	152,528
II.	**Tangible fixed assets**	**7**	**228,406,368**	**224,969,023**
1.	Land and buildings		69,810,120	69,064,710
a)	Land		17,455,612	17,069,331
b)	Buildings		52,354,508	51,995,379
2.	Production machinery and equipment		119,932,889	125,094,790
3.	Other machinery and equipment		8,924,103	9,050,018
4.	Tangible fixed assets being acquired		29,739,256	21,759,505
a)	Tangible fixed assets under construction and manufacture		20,714,249	12,111,761
b)	Advances to acquire tangible fixed assets		9,025,007	9,647,744
III.	**Assets under lease**	**8**	**685,297**	**838,857**
1.	Assets under lease from other companies		685,297	838,857
IV.	**Investment property**	**9**	**1,296,791**	**1,408,450**
V.	**Long-term financial investments**	**10**	**1,382,800**	**1,244,307**
1.	Long-term financial investments, excluding loans		1,154,364	1,017,755
a)	Shares and participating interests in subsidiaries		840,330	699,189
b)	Other shares and participating interests		314,034	318,566
2.	Long-term loans		228,436	226,552
a)	Long-term loans to others		228,436	226,552
VI.	**Long-term operating receivables**		**1,428**	**2,848**
1.	Long-term operating receivables from others		1,428	2,848
VII.	**Deferred tax receivables**	**5**	**641,019**	**530,621**
B.	**SHORT-TERM ASSETS**		**447,773,399**	**459,071,723**
I.	**Assets (disposal groups) available for sale**	**11**	**0**	**39,171**
II.	**Inventories**	**12**	**235,200,083**	**261,498,204**
1.	Raw material and material		181,099,966	214,036,396
2.	Work in progress		27,670,662	25,903,797
3.	Products and merchandise		26,341,929	21,324,449
4.	Advances for inventories		87,526	233,562
III.	**Short-term financial investments**	**13**	**72,999**	**1,214,822**
1.	Short-term financial investments, excluding loans		15,271	1,162,112
a)	Other short-term financial investments		15,271	1,162,112
2.	Short-term loans		57,728	52,710
a)	Short-term loans to others		57,728	52,710
IV.	**Short-term operating receivables**	**14**	**106,820,614**	**123,132,794**
1.	Short-term operating receivables from customers		94,517,229	115,181,056
2.	Short-term operating receivables from others		12,303,385	7,951,738
V.	**Monetary assets**	**15**	**103,488,748**	**71,325,897**
VI.	**Other short-term assets**	**15**	**2,190,955**	**1,860,835**
	TOTAL ASSETS		**682,916,049**	**691,496,937**
A.	**CAPITAL**	**16**	**390,005,338**	**357,477,591**

I.	**Called-up capital**		**4,451,540**	**4,451,540**
1.	**Share capital**		**4,451,540**	**4,451,540**
II.	**Capital of non-controlling share**		**24,201,273**	**25,483,342**
III.	**Capital reserves**		**10,751,254**	**10,751,254**
IV.	**Revenue reserves**		**7,958,351**	**7,958,351**
1.	Legal reserves		0	0
2.	Reserves for own shares and own business shares		506,406	506,406
3.	Own shares and own business shares (as a deductible item)		-506,406	-506,406
4.	Statutory reserves		2,225,770	2,225,770
5.	Other revenue reserves		5,732,581	5,732,581
V.	**Reserves resulting from valuation at fair value**		**-909,144**	**-506,816**
VI.	**Capital revaluation adjustment**		**249,208**	**650,881**
VII.	**Retained net profit or loss**		**298,744,421**	**228,708,564**
VIII.	**Net profit or loss for the financial year**		**44,558,435**	**79,980,475**
B.	**PROVISIONS AND LONG-TERM ACCRUED EXPENSES AND DEFERRED REVENUES**	**17**	**5,567,190**	**4,864,116**
1.	Provisions for pensions and similar obligations		4,451,955	3,811,340
2.	Other provisions		2,573	3,322
3.	Long-term accrued costs and deferred revenues		1,112,662	1,049,454
C.	**LONG-TERM LIABILITIES**	**18**	**112,913,531**	**120,235,951**
I.	**Long-term financial liabilities**		**110,724,352**	**117,992,757**
1.	Long-term financial liabilities to banks		110,335,878	116,453,936
2.	Other long-term financial liabilities		32,399	1,104,481
3.	Long-term financial liabilities from leases		356,075	434,340
a)	Long-term financial liabilities from leases to other companies		356,075	434,340
II.	**Long-term operating liabilities**		**373,776**	**419,797**
1.	Long-term operating due from suppliers		0	53,999
2.	Other long-term operating liabilities		373,776	365,798
III.	**Deferred tax liabilities**	**5**	**1,815,403**	**1,823,397**
D.	**SHORT-TERM LIABILITIES**	**19**	**174,429,990**	**208,919,279**
I.	**Liabilities included in groups for disposal**		**0**	**0**
II.	**Short-term financial liabilities**		**74,535,290**	**114,198,786**
1.	Short-term financial liabilities to banks		69,602,866	108,260,442
2.	Other short-term financial liabilities		4,600,398	5,535,537
3.	Short-term financial liabilities from leases		332,026	402,807
a)	Short-term financial liabilities from leases to other companies		332,026	402,807
III.	**Short-term operating liabilities**		**95,760,024**	**91,074,335**
1.	Short-term operating liabilities to suppliers		73,934,751	59,110,243
2.	Short-term operating liabilities from advance payments		4,235,413	5,090,273
3.	Other short-term operating liabilities		17,589,860	26,873,819
IV.	**Other short-term liabilities**	**20**	**4,134,676**	**3,646,158**
	TOTAL LIABILITIES TO SOURCES OF ASSETS		**682,916,049**	**691,496,937**

Consolidated statement of changes in capital in 2023

Table 49: **Consolidated statement of changes in capital in 2023 in EUR**

	Called-up capital	Non-controlling interest capital	Capital reserves	Revenue reserves				Reserves resulting from valuation at fair value	Capital revaluation adjustment	Retained net profit/loss	Net profit/loss for the current year	Total capital
	I	II	III	IV				V	VI	VII	VIII	IX
	Share capital	Capital of the non-controlling share	Capital reserves	Reserves for own shares and own business shares	Own shares and own business shares (deductible item)	Statutory reserves	Other revenue reserves	Reserves resulting from valuation at fair value	Capital revaluation adjustment	Retained net profit/loss	Net profit/loss for the current year	Total capital
Balance at the end of the previous reporting period 31/12/2022	**4,451,540**	**25,483,342**	**10,751,254**	**506,406**	**-506,406**	**2,225,770**	**5,732,581**	**-506,816**	**650,881**	**228,708,564**	**79,980,475**	**357,477,591**
Retroactive conversions	0	0	0	0	0	0	0	0	0	0	0	0
Opening balance for the reporting period as of 01/01/2023	**4,451,540**	**25,483,342**	**10,751,254**	**506,406**	**-506,406**	**2,225,770**	**5,732,581**	**-506,816**	**650,881**	**228,708,564**	**79,980,475**	**357,477,591**
Changes in equity – transactions with owners	**0**	**-2,130,938**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**-9,846,590**	**0**	**-11,977,528**
Disbursement of dividends to others	0	-2,130,938	0	0	0	0	0	0	0	-9,846,590	0	-11,977,528
Total comprehensive income for the reporting period	**0**	**848,869**	**0**	**0**	**0**	**0**	**0**	**-500,356**	**-401,673**	**0**	**44,558,435**	**44,505,275**
Entry of net profit/loss in the financial year	0	880,558	0	0	0	0	0	0	0	0	44,558,435	45,438,993
Change in reserves resulting from valuation of financial investments at fair value (interest rate swaps)	0	0	0	0	0	0	0	-131,843	0	0	0	-131,843
Gains and losses arising from the translation of financial statements of foreign operations (+ / –)	0	-31,689	0	0	0	0	0	0	-401,673	0	0	-433,362
Actuarial gains/losses, recognised under provisions for retirement benefits	0	0	0	0	0	0	0	-393,105	0	0	0	-393,105
Other items of the total comprehensive income in the financial year (deferred taxes from interest rate swaps)	0	0	0	0	0	0	0	24,592	0	0	0	24,592
Changes in capital	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**98,028**	**0**	**79,882,447**	**-79,980,475**	**0**
Allocation of the remaining portion of the net profit to other capital components	0	0	0	0	0	0	0	0	0	79,980,475	-79,980,475	0
Other changes in capital	0	0	0	0	0	0	0	98,028	0	-98,028	0	0
Closing balance for the reporting period as of 31/12/2023	**4,451,540**	**24,201,273**	**10,751,254**	**506,406**	**-506,406**	**2,225,770**	**5,732,581**	**-909,144**	**249,208**	**298,744,421**	**44,558,435**	**390,005,338**

Consolidated statement of changes in capital in 2022

Table 50: **Consolidated statement of changes in capital in 2022 in EUR**

	Called-up capital	Capital of the non-controlling share	Capital reserves	Revenue reserves				Reserves resulting from valuation at fair value	Revaluation adjustment of capital	Retained net profit or loss	Net profit or loss for the financial year	Total capital
	I	II	III	IV				V	VI	VII	VIII	IX
	Share capital	Non-controlling of the non-controlling share	Capital reserves	Reserves for own shares and own business shares	Own shares and own business shares (deductible item)	Statutory reserves	Other reserves from profit	Reserves resulting from valuation at fair value	Revaluation adjustment of capital	Retained net profit	Net profit for the current year	Total capital
Balance at the end of the previous reporting period 31/12/2021	**4,451,540**	**19,861,615**	**10,751,254**	**506,406**	**-506,406**	**2,225,770**	**5,732,581**	**-825,682**	**727,596**	**202,254,735**	**32,444,828**	**277,624,237**
Retroactive conversions	0	0	0	0	0	0	0	0	0	0	0	0
Opening balance for the reporting period as of 01/01/2022	**4,451,540**	**19,861,615**	**10,751,254**	**506,406**	**-506,406**	**2,225,770**	**5,732,581**	**-825,682**	**727,596**	**202,254,735**	**32,444,828**	**277,624,237**
Changes in equity – transactions with owners	**0**	**-1,702,871**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**-5,907,953**	**0**	**-7,610,824**
Disbursement of dividends to others	0	-1,702,871	0	0	0	0	0	0	0	-5,907,953	0	-7,610,824
Total comprehensive income for the reporting period	**0**	**7,324,598**	**0**	**0**	**0**	**0**	**0**	**235,820**	**-76,715**	**0**	**79,980,475**	**87,464,178**
Entry of net profit/loss in the financial year	0	7,281,848	0	0	0	0	0	0	0		79,980,475	87,262,323
Change in reserves resulting from valuation of financial investments at fair value (interest rate swaps)	0	0	0	0	0	0	0	244,438	0		0	244,438
Gains and losses arising from the translation of financial statements of foreign operations (+ / –)	0	42,750	0	0	0	0	0	0	-76,715		0	-33,965
Actuarial gains/losses, recognised under provisions for retirement benefits	0	0	0	0	0	0	0	37,825	0		0	37,825
Other items of the total comprehensive income in the financial year (deferred taxes from interest rate swaps)	0	0	0	0	0	0	0	-46,443	0	0	0	-46,443
Changes in capital	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**83,046**	**0**	**32,361,782**	**-32,444,828**	**0**
Allocation of the remaining portion of the net profit to other capital components	0	0	0	0	0	0	0	0	0	32,444,828	-32,444,828	0
Other changes in capital	0	0	0	0	0	0	0	83,046	0	-83,046	0	0
Closing balance for the reporting period as of 31/12/2022	**4,451,540**	**25,483,342**	**10,751,254**	**506,406**	**-506,406**	**2,225,770**	**5,732,581**	**-506,816**	**650,881**	**228,708,564**	**79,980,475**	**357,477,591**

Consolidated cash flow statement

Table 51: Consolidated cash flow statement in EUR

Item			2023	2022
A.		**Cash flows from operating activities**		
	a)	Profit and loss statement items	**72,851,579**	**114,979,441**
		Operating revenues (except for revaluation) and financial revenues from operating receivables	883,027,793	1,149,518,442
		Operating expenses excluding depreciation (except from revaluation) and financial expenses from operating liabilities	-800,789,875	-1,020,856,902
		Income tax and other taxes not included in operating expenses	-9,386,339	-13,682,099
	b)	Changes of net working assets (and accrued costs and deferred revenues, provisions and deferred tax receivables and liabilities) of the balance sheet operating items	**48,282,284**	**-43,277,154**
		Opening minus closing operating receivables	16,163,533	-7,188,957
		Opening minus closing deferred costs and accrued revenues	-330,122	-655,776
		Opening minus closing deferred tax receivables	-85,808	964,454
		Opening minus closing assets (groups for disposal) for sale	39,171	0
		Opening minus closing inventory	26,295,252	-18,376,428
		Closing minus opening operating debts	4,459,439	-20,135,399
		Closing minus opening accrued costs and deferred revenues and provisions	1,748,813	2,197,748
		Closing minus opening deferred tax liabilities	-7,994	-82,796
	c)	**Net cash from operating activities or net outflows from operating activities (a + b)**	**121,133,863**	**71,702,287**
B.		**Cash flows from investing activities**		
	a)	Cash receipts from investing activities	**4,646,509**	**4,831,272**
		Cash receipts from interest and participation in profit of others relating to investing activities	392,274	289,699
		Cash receipts from the disposal of intangible assets	0	0
		Cash receipts from the disposal of tangible fixed assets	1,024,708	2,449,827
		Cash receipts from the disposal of investment property	0	225,000
		Cash receipts from the disposal of long-term financial investments	12,784	31,492
		Cash receipts from the disposal of short-term financial investments	3,216,743	1,835,254
	b)	Cash disbursements from investing activities	**-27,316,740**	**-28,895,718**
		Cash disbursements for the acquisition of intangible assets	-431,883	-1,948,518
		Cash disbursements for the acquisition of tangible fixed assets	-24,534,930	-25,666,878
		Cash disbursements for the acquisition of investment property	0	0
		Cash disbursements for the acquisition of long-term financial investments	-156,154	-110,411
		Cash disbursements for the acquisition of investments in companies in the Group	0	0
		Cash disbursements for the acquisition of short-term financial investments	-2,193,773	-1,169,911
	c)	**Net cash from investment activities or net outflows from investment activities (a + b)**	**-22,670,231**	**-24,064,446**
C.		**Cash flows from financing activities**		
	a)	Cash receipts from financing activities	**68,404,373**	**108,126,291**
		Cash receipts from paid-in capital	0	0
		Cash receipts from the increase of long-term financial liabilities	64,991,530	96,560,036
		Cash receipts from the increase of short-term financial liabilities	3,412,843	11,566,255
	b)	Cash disbursements from financing activities	**-134,705,154**	**-118,977,438**
		Cash disbursements for given interests from financing activities	-6,960,832	-4,254,408
		Cash disbursements for the repayment of capital	0	0
		Cash disbursements of long-term financial liabilities	-5,726,647	-10,647,840
		Cash disbursements of short-term financial liabilities	-110,040,147	-96,464,365
		Cash disbursements of dividends and other profit shares paid	-11,977,528	-7,610,825
	c)	**Net cash from financing activities or net outflows from financing activities (a + b)**	**-66,300,781**	**-10,851,147**
D.		**Monetary assets at the end of the period**	**103,488,748**	**71,325,897**
	x)	**Net cash flow in the period**	**32,162,851**	**36,786,694**
	y)	**Monetary assets at the beginning of the period**	**71,325,897**	**34,539,203**

Notes to the financial statements

Parent company

In compliance with the Companies Act, Impol 2000, d. d., having its head office in Slovenska Bistrica, Partizanska 38, and being a large public limited company, is obliged to have its operations audited. The Company is classified under the activity code 70.100 – management of companies. The Company's share capital in the amount of EUR 4,451,540 EUR is divided into 1,066,767 ordinary registered no-par value shares that are not traded in the organised security market.
The shares are owned by 821 shareholders (balance in the share register as of 31/12/2023).

The consolidated financial statements for the financial year that ended on 31 December 2023 are presented hereafter. The consolidated financial statements include Impol 2000, d. d. and its subsidiaries and participations in associated companies.

Introductory note on reporting standards

For the financial year 2015, the Impol Group for the first time prepared its financial statement in accordance with the International Financial Reporting Standards as they were adopted by the European Union. The transition to the first application of IFRS was presented in the 2015 annual report.

Statement of compliance with the IFRS

The Board of Directors confirmed the financial statements and the consolidated financial statements on 24/04/2024.

The 2023 financial statements of Impol Group were drawn up in accordance with the International Financial Reporting Standards (IFRS), as they were adopted by the European Union, including the notes that were adopted by the International Financial Reporting Interpretations Committee (IFRIC) and that were also adopted by the European Union, and in accordance with the Slovenian Companies Act (ZGD-1).

On the financial statement date, there were no differences between the applied IFRS and the IFRS adopted by the European Union in accounting guidelines of the Impol Group as regards the process of confirming standards in the European Union.

The financial statements of the Impol Group have been drawn up on the basis of the going concern assumption. The applied accounting policies remain the same as in previous years.

a) Amendment of existing accounting policies, introduction of new standards, and new notes applicable for the current accounting period

The following amendments in the existing accounting standards, new standards, and new notes issued by the International Accounting Standards Board (IASB) and adopted by the European Union, apply for the current accounting period:

- Amendments to IAS 1 - Presentation of financial statements and amendments to IAS 1 - Disclosure of accounting policies: IAS 1 contains an amendment related to the presentation of short-term and long-term liabilities and an amendment related to the disclosure of accounting policies. In January 2020, the International Financial Reporting Standards Interpretations Committee (IFRS) issued amendments to IAS 1 that clarify the criteria for determining whether liabilities are classified as short-term and long-term. These amendments clarify that the classification as short-term or long-term is based on whether the Company has the right at the end of the reporting period to postpone the settlement of liabilities for at least twelve months after the reporting period. The amendments also clarify that settlement includes the transfer of cash, goods, services or equity instruments, unless the obligation to transfer the equity instruments arises from a conversion feature that is a separate component of the compound financial instrument. The amendment to IAS 1 related to the disclosure of accounting policies introduces the disclosure of material and not only material accounting policies and contains guidance on when information related to accounting policies is material. The amendments to IFRS 1 entered into effect for annual periods beginning on or after 1 January 2023.
- Amendments to IAS 8 - Definition of accounting estimates: The amendment introduces the definition of an accounting estimate and other clarifications, which help to distinguish between an accounting policy and an accounting estimate. The amendment also clarifies that the effect of an amendment in input data or measurement techniques is an amendment in accounting estimate, unless their consequence is the correction of an error from a prior period. The amendments to IFRS 8 entered into effect for annual periods beginning on or after 1 January 2023.
- Amendments to IAS 12 – Income tax – Deferred tax receivables and deferred tax liabilities for individual transactions: The amended standard clarifies whether the first-time recognition exception applies to certain transactions that are recognised both as an asset and as a liability (e.g. a lease under IFRS 16 - Leases). The amendment introduces an additional criterion for the initial application of the exception according to IAS 12.15, whereby the exception is not applied at the first recognition of an asset or liability that results in the same taxable and deductible temporary differences at the time of recognition. The amendments to IFRS 12 entered into effect for annual periods beginning on or after 1 January 2023.
- Amendments to IAS 12 – Income Taxes – International Tax Reform: The amendments to IAS 12 were introduced in response to the OECD and BEPS second pillar rules and include a mandatory temporary exemption in relation to the recognition and disclosure

of deferred taxes related to the second pillar model rules and disclosure requirements in relation to second pillar income tax exposures . The specified amendments to IFRS 12 entered into effect for annual periods beginning on or after 1 January 2023.

- IFRS 17 – Insurance contracts and amendments to IFRS 17 – Insurance contracts relating to the first-time adoption of IFRS 17 and comparable information under IFRS 9. IFRS 17 requires insurance liabilities to be measured at present settlement value and provides a more uniform measurement and presentation approach for all insurance contracts. It applies to annual reporting periods beginning on or after 1 January 2023, including amendments to IFRS 17 which was adopted by the EU on 9 September 2022 and also applies to annual reporting periods beginning on or after 1 January 2023.

The adoption of these new standards, amendments to existing standards and notes did not result in significant changes or impacts on the financial statements of the Impol Group.

b) Standards and amendments to existing standards issued by the International Accounting Standards Board and adopted by the European Union, but not yet applied

The standards adopted by the European Union and notes, but not yet applied up to the date of the consolidated financial statements, are presented hereafter. The Group intends to take these standards and notes into account in drawing up financial statements after their implementation. The Group did not adopt any of the standards indicated below before their application.

- Amendments to IFRS 16 – Leases: Lease liability in a sale and leaseback transaction (effective for annual periods beginning on or after 1 January 2024). The amendment to the standard contains a requirement that the seller-lessee determine the “lease payment” or “modified lease payment” so that the seller-lessee would not recognise a gain or loss related to the right-of-use retained by the seller-lessee.

The Group decided that it shall not adopt or apply these standards, adjustments or notes before they come into effect. The Group assumes that the introduction of these new standards and amendments in the initial phase of application shall not significantly affect its consolidated financial statements.

c) New standards, standard amendments and notes not yet adopted by the European Union

Currently, the International Financial Reporting Standards as they were adopted by the European Union, do not differ significantly from the regulations adopted by the International Accounting Standards Board, with the exception of the following new standards, amendments of existing standards and new notes which were not yet confirmed for application in the European Union when the financial statements for the 2023 financial year were being drawn up/approved[1]:

- Amendments to IAS 1 – Presentation of Financial Statements – Classification of obligations to short- and long-term (applicable for annual periods starting on or after 1 January 2024). The amendments affect the presentation of liabilities in the statement of financial position but do not change the existing requirements related to the measurement or recognition period of either assets, liabilities, income, expenses or the information which the company discloses about these items. The amendments also clarify the requirements relating to debt classification, which the company may settle by issuing own equity instruments. The EU has not yet approved the amendments/changes to the standard.
- Amendments to IAS 1 - Non-current liabilities with commitments (effective for annual periods beginning on or after 1 January 2024). If the company's right to defer depends on the company meeting certain conditions, those conditions affect whether the right to defer existed at the end of the reporting period if the company is required to meet the conditions on or before the end of the reporting period, and not if the company is required to qualify after the end of the reporting period. The amendment also contains a clarification of the term settlement for the purpose of classifying liabilities as current or non-current. The EU has not yet approved the amendments/changes to the standard.
- Amendments to IAS 7 – Statement of cash flows and IFRS 7 – Financial instruments: disclosures: The amendments to the standard apply to annual periods beginning on or after 1 January 2024, and address supplier financial arrangements. The amendments add disclosure requirements and guidance within existing disclosure requirements to provide qualitative and quantitative information about supplier financial arrangements. The EU has not yet approved the amendments/changes to the standard.
- Amendments to IAS 21 – Effects of changes in exchange rates: The amendments to the standard apply to annual periods beginning on or after 01/01/2025, and address the lack of currency convertibility. The amendments provide guidance on determining when a currency is convertible and how to determine an exchange rate when a currency is not convertible. The EU has not yet approved the amendments/changes to the standard.
- Amendments to IFRS 10 - Consolidated financial statements and IAS 28 - Investments in associates and joint ventures - Sale or contribution of assets between the investor and its associate or joint venture. The amendments address an inconsistency between the requirements in IFRS 10 and those in IAS 28 in dealing with the sale or contribution of assets between investors and their associated company or joint venture. The main consequence of the amendments is for the company to recognise the entire profit or loss amount if the transaction includes business operations (regardless of the fact whether they are located in a subsidiary or not). For transactions with assets that do not represent operations, only part of the profit or loss is recognised even if the assets are located in a subsidiary. The EU has not yet approved the amendments/changes to the standard.
- Amendments to IFRS 14 – Statutory deferred payment of invoices: The amendment to the standard applies to annual periods beginning on or after 1 January 2016. The European Commission has decided that it will not start the process of confirming this intermediate standard and that it will wait for the release of its final version. The objective of the standard is to enable companies that apply IFRS for the first time and that currently recognise statutory deferred payment of invoices in accordance with previous SSRNs to continue such recognition upon transition to IFRS. The EU has not yet approved the amendments/changes to the standard.

[1] The specified dates of entry into force apply for IFRS as issued by the International Accounting Standards Board.

The Group estimates a possible impact of these amendments on its consolidated financial statements. Regardless of the above, the Impol Group assumes that the introduction of these new standards and amendments in the initial phase of application shall not significantly affect its consolidated financial statements.

Basis and estimates for preparing financial statements

The financial statements of the Impol Group and financial statements of Impol 2000, d. d. were drawn up taking into consideration the historical cost, except Impol Group in case of derivatives.

In accordance with the legislation, Impol 2000, d. d. shall ensure independent auditing of these financial statements.

The consolidated financial statements are presented in EUR (without cents), and EUR is also the functional currency of the Group.

Significant accounting judgements and estimates

The preparation of financial statements requires the management of the controlling company to make judgements, estimates and assumptions that affect the carrying amounts of assets and liabilities of the Group as well as the reported income and expenses. Estimates and assumptions are based on previous experiences and many other factors which are considered in given circumstances as justified and based on which we can determine the carrying amount of assets and liabilities that are not clearly evident from other sources. Actual results can differ from these estimates. Estimates and assumptions have to be regularly reviewed. Revisions to accounting estimates are only recognised in the period in which the estimate was revised, if the revisions only applies to this period, or for the period of revision and future years, if the revision affects the current as well as future years.

Assessments and assumptions are mostly present in the following estimates:

- estimate of useful life of depreciable assets

For estimating the useful life of assets, the Group considers the expected physical wear, technical ageing, economical ageing, and the expected legal and other restrictions of use. The Company annually reviews the useful life of more significant assets. If the expected pattern of using future economic gains based on depreciable assets changes significantly, the depreciation method shall also change to meet the changes of the pattern. These changes are regarded as changes in accounting estimates.

- impairment testing of assets

Impairment testing of assets is performed by the Group to ensure that the carrying amount does not exceed the recoverable amount. On every reporting date, the management estimates if there are any signs of impairment. Critical estimates were used for the following assessments of value:

- Investment property (Note 9);
- Goodwill (Note 6);
- Investments in associated companies (Note 10);
- Financial receivables (Notes 13 and 10);
- Estimate of fair value of assets (see point “Carrying and fair values of financial instruments”).

Fair value is used in case of financial assets measured by fair value through profit or loss, and in case of derivatives. All other items in financial statements represent the purchase or the amortised value. All assets and liabilities that are measured by fair value in financial statements are classified in a hierarchy of fair value based on the lowest level of inputs that are important for measuring the total fair value:

- level one includes quoted prices (unadjusted) on functioning markets for the same assets and liabilities,
- level two includes inputs that besides quoted prices from level one are also noted directly (i.e. prices) or indirectly (i.e. derived from prices) as assets or liabilities,
- level three includes inputs for the asset or liability not based on observable market data.

Quoted prices are applied as the basis for determination of the fair value of financial instruments. If a financial instrument is placed on an organised market or if the market is estimated as not functioning, inputs from levels two and three are used for determining the fair value.

- estimate of fair value of financial assets measured at fair value through profit or loss.

Profit and loss from financial instruments measured at fair value through profit or loss is classified under the profit or loss statement.
Equity investment in subsidiaries, associates and other companies are measured at fair value, in accordance with IAS 27.

- assessment of the recoverable amount of receivables and assessment of expected credit losses in business receivables

At least once annually, namely before preparing the annual statement of account, the suitability of recognised amounts of individual claims is assessed. Claims that are not settled within the agreed period are recognised as ‘doubtful’ and ‘at issue’, and a correction of their value is recognised to debit of the re-evaluated operating charges, and usually legal proceedings are brought about (lawsuit or enforcement).

- estimate of the possibility of utilising deferred tax assets and tax liabilities

The Group forms deferred tax assets for provisions for jubilee and retirement benefits, impairments of financial investments, impairment of claims, and tax losses. Deferred tax liabilities are formed as temporary deductible differences between the carrying value and the tax value of fixed assets.

At the end of a financial year, the amount of the stated deferred tax assets and tax liabilities is estimated. Deferred tax assets are recognised in case of a probable available future profit against which the deferred tax assets can be utilised.

- estimate of formed provisions

Within the requirements regarding certain post-employment and other benefits, the present value of retirement and jubilee benefits is recorded. They are recognised based on the actuarial assessment. The actuarial assessment is based on the assumptions and estimates valid at the time of the assessment and can differ from actual assumptions in the future due to certain changes (discount levels, assessment of turnover of staff, assessment of mortality, and assessment of wage growth).

The Group had no other provisioning.

Summary of relevant information about accounting policies

When presenting and valuing items in the consolidated financial statements, the Group takes into account the requirements of the applicable accounting framework. In cases where the accounting standards allow for a choice, the accounting policies listed below are taken into account when displaying and valuing the items.

Transactions in foreign currency

Transactions in foreign currencies are converted to the respective functional currencies of entities in the Group at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into the functional currency at the prevailing exchange rate at that date. Positive or negative foreign currency differences are differences between the purchase value in the functional currency at the beginning of the period, adjusted by the amount of effective interest and payments during the period, and the purchase value in foreign currency converted at the exchange rate at the end of the period. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated into the functional currency at the exchange rate at the date when the fair value was determined. Non-cash items measured at historical costs in foreign currency are translated into the functional currency by applying the exchange rate valid at the date of the transaction. Foreign currency differences are recognised in profit or loss, under financial revenues or financial expenses.

Financial statements of companies in the Group

The consolidated financial statements are presented in EUR. Items of every company in the Group that are included in the financial statements are converted into the reporting currency for the purpose of the consolidated financial statements as follows:

- Assets and liabilities in the financial statement are converted according to ECB exchange rates on the date of reporting.

For converting the financial statement from national currencies into EUR, the following reference ECB exchange rates were used.

Table 52: Reference ECB exchange rates for converting financial statement items

Currency	31/12/2023
USD	1.105
HUF	382.80
RSD	117.41

For converting balance sheet items from national currencies into EUR, the following exchange rates were used.

Table 53: Exchange rates for converting profit or loss

	Average annual exchange rate in 2023
USD	1.0813
HUF	381.85
RSD	117.15

Currency differences are recognised under other comprehensive income and reported under the item exchange differences in capital. If a foreign entity is disposed of in a way that there is no longer a controlling or significant influence, the corresponding cumulative amount in the exchange difference in capital is translated into gains and losses on disposal. If the Group disposes of only part of its share in a subsidiary that includes a foreign company, while maintaining a controlling influence, the corresponding share of the cumulative amount is reclassified as non-controlling share. If the Group disposes of only part of its investment in a subsidiary of joint venture that includes a foreign company, while maintaining a controlling influence, the corresponding share of the cumulative amount is reclassified as profit or loss.

Subsidiaries

Subsidiaries are entities controlled by the parent company Impol 2000, d. d. Control exists when the controlling company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. Accounting policies of subsidiaries are harmonised with the accounting policies of Impol 2000, d. d.

After loss of control, the Group recognises assets and liabilities of the subsidiary, non-controlling shares and other components of capital in connection with the subsidiary. Any surpluses or deficits that arise at the loss of control are recognised in profit or loss. If the Group retains a share in a previous subsidiary, this share is measured at fair value at the date of the loss of control. Later, this share is recognised in capital as an investment in a subsidiary (using the equity method) or as available-for-sale financial assets, depending on the level of control. Investments in subsidiaries are measured at cost. Costs, which can be connected with purchasing a subsidiary, increase the value at cost of the capital investment. Sharing in profit of the subsidiary is recognised in profit or loss after the subsidiary acquires the right to profit-sharing. Consolidated financial statements do not include revenue/expenditure and loss based on transaction within the Group.

More on this in the section presenting the parent company Impol 2000, d. d., and the Impol Group.

Investment in associated companies

Associated companies are entities where the Group has a significant influence but does not control their financial and business policies. A significant influence exists if an entity owns 20 to 50 percent of voting rights in another entity.

Investments in associated companies are recognised in individual statements at cost and in consolidated statements using the equity method. Consolidated financial statements include the share of the entity in profit or loss, using the equity method, from the date of the beginning ant until the date of the end of the significant influence. Accounting policies of subsidiaries are harmonised with the accounting policies of Impol 2000, d. d.

If the share of the company in the loss of the associate is bigger than its share, the carrying amount of the share in the associate is reduced to zero, and it is no longer recognised in future losses. Costs that can be connected with the purchase increase the value at cost of the capital investment.

More on this in the section presenting the parent company Impol 2000, d. d., and the Impol Group.

Intangible assets

Intangible assets include:
- Investments in licences and other long-term property rights (IT, software);
- Goodwill;
- Long-term deferred development costs.

At initial recognition, intangible assets are valued at cost. The carrying amount of intangible assets with a finite useful life is reduced with depreciation. Later expenditure in connection with intangible assets are only capitalised if they increase future economic gain. All other costs are recognised in profit and loss as expenditure at the moment they arise.

Among intangible assets with a finite useful life, the Group recognises software and licences. For the acquired software, the value at cost also includes the costs of acquisition and training for use, and for material rights, only the costs of acquisition. Within the whole useful life of individual intangible assets, the Company consistently allocates its depreciable amount to individual financial periods as the current depreciation.

Depreciation is calculated using the straight-line method, while considering the useful life of the intangible asset. Depreciation starts at the value of cost, after the asset is made available for use. Depreciation methods, useful life and other values are reviewed and, when necessary, adjusted at the end of every financial year.

Depreciation rates based on the estimated useful life of individual types of intangible fixed assets.

Table 54: Depreciation rates used for intangible fixed assets

Depreciation rates used in the Group	Depreciation rate in %	
	Lowest	Highest
Intangible assets		
• Software	10.00%	50.00%
• Intangible investments	10.00%	10.00%
• Long-term deferred development costs	20.00%	33.33%

Goodwill, which occurred at consolidation, represents the excess of the cost of an acquisition over the entity's share in fair value of the acquired identifiable assets, liabilities and contingent liabilities of subsidiaries at the date of acquisition. Negative goodwill is recognised immediately in the consolidated profit and loss account. Goodwill is considered as an asset with a finite useful life and is tested at least once a year regarding possible impairment.

Every impairment is recognised immediately in the consolidated profit and loss account and is not removed later. At a disposal of a subsidiary, the corresponding amount of goodwill is included in profit and loss.

Long-term deferred development costs are recognised as intangible assets, if the following can be proven:

a) the feasibility of the completion of the project so that is available for use;
b) intention to finish the project and use it;
c) likelihood of economic benefits of the project;
d) availability of technical, financial and other factors for completing the development and using the project;
e) ability to reliably measure the costs attributed to the intangible assets during its development.

When calculating the accumulated profit the long-term deferred development costs on the balance-sheet cut-off date are taken into consideration so as to reduce the accumulated profit.

Among intangible assets, the Impol Group also shows emission allowances related to greenhouse gas emissions (CO_2 allowances). The Group acknowledges the receipt and use of emission allowances as follows:

- rights from emission allowances granted by the State (the Ministry of the Environment and Spatial Planning and the Slovenian Environment Agency) are shown in the statement of financial position in the amount of EUR 1 for one emission allowance;
- purchases of emission allowances on the market are recorded as long-term intangible assets at cost if they cover actual emissions that will occur in future periods;
- purchases of emission allowances are recognised directly among expenses when the estimated level of actual emissions exceeds the number of emission rights which have been either allocated to or purchased by the Company to cover actual emissions;
- If, at the end of the year, the market value of emission allowances is lower than their carrying amount, the relevant impairment is recognised.

On the balance sheet date, the Group first uses all emission allowances obtained from the State; in the event of a deficit, it uses the allowances bought on the market.

Tangible fixed assets

Tangible fixed assets (property, plant and equipment) are shown according to the purchase value model. At initial recognition, they are measured at cost, reduced by depreciation and impairment loss, except land, which is not subject to depreciation and are recognised at cost, reduced by all impairments. Cost includes expenses which may be directly attributed to the acquisition of an individual asset.

Important parts of tangible fixed assets with different useful lives are calculated as individual tangible fixed assets.

Borrowing costs that are directly connected with purchasing, building or creating an asset in acquisition are recognised within the value at cost of this asset.

Value at cost of assets created in the Group includes material costs, direct costs of labour, indirect production costs, and (if required) the initial assessment of costs of decommissioning, removal and restoring the site where the asset is held. Immovable property that was built for future use as investment property is considered as a tangible fixed asset and is recognised at cost at the date of completion of construction when immovable property becomes investment immovable property.

The positive or negative difference between the net sales value and the carrying amount of the disposed asset is recognised in the statement of profit or loss. The costs of replacing a part of a tangible fixed asset are recognised at the carrying amount of this asset, if it is probable that future economic gains of this part of the asset will flow into the Group and if the value at cost can be reliably measured.

All other costs (repairs, maintenance) for maintenance or renovation of future economic benefits are recognized in the statement of profit or loss as expensed, the moment they arise. Depreciation is calculated using the straight-line method, considering the useful life of individual tangible fixed assets and the residual value, while residual value is only determined for significant assets. Land is not subject to depreciation. Depreciation starts after the asset is made available for use.

Depreciation rates based on the estimated useful life of individual types of tangible fixed assets.

Table 55: Depreciation rates used for tangible fixed assets

Depreciation rates used in the Impol Group	Depreciation rate in %	
	Lowest	Highest
Tangible fixed assets		
Immovable property:		
• Buildings	1.30%	3.00%
• Other constructions	1.30%	2.50%
Equipment:		
• Production equipment	1.93%	33.33%
• Other equipment	5.00%	33.33%
Computer equipment	50.00%	50.00%
Motor vehicles:		
• Transport vehicles	6.20%	20.00%
• Personal vehicles	12.50%	15.50 %
Other tangible fixed assets	10.00%	10.00%
Investment property (cost model)	1.30%	3.00%

Assets under lease

When signing a contract, it must be determined whether said contract includes lease pursuant to IFRS 16. According to this standard, a contract is a lease contract if it grants the right to use a certain asset for a certain period of time in return for payment.

For these types of contracts, the IFRS 16 standard specifies that at the beginning of the lease the lessee must recognise the right to use the asset (asset under lease) and the liability from the lease. The right to use the asset is amortised and interests are attributed to liabilities.

The asset with the right to use is recognised on the date of commencement of the lease, i.e. when the asset is available for use. The initial measurement of the asset encompasses the amount of the initial measurement of lease obligation (discounted current value of lease that has not yet been paid on that date), and the payment of leases that have been effectuated on the day of commencement of the lease or before, minus any received lease incentives and estimates of potential costs that will occur within the Company with the removal of the asset.

The assets are then measured according to their cost, minus the accumulated depreciation and losses due to impairment, and are then adapted for each consecutive measurement of lease obligation. The asset is depreciated from the beginning of the lease until the end of its useful life, or until the end of the duration of the lease, if this period is shorter than its useful life. If the contract is concluded for an undefined period or if it is automatically extended every year, the expected depreciation periods for each individual group of assets are used.

Signs of impairment are verified annually; in this case, the replaceable value of these assets must be determined. In the event of impairment, it must be recognised in the profit and loss statement pursuant to IAS 36.

The Group excludes from the right to use assets leases that last no longer than 12 months (short-term leases) and do not have the option to purchase, and leases where the leased asset is of small value. This takes into account the value of the asset when it is new.

Investment property

Investment property is property that is owned with the intention to collect rent (land, buildings or parts of buildings or both). They are recognised at cost, reduced by depreciation and impairment loss. Depreciation is calculated using the straight-line method, while considering the useful life of the investment property. Depreciation rates are between 1.3 and 3 percent.

For reporting and disclosure in annual statements fair value of investment property is valued using the cash flow capitalisation method, where cash flow mostly consists of rent received from renting investment property. Investment property that is rented within the Group is reclassified as tangible fixed assets, except in cases where ancillary services are so insignificant that the property does not meet the reclassification criteria.

Financial instruments

Financial instruments include:
- Non-derivative financial assets;
- Non-derivative financial liabilities;
- Derivative financial instruments.

At initial recognition, financial instruments are recognised at fair value. Fair value is the amount at which an asset can be sold or a liability exchanged between knowledgeable, willing parties in an arm's length transaction. After the initial recognition, they are measured according to value as described hereafter.

Determination of the fair value of financial instruments takes into account the following hierarchy of determination levels:
- level one includes quoted prices (unadjusted) on functioning markets for the same assets and liabilities,
- level two includes inputs that besides quoted prices from level one are also noted directly (i.e. prices) or indirectly (i.e. derived from prices) as assets or liabilities,

- level three includes inputs for the asset or liability not based on observable market data.

Quoted prices are applied as the basis for determination of the fair value of financial instruments. If a financial instrument is placed on an organised market or if the market is estimated as not functioning, inputs from levels two and three are used for determining the fair value.

Non-derivative financial assets

Non-derivative financial assets include cash and cash equivalents, claims and loans, and investments. Pursuant to the IFRS 9, the aforementioned assets can be divided into the following three groups:
- financial assets at fair value through profit or loss;
- financial assets at repayment value;
- financial assets at fair value through other comprehensive income.

The basis for the aforementioned division is represented by the business models, in the framework of which each individual financial asset is managed, as well as its contractual cash flows. Pursuant to IFRS 9, classifying and measuring financial assets in the financial statements is defined according to the chosen business model, in the framework of which financial assets are managed, and the characteristics of their contractual cash flows. Upon initial recognition, each of the financial assets is classified into one of the following business models:
- model with the purpose of acquiring contractual cash flows (measurement at repayment value),
- model with the purpose of selling and acquiring contractual cash flows (measurement at fair value through comprehensive income statement),
- other models (measurement at fair value through the profit and loss statement).

Financial assets at fair value through profit or loss

The financial assets measured at fair value through the profit and loss statement are initially measured at fair value, while transaction costs are indicated in the profit and loss statement upon purchase. Financial instruments are classified in this group, which are intended for trading, and financial instruments measured by the Group at fair value. Profit and loss arising from these financial instruments are classified into the profit and loss statement. Dividends from financial instruments classified in this group are recognised as financial revenues in the profit and loss statement.

Financial assets at repayment value

Financial assets at repayment value are measured at repayment value using the effective interest rate. They are shown in the amount of outstanding capital, increased for the amount of outstanding interest and compensation, and decreased for the amount of impairment.

Financial assets at fair value through other comprehensive income

Financial assets owned for trading, and financial assets measured at fair value through other comprehensive income, are measured at fair value after initial recognition. The fair value is based on the published market price on the reporting date which represents the best offer or, if unavailable, closing offer.

Loans and receivables

Loans and receivables are non-derivative financial assets that are not quoted in an active market. They are included in short-term assets, except with maturity longer than 12 months after the date of the financial statement, in which case they are classified as long-term assets. In the financial situation statement, loans and receivables are reported under business, financial and other receivables at amortised value, considering the current interest rate.

In addition to the above financial assets, individual separate financial statements of companies in the Impol Group also show investments in subsidiaries and affiliated companies, which are valued at cost in accordance with the IAS 27 standard.

Monetary assets and cash equivalents

Cash and cash equivalents include cash, bank deposits under three months and other short-term highly liquid investments with original maturity of three months or less. They are disclosed at cost. Overdrafts are included under short-term financial liabilities.

Non-derivative financial liabilities

Non-derivative financial liabilities include business, financial and other liabilities. Financial liabilities are initially recognised at fair value, increased by costs directly attributable to the transaction. After initial recognition, financial liabilities are measured at amortised value using the effective interest method. Financial liabilities are classified under long-term liabilities, except with maturity shorter that 12 months after the date of the consolidated statement of financial position, Such liabilities are classified as short-term liabilities.

Derivative financial instruments

Derivative financial instruments are initially recognised at fair value. Costs connected with the transaction are recognised in profit or loss after they arise. After initial recognition, derivative financial instruments are measured at fair value, while changes are recognised as described hereafter.

When a derivative financial instrument is used as a hedge against the risk of the exposure to variability in cash flows that is attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction and could affect profit or loss, the effective part of changes in fair value of derivative financial instruments is recognised under the comprehensive income of the period and disclosed under the revaluation surplus/reserves resulting from valuation at fair value. The ineffective part of changes in fair value of the derivative financial instrument is recognised directly in profit or loss. The Group usually stops using the instrument as a hedge against the risk of exposure to variability in cash flows if the financial instrument no longer meets the criteria for hedging or if the financial instrument is sold, terminated or exercised. The accumulated profit or loss recognised under other comprehensive income remains recognised under the revaluation surplus, until the forecast transaction does not affect profit or loss. If the forecast transaction can no longer be expected, the amount in other comprehensive income has to be recognised directly in profit or loss. In other cases, the amount recognised under other comprehensive income is transferred to profit or loss of the same period in which the hedged item affects profit or loss.

The effects of other derivative financial instruments that are not used as a hedge against the risk of exposure to variability in cash flows or that cannot be attributed to individual risks in connection with a recognised asset or liability are recognised in profit or loss.

The Group uses the following derivative financial instruments:

- future transactions (forwards)

Effective management of the whole raw material field of the Impol Group is focused on two areas: currency risk management and management of risks regarding changes in aluminium prices. Both areas are closely linked and are managed by the Group with forwards and futures.

In case of aluminium raw materials or hedging of LME risks, the Impol Group follow the principle that profit or loss from a forward is recognised in profit or loss at liquidation or after settling individual forwards on the LME on the day of maturity, which is usually the same as the period of the realisation of the sale transaction on the physical market, or after realising the actual processing margin, which is the subject of hedging. In the presented manner, possible fluctuations in the achieved processing margin of sales on the physical market due to changes in prices of aluminium raw material at the time of sale, which are used as the base for determining the sales price (LME + sales premium), are balanced or neutralised by the effects of the realised forward, both being recognised in profit or loss of the same period. With this principle, the Impol Group provides profitability, which mostly depends on the difference between the purchase premium and the achieved sales premium and not on the fluctuations of aluminium prices. Profit or loss from these forwards is recognised in profit and loss under other financial income and revenue.

Currency risk management through forward currency contracts is also directly connected with managing aluminium prices and fluctuations of LME prices of aluminium. The Group purchases aluminium in US dollars and realises most of its sales in EUR. Purchasing and selling in different currencies leads to inconsistencies between purchase and sales prices, which is harmonised by the Group by using futures (forwards). Profit or loss from forward currency transactions is recognised in profit or loss under other financial income and revenue.

Futures (forwards) include fair value of open transactions on the date of the statement of financial position, which is determined based on publicly available information on the value of futures on the organised market on the date of reporting for all open transactions.

- interest rate swaps

Interests of received loans bear the interest rate change risk, against which the Group uses interest rate swaps. Interest rate swaps value the fair value of open swaps on the date of the financial situation with discounting of future cash flows in connection with variable interest (receipt of interest from swaps) and fixed interest (payment of interest from swaps). When interest rate swaps are defined as a safety instrument against the variability of cash flows of recognised assets or liabilities or the intended transaction, profit or loss resulting from the instrument that is defined as a successful safety against risk is recognised directly under other comprehensive income and item reserves from fair value measurement in the financial statement. Profit or loss resulting from the instrument that is defined as unsuccessful is recognised in profit or loss under other financial expenditure.

Inventories

The Group follows the following inventories:
- inventory of raw materials;
- inventory of materials;
- inventory of incomplete production;
- inventory of finished goods and merchandise.

Inventories are measured at the lower of cost and net recoverable value. Net recoverable value is the estimated selling price at the reporting date less sales expenses and other possible administrative expenses, which are usually connected with the sale.

Inventories of materials and merchandise are valued at cost including the purchase price, import duties and other non-refundable purchase taxes, and the direct costs of purchase. The FIFO method is used for valuing inventories of merchandise and measuring use.

Inventories of incomplete production are valued at cost of production depending on the percentage of completion.

In consolidation, unrealised profit or loss in inventories purchased within the Group are excluded by reducing the corresponding part of inventories and increasing operational expenditure. The calculation of profit is performed based on the achieved EBIT margin of the financial year.

Impairment of inventories is described in detail under in chapter on impairment.

Equity

Equity is an obligation towards the owners which falls due if the Company ceases to operates, whereby the size of the equity is adjusted considering the price of net wealth attainable at that point. The equity is defined with sums that have been invested by owners, and sums that arose during the course of the business operations of the company and which belong to the owners.

Total equity consists of share capital, non-controlling interest capital, capital reserves, profit reserves, net profit carried over from previous years, reserves from fair value measurement, translation reserve, and temporarily undistributed net profit of the financial year. Own shares, for which the corresponding profit reserves are created, represent a deductible capital item. Group equity is reported separately for the controlling owner and non-controlling interests.

Called-up capital

Called-up capital of the controlling company is present as share capital, which is nominally defined in the statute of the parent company registered with the court and paid-in by the company's owners.

As of 31/12/2023, the share capital of the controlling company Impol 2000, d. d., amounts to EUR 4,451,540 and is divided into 1,066,767 ordinary no-par value shares. Dividends are paid in accordance with the decisions of the General Meeting.

Capital reserves

Capital reserves of the Group include all amounts of payments that exceed the lowest emission amounts of shares, and the amounts based on eliminating the general revaluation adjustment.

Capital reserves of the parent company Impol 2000, d. d. include paid-in capital surplus and the general revaluation adjustment.

Own shares

If the controlling company or its subsidiaries buy shares of the controlling company, the paid amounts, including transaction costs and excluding taxes, are deducted from the total capital as own shares, until these shares are cancelled, reissued or sold. If own shares are reissued or sold, all the received payments excluding transaction costs and connected tax effects are included in capital reserves.

Statutory reserves

Statutory reserves of the controlling company are formed based on the statute of the company in the amount of 15 percent of net profit of the financial year. They are set aside in the amount of ½ of the parent company's share capital.

Reserves resulting from valuation at fair value and capital revaluation adjustment

Reserves resulting from valuation at fair value, include actuarial gains or losses based on provisions for retirement allowances and the effects of fair value changes of derivative financial instruments that are classified as hedging instruments (currency swaps). Capital revaluation adjustment includes the effects based on revaluations of financial statements of foreign companies.

Provisions and long-term accrued costs and deferred revenues

Provisions are formed for a present obligation as a result of a past event and when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation.

Provisions for jubilee and retirement benefits

In accordance with legal requirements and its internal rules, the Group is bound to pay jubilee and retirement benefits to its employees, for which it formed long-term provisions. There are no other retirement obligations. Provisions are formed in the amount of the expected future payments of jubilee and retirement benefits discounted on the date of the statement of financial position. Calculations are made for individual employees by including the costs of all expected retirement and jubilee benefits.

Actuarial calculation is based on assumptions and assessments applicable at the time of the calculation that due to changes in the following year may differ from actual assumptions that will apply at that time. This mainly refers to discount rates, employee fluctuation estimates, mortality rates and wage growth estimates.

Financial liabilities from leases

Financial liabilities from leases are recognised on the commencement date of the lease of asset. On the commencement date of lease, the lease liability is measured at current value of lease still due. These leases are discounted. At a later measurement of the financial liability from leases, it is increased for the value reflecting liability interests from lease, and reduced for the value of leases paid. In the event of an amendment of the lease conditions, the current value is measured again on the basis of revaluation of future leases or an amendment of lease (duration or price).

After the commencement date of lease, financial liabilities from leases are measured again using the new discount rate, if the duration of lease or the value of future leases have changed.

In the event of lease termination or reduction the profit or loss connected to partial or full termination of lease are recognised in the profit or loss statement.

Liabilities from lease are disclosed as a long-term liability, with the exception of liabilities that will be settled in a 12-month period and that are disclosed in the financial statement as short-term liabilities from lease.

Long-term accrued costs and deferred revenues

Long-term accrued costs and deferred revenues refer to received non-returnable funds for co-financing the purchase of equipment for improving the working conditions for the disabled. Grants related to assets are recognised as income in the statement of comprehensive income and in the useful life of the asset.

Among long-term accrued costs and deferred revenues, all types of state support are also shown as deferred revenues. State subsidies are recognised at fair value, but only when there is an acceptable assurance that the Group will fulfil the conditions related to them and receive the subsidies. Government subsidies are recognised as revenue in the periods in which they are matched with the relevant costs that they are supposed to compensate. If the state support relates to a specific asset, it is recognised as deferred revenues, which the Group recognises in the income statement proportionately over the period of the expected useful life.

Impairments

Financial assets

A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows from that asset.

A financial asset is impaired if its carrying amount is higher than the estimated replacement value. The financial asset is revalued if there is an objective evidence of impairment. The replacement value represents the present value of the estimated future cash flows discounted at the original effective interest rate of this instrument. The impairment is recognised in the profit or loss statement.

A financial investment is assessed at each reporting date by the accounting department to determine its suitability. If a financial investment is losing value (e.g. due to unsuccessful operations of the entity where the Company has its equity participation, insufficient solvency etc.), it must be determined what kind of corrections have to be made to the initially recognised value of cost and debited to revaluation financial expenditures. The responsible person also has to order a partial or total cancellation of the financial investment as soon as reasons for this occur.

Impairment of receivables and loans granted

Impairments of receivables are formed based on the assessment of recoverability time analysis. Here, in accordance with the provisions of IFRS 9, the impairment of receivables is formed on the basis of expected losses in relation to the risk that the receivables would not be repaid, taking into account historical, current and forward-looking information on repayments.

If it is estimated that when the accounting value of the receivable exceeds its fair value (i.e. the recoverable value), the receivable is impaired. Receivables that are assessed not to be collected within the regular deadline or in the whole amount are considered as doubtful. If proceedings were already brought before the court, receivables are considered as disputed. Impairment of loans granted is assessed for every individual loan. Impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate. All impairment losses are recognised in profit and loss.

When it comes to financial assets measured at fair value through other comprehensive income, the latter are measured according to their purchase value upon initial recognition, and are then increased for the cost of the business transaction arising from the purchase of said financial asset. Profit and loss arising from these financial instruments are never classified into the profit and loss statement.

When it comes to impairment of financial assets measured at repayment value, the amount of loss is measured as the difference between the carrying amount of a financial investment and the current value of expected future cash flows, discounted according to the initial effective interest rate. The value of said loss is recognised in the profit and loss statement. If reasons for the impairment of the financial investment cease to exist, the reversal of impairment of the financial asset disclosed at repayment value is recognised in the profit and loss account.

In the event of financial assets measured at fair value through the profit and loss statement, profit and loss arising from these financial instruments are classified into the profit and loss statement.

Non-financial assets

Tangible and intangible assets

The carrying amount of the Company's non-financial assets is reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

An impairment loss is recognised when the carrying amount of an asset or cash-generating unit exceeds its recoverable value. A cash-generating unit is the smallest group of assets that generate financial income that are to a greater extent independent from financial income from other assets and groups of assets. Impairment losses are recognised in the profit and loss statement. The recoverable value of the asset or cash-generating unit is the value in use or its fair value, reduced by costs of disposal, whichever is higher. In assessing value in use, estimated future cash flows are discounted to their present value by using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment loss of goodwill is not reversed.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the assets' recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation write-off, if no impairment loss had been recognised in the previous periods.

Inventories

Inventories are impaired if their carrying amount exceeds their estimated recoverable amount. Additionally, individual types of inventories are analysed by their age structure. Depending on the group of inventories, the amount of impairment loss according to their age is determined as a percentage of their value. Impairment also includes expert judgement on possible utilisation or sale of such inventories. At least at the end of every financial period, the Company measures the net recoverable amount of inventories and the need for write-offs. Costs of inventories are not reversible if inventories are damaged, partially or completely obsolete, or if their sales price is reduced. Costs of inventories are also not reversible if the estimated costs of completion or costs in connection with sales increase. Partial write-offs of inventories under their original value or costs up to the net recoverable value is in accordance with the policy that assets cannot be recognised at values higher than expected from their sale or utilisation. Inventories are usually partially written off to their net recoverable value under individual items.

Recognition of revenues and expenses

Revenues are recognised if the increase of economic gain in the financial year is connected with an increase of an asset or a decrease of a liability, and if this increase can be reliably measured.

Operating revenues are recognised when it can be reasonably expected that they will lead to income if they are not already realised at origination and can be reliably measured. The Group uses a five-level model of recognising revenues in accordance with IFRS 15. The identification of the contract with customers is followed by the identification of separation enforcement obligations, the identification of the price, the division of the price according to separation enforcement obligations and, pursuant to the aforementioned steps, the recognition of income. The main principle is that recognition of revenues reflects the transfer of goods and services to a customer in the amount reflecting the indemnity that the Company expects to be entitled to.

Operating revenues include:

- Revenues from the sale of products, merchandise and materials are measured based on sale prices indicated on invoices or other documents, reduced by discounts approved upon sale or later on, also due to early payments. Income from sale of products is recognised in profit or loss after the Company transfers significant risks and gains in connection with the ownership of products to the buyer;
- Revenues from sale of services, except services that lead to financial revenues, are measured according to sales prices of completed services. They are recognised in the period in which the service is performed. The work completion percentage method at the financial statement date is applied;
- Incomplete production and complete products at warehouse are valued at production costs. The degree of completion of performed services in case of incomplete production is assessed with an inventory;
- Other operating revenues occurs in case of disposal of property, devices, equipment and intangible assets, compensations received, subventions, removal of provisions, payment of previously written off operating receivables, liability write-offs and other.

Sales revenues are recognised in an amount that reflects the transaction price, which is allocated to the individual performance obligation. The transaction price is the amount of compensation to which the Impol Group expects to be entitled in exchange for the transfer of goods or services to the buyer, excluding amounts collected on behalf of third parties. The control of the goods and services depends on the terms of the sales contract, and the transfer occurs at the moment when the buyer takes over the goods or the service is performed.

A customer contract asset is a right to consideration in exchange for goods or services that have been transferred to the customer but have not yet been billed to the customer. In this case, the Impol Group shows accrued revenues for goods and services delivered to customers among assets from contracts with customers.
A liability from contracts with customers is a liability to transfer goods or services to the customer in exchange for compensation received by the Company from the customer. Within the framework of liabilities from contracts with customers, the Impol Group would thus show liabilities from approved volume discounts. Liabilities from contracts are recognised as income when the Impol Group fulfils its performance obligation under the contract.

Operating expenses in a financial period are in principle the same as costs increased by costs of initial inventories of incomplete production and complete products, and reduced by accrued charges of final inventories. Costs of sales and costs of general activities are immediately after their occurrence included in income.

For calculating consumption, the Group uses the FIFO method.

Operating expenses are recognised when costs are not stated in the value of inventories of goods and work in process any more, or when the merchandise is sold. Costs that can not be stated at inventories of goods and work in process are recognised as operating expenses upon their occurrence. The cost of goods sold includes expenses related to the sale of goods when the cost of goods is not kept in inventories.

Material costs are the original costs of purchased materials that are directly used in the creation of business effects (direct material costs), as well as material costs that do not have such a nature and are included in the relevant functional groups of indirect business costs.

Service costs are the original costs of purchased services that are directly necessary for the creation of business effects (direct service costs), as well as service costs that do not have such a nature and are included in the relevant functional groups of indirect business costs.

Depreciation costs are the original costs associated with the strictly consistent transfer of the value of depreciable tangible fixed assets and depreciable intangible assets.

Write-offs include impairments, write-offs and losses on the sale of intangible assets and tangible fixed assets, as well as impairments or write-offs of receivables.

Labour costs are original costs related to accrued wages and similar amounts in gross amounts, as well as to duties calculated from this basis and not an integral part of gross amounts. Labour costs also include the costs of creating provisions for jubilee and retirement benefits for employees.

Other operating expenses arise in connection with the creation of provisions, concession fees, expenses for environmental protection, donations, etc.

Financial revenues and expenses

Financial revenues comprise interest income on funds invested, dividend income, gains on the disposal of available-for-sale financial assets, changes in the fair value of financial assets at fair value through profit or loss, and foreign exchange gains and gains on hedging instruments that are recognised in profit or loss, interest from receivables not paid on time and positive currency differences. Interest revenues are recognised as it accrues in profit or loss by using the effective interest method. Dividend income is recognised on the date that the shareholder's right to receive payment is established.

Financial expenses comprise interest expenses on borrowings (part of borrowing costs can be capitalised under property, devices and equipment), foreign exchange losses, changes in the fair value of financial assets at fair value through profit or loss, impairment losses recognised on financial assets, losses on hedging instruments that are recognised in profit or loss.

Taxes

Income tax comprises current and deferred tax.

Current tax liabilities are disclosed in profit or loss, except for the part relating to items disclosed directly in other comprehensive income. Current tax is the expected tax payable on the taxable income for the year.

Deferred tax is disclosed using the balance sheet liability method, which takes into account temporary differences occurring between the carrying amount of an asset or liability and its tax base in profit or loss. Deferred tax is determined using tax rates effective at the date of the statement of financial position that are expected to be used when the deferred tax liability is realised or the deferred tax liability is settled. Deferred tax receivables are recognised in the extent of the probability that there will be taxable profit available in the future that can be used to cover the deferred tax receivable.

Deferred tax in respect of insignificant amounts are not additionally recognised in consolidated financial statements.

Cash flow statement

The cash flow statement for the part regarding operations is composed using the indirect method from the data of the statement of financial position on 31/12 of the financial year and the statement of financial position on 31/12 of the previous financial year and additional data necessary for adjusting inflows and outflows, and for a suitable breakdown of significant items. The part regarding investing and financing is composed using the indirect method. Settled and received interest from operating receivables are distributed between cash flows from operating activities. Interest from loans and paid and received dividends are distributed between cash flows from financing.

Segment reporting

Because of the very similar nature of product groups, their production procedure and distribution, the Impol Group defined only one reporting segment. Presentation of data with segment reporting takes into account that aluminium business activities represent the main operating activities of the Group. Other activities have an insignificant effect on presenting financial information.

The Impol Group reports on sales by geographical area. The defined geographical areas are Slovenia, European Union, other European countries and the rest of the world.

DISCLOSURES TO INDIVIDUAL ITEMS OF GROUP FINANCIAL STATEMENTS

1. Operating revenues

Table 56: Operating revenues in EUR

A. Operating revenues	Operating revenues generated with associated companies	Operating revenues generated with other companies	2023	2022
Net sales revenues	65,788	876,808,993	876,874,781	1,142,366,202
Change in the value of product inventories and unfinished production	0	6,265,076	6,265,076	-6,698,437
Capitalised own products and services*	0	126,631	126,631	195,992
Other operating revenues	0	6,384,979	6,384,979	8,219,062
TOTAL:	**65,788**	**889,585,679**	**889,651,467**	**1,144,082,820**

B. Net sales revenues	Net sales revenues from sales generated with associated companies	Net sales revenues from sales generated with other companies	2023	2022
Net revenues from the sale of products	0	758,007,145	758,007,145	971,123,831
Net revenues from the sale of services	64,423	6,001,673	6,066,096	6,062,973
Net sales revenues from the sale of goods and materials	1,364	112,800,175	112,801,540	165,179,398
TOTAL:	**65,788**	**876,808,993**	**876,874,781**	**1,142,366,202**

C. Other operating revenues	2023	2022
Revenues from the reversal of provisions**	975,147	1,464,934
Other revenues associated with business effects (subsidies, grants, compensations etc.)***	3,792,118	3,935,181
Revaluation operating revenues	1,617,715	2,818,948
TOTAL:	**6,384,979**	**8,219,062**

D. Revaluation operating revenue****	2023	2022
From disposal of tangible fixed assets	1,034,645	2,052,504
from the disposal of non-current assets for sale	217,681	0
From operating receivables	364,208	541,160
From operating liabilities	1,181	1,956
From the disposal of investment property (cost model)	0	223,329
TOTAL:	**1,617,715**	**2,818,948**

*Capitalised own products and services are products produced by the Group for its own needs and which it capitalised among tangible or intangible long-term fixed assets. Their value does not exceed the costs of their production or services rendered.

**Revenues from the elimination of provisions and long-term accrued costs and deferred revenues in the amount of EUR 503,412 relate to the elimination of provisions for jubilee and retirement benefits, in the amount of EUR 413,569 to the use of resigned contributions from the employment of the disabled to cover costs, and in the amount of EUR 58,166 to cover the costs of depreciation and write-offs of fixed assets, purchased from state support received from the employment of disabled persons.

*** Other operating revenues related to operating effects relates to the reimbursement of electricity and gas charges (EUR 127,596), revenue from claims (EUR 1,361,386), revenues from co-financing of projects (EUR 1,708,675), of which:

- to the "INDIGO" project, which is co-financed by the Ministry of Economic Development and Technology in the amount of EUR 394,249,
- to the "GREEN_AL_PRO" project, which is co-financed by the Ministry of Economic Development and Technology in the amount of EUR 159,720,
- to the "Green foil" project, which is co-financed by the Ministry of Economic Development and Technology in the amount of EUR 120,287,
- to the project “Raising the digital competences of children and young people", co-financed by the Ministry of Digital Transformation in the amount of EUR 98,869,
- to the implementation of informal training for adults in the field of digital competences for 2023, co-financed by the Ministry of Digital Transformation in the amount of EUR 935,550,
- revenues from the use of emission allowances obtained by the state (21,354 EUR), received insurance premiums and compensation (237,707 EUR) and various other operating revenues (335,400 EUR).

**** Revaluation operating revenues refer mainly to profits achieved from the sale of tangible fixed assets and non-current assets for sale in the total amount of EUR 1,252,326, to payments of receivables and received insurance premiums in connection with receivables for which value corrections were previously created due to impairment in the total amount of EUR 364,208 and to write-offs of obsolete liabilities in the total amount of EUR 1,181.

Net sales revenues by business segment

Table 57: Net sales revenues by business segment in EUR

	2023	2022
Revenues from sales in Slovenia	**45,780,552**	**61,624,375**
• Revenues from sales in Slovenia – associated companies	65,788	65,868
• Revenues from sales in Slovenia – other companies	45,714,764	61,558,507
Revenues from sales in EU	**738,381,278**	**941,609,288**
• Revenues from sales in EU – other companies	738,381,278	941,609,288
Revenues from sales in other European countries	**53,008,420**	**73,254,574**
• Revenues from sales in other European countries – other companies	53,008,420	73,254,574
Revenues from sales on other markets	**39,704,531**	**65,877,966**
• Revenues from sales on other markets – other companies	39,704,531	65,877,966
TOTAL	**876,874,781**	**1,142,366,202**

Net sales revenues from the sale of aluminium products (per state) is specified in detail under section Market and Customers.

2. Operating expenses

Table 58: Operating expenses in EUR

A. Analysis of costs and expenses	Manufacturing costs	Costs of sales	Costs of general activities	Total 2023	Total purchase in 2023 from: Associated companies	Total purchase in 2023 from: Other companies	2022
Cost of merchandise and materials sold	13,310	117,864,503	3,116	117,880,929	0	117,880,929	176,515,176
Costs of material	514,358,060	8,751,854	1,599,374	524,709,288	38	524,709,250	671,221,194
Costs of services	27,891,609	19,116,266	16,073,063	63,080,939	2,190,273	60,890,666	62,922,141
Labour costs	57,878,793	1,949,888	37,995,906	97,824,587	0	97,824,587	97,621,794
Depreciation	4,861,289	185,540	17,032,017	22,078,846	0	22,078,846	23,436,766
Revaluation operating expenses*	18,846	3,647	205,074	227,566	0	227,566	3,694,470
Other operating expenses**	156,171	5,291	2,734,121	2,895,583	0	2,895,583	4,369,808
TOTAL:	**605,178,079**	**147,876,988**	**75,642,671**	**828,697,738**	**2,190,311**	**826,507,427**	**1,039,781,349**

B. Revaluation operating expenses*	2023	2022
Revaluation operating expenses from tangible fixed assets	74,068	3,636,542
Revaluation operating expenses from rights to use	566	0
Revaluation operating expenses from inventories	2,869	25,794
Revaluation operating expenses from operating receivables	150,064	32,134
TOTAL:	**227,566**	**3,694,470**

* Revaluation operating expenses refer to the carrying amount of eliminated unusable fixed assets. The stated exclusions of fixed assets were carried out due to breakdowns, destruction, technological obsolescence, the inability to purchase spare parts, and above all further unsuitability for the products produced by the Impol Group. There was no interest on the market for the mentioned eliminated assets, so their value in larger plants was determined at the price of waste material.
The remaining part of the revaluation operating expenses mostly relates to the impairment of receivables.

** Among other operating expenses, the biggest share is the costs related to emission allowances, costs related to environmental charges (water concession, compensation for building land), charges due to non-fulfilment of the disabled quota, scholarships, various membership fees, donations and others.

Labour costs

Table 59: Itemisation of labour costs in EUR

	2023	2022
Costs of wages and salaries	69,500,933	67,367,726
Costs of pension insurance	6,457,831	6,355,104
Costs of other social security contributions	5,368,754	5,052,733
Other labour costs	16,497,069	18,846,231
Total	**97,824,587**	**97,621,794**

3. Financial revenues and expenses

Table 60: Financial revenues in EUR

	Total 2023	Of which from companies		Total 2022
		Associated companies	Other	
Financial revenues from participating interests – profit-sharing, dividends	373,006	240,159	132,848	284,040
Financial revenues from loans – inter-ests	19,269	0	19,269	5,659
Financial revenues from operating receivables – interests	14,142	0	14,142	15,889
Financial revenues from operating re-ceivables – foreign exchange differences	529,349	0	529,349	2,206,958
Financial revenues from the reversal of the impairment of financial assets – loans	13,040	0	13,040	0
Financial revenues from forwards	1,235,505	0	1,235,505	1,468,051
Total	**2,184,311**	**240,159**	**1,944,153**	**3,980,597**

Financial revenues from participating interests of profits of associate companies represent shares in the amount of EUR 240,159,
calculated according to the equity method in the consolidated financial statements.

The majority of revenues from futures relates to aluminium hedging (EUR 1,095,070), and the remaining amount of EUR 140,435 to realised transactions from interest rate swaps - IRS.

Table 61: Financial expenses in EUR

	Total 2023	Of which from companies		Total 2022
		Associated companies	Other	
Financial expenses from (excluding bank loans) – interests	123,260	16,985	106,275	47,489
Financial expenses from leases – interests (financial lease)	4,631	0	4,631	9,054
Financial expenses from financial liabilities – interest rate swaps	0	0	0	57,718
Financial expenses from loans received from banks – interests	6,888,508	0	6,888,508	4,196,624
Financial expenses from loans received from banks – foreign exchange differences	401	0	401	1,798
Financial expenses from other financial liabilities – interests	99,649	0	99,649	45,255
Financial expenses from leases – interests (operating lease)	25,789	0	25,789	29,550
Financial expenses from operating liabilities – interests	61,706	0	61,706	12,816
Financial expenses from operating liabilities – foreign exchange differences	831,328	0	831,328	2,118,379
Financial expenses from forwards	277,436	0	277,436	818,966
Total	**8,312,708**	**16,985**	**8,295,723**	**7,337,650**

The increase in interest expenses from bank loans in 2023, despite the decrease in borrowings from banks, is mainly the result of an increase in the variable parts of interest rates linked to EURIBOR.

Financial expenses from forward transactions are entirely related to aluminium hedging.

Table 62: Financial expenses from operating liabilities in EUR

Financial expenses from operating liabilities	Total 2023	Of which from companies		Total 2022
		Associated companies	Other	
Financial expenses from trade creditors – interests	12,217	0	12,217	2,544
Financial expenses from other operating liabilities – interests	49,489	0	49,489	10,272
Financial expenses from other operating liabilities – foreign exchange differences	831,328	0	831,328	2,118,379
Total	**893,035**	**0**	**893,035**	**2,131,195**

4. Income tax

Table 63: Income tax in EUR

Income tax	2023	2022
Revenues determined in accordance with accounting regulations	1,657,874,245	2,085,220,474
Revenues recognised for tax purposes	1,623,994,788	2,069,975,812
Expenses determined under accounting regulations	1,569,961,013	1,970,300,805
Expenses recognised for tax purposes	1,568,409,296	1,972,867,479
Difference between deductible revenues and expenses	55,585,491	97,108,333
Tax base	57,070,490	97,782,715
Tax base	50,733,618	90,025,927
Tax	9,478,236	12,804,225
Effective tax rate	17.29%	12.68%

Income tax is accounted for in accordance with laws that apply in individual countries where the Group has its subsidiaries. In 2023, the effective profit tax rate for Slovenia was 19% (in 2022: 19%), while the applicable income tax rate in Croatia is 18%, in Serbia 15%, in the USA 21%, and in Hungary 9%.

The amount of unused tax losses, which will reduce the tax base in the coming years at the level of companies in the Impol Group, amounts to EUR 146,211 as of 31/12/2023.

In the consolidated statement of financial position as of 31/12/2023, the Impol Group shows EUR 5,090,848 in profit tax receivables under item IV.2 Short-term business receivables from others and EUR 1,017,229 in profit tax liabilities in the balance sheet items III.3 Other short-term business liabilities.

Table 64: Overview of current income tax by companies in EUR

Income tax	2023	2022
Impol 2000, d. d.	139,430	132,185
Impol, d. o. o.	4,762,847	7,712,417
Impol FT, d. o. o.	750,393	1,099,996
Impol PCP, d. o. o.	1,333,614	2,251,568
Impol-Montal, d. o. o.	35,671	31,496
Impol R in R, d. o. o.	21,055	7,974
Impol Infrastruktura, d. o. o.	7,122	5,908
Impol LLT, d. o. o.	650,128	294,543
Impol Seval, a. d.	523,563	0
Impol-TLM, d. o. o.	320,823	334,358
Alcad, d. o. o.	22,637	14,312
Impol-FinAl, d. o. o.	80,460	49,592
Stampal SB, d. o. o.	265,353	214,067
Kadring, d. o. o.	144,618	34,195
Rondal, d. o. o.	279,659	305,604
Impol Servis, d. o. o.	42,474	63,392
Impol Seval Tehnika, d. o. o.	5,608	1,621
Impol Seval PKC, d. o. o.	4,381	1,980
Impol Seval Final, d. o. o.	7,750	5,678
Štatenberg, d. o. o.	475	1,188
Impol Hungary Kft.	5,767	11,103
Impol Aluminium Corporation, New York	22,119	194,158
Impol Stanovanja, d. o. o.	16,104	6,015
Unidel, d. o. o.	36,188	30,876
TOTAL income tax	**9,478,236**	**12,804,225**

CbCR reporting

In 2023 the total consolidated revenues of the Impol Group reached or exceeded EUR 750,000,000, the same as in the past two years, therefore on the basis of Chapter III.B of ZDavP-2, country-by-country reporting (CbCR) will be carried out for the second time in 2024. The reporting company for the international group of companies is the controlling company Impol 2000, d. d.

Minimum tax

At the end of 2023, the Minimum Tax Act (ZMD) was passed, which aims to ensure a global minimum taxation of large international and domestic groups with an effective tax rate of 15%. The minimum tax rules from the law apply to the Group's financial years from 1 January 2024 onwards. It is a separate system from corporate income tax, with countries' own rules for determining the base and effective tax rate. Groups that have the obligation to pay the minimum tax are groups whose annual revenues, which are reported in the consolidated financial statements of the umbrella parent entity, amount to EUR 750 million or more in at least two of the four financial years. The first calculations of domestic additional tax will have to be submitted by 30/06/2026. FURS is preparing documents with explanations and demonstrations of the functioning of the minimum tax and the preparation of by-laws. In order to facilitate the practical implementation and international exchange of information, the Financial Administration of the Republic of Slovenia has established the so-called Consultative Body'. An advisory body in which the Impol Group also participates. We are still evaluating the effects of the Minimum Tax Act on the tax policy and tax obligations of the Impol Group.

5. Deferred tax assets and liabilities

Table 65: **Deferred tax assets and liabilities in EUR**

	Deferred tax receivables	Deferred tax liabilities
Deferred tax balance as of 31/12/2022	**530,621**	**1,823,397**
Opening balance adjustment (+/-)	0	0
Deferred tax balance as of 01/01/2023	**530,621**	**1,823,397**
Deductible temporary differences (+)	134,797	0
Utilisation of deductible temporary differences (-)	64,567	0
Reversal of deductible temporary differences (+)	0	6,143
Change of unused opening-balance amounts due to change in the tax rate	40,117	0
Exchange rate differences (+/-)	52	-1,850
Deferred tax balance as of 31/12/2023	**641,019**	**1,815,404**

Change in deferred receivables and liabilities for tax assets and liabilities in the amount of EUR 118,392 (2022: EUR -928,098) was recognised:

	2023	Other companies	2022
• Profit or loss account (+ / -)	91,897	91,897	-877,870
• Capital – Reserves resulting from valuation at fair value (+/-)	24,592	24,592	-46,443
• Capital – Revaluation difference (+/-)	1,902	1,902	-3,785
Total	**118,392**	**118,392**	**-928,098**

Deferred tax receivables are formed due to deductible temporary differences due to the differences between the accounting and tax recognised depreciation, for written-off receivables, for which impairments are temporarily not recognised for tax purposes upon recognition, for formed provisions for jubilee and retirement benefits, for fair value of financial instruments, which is recognised under other comprehensive income as negative amount (interest rate swaps), and for tax losses and unused tax relief for investments. The considered deductible temporary differences will in the future result in a reduction of the taxable profit shown in the Group's profit or loss statement. The latter, separated by category, is shown in the table:

Trend in deferred receivables for tax – consolidated

Table 66: **Trend in deferred receivables for tax – consolidated in EUR**

	Accounting depreciation exceeds the depreciation f or tax purposes	Asset impairments (revaluation operating expenses)	Formation of provisions	Unused relief for investments	Interest rate swap	TOTAL
Deferred tax receivables for tax as of 31/12/2022	**3,754**	**53,169**	**418,014**	**83,634**	**-27,951**	**530,621**
Opening balance adjustments	0	0	0	0	0	0
Deferred tax receivables for tax as of 01/01/2023	**3,754**	**53,169**	**418,014**	**83,634**	**-27,951**	**530,621**
Occurrence of deductible temporary differences (+)	-1,619	21,810	67,458	18,143	29,005	134,797
Utilisation of deductible temporary differences (-)	0	29,867	5,974	28,727	0	64,567
Change of unused opening-balance amounts due to change in the tax rate	0	1,476	34,385	8,670	-4,413	40,117
Exchange rate differences (+/-)	-1	0	53	0	0	52
Deferred tax receivables for tax as of 31/12/2023	**2,134**	**46,588**	**513,936**	**81,720**	**-3,359**	**641,019**

Deferred tax liabilities are formed from taxable temporary differences between depreciation taken into account for tax purposes and depreciation shown in the accounts. The considered deductible temporary differences will in the future result in an increase of the taxable profit shown in the Group's profit or loss statement.

The 22% rate was applied in the calculation, as will be the applicable rate of profit tax for Slovenia in 2024 (2022: 19%), and in other tax jurisdictions (Croatia, Serbia, USA, Hungary) the profit tax rate taken into account remains unchanged.

Trend in deferred liabilities for tax – consolidated

Table 67: **Trend in deferred tax liabilities – consolidated in EUR**

	Depreciation for tax purposes exceeds accounting depreciation	TOTAL
Deferred tax liabilities as of 31/12/2022	**1,823,397**	**1,823,397**
Opening balance adjustments	0	0
Deferred tax liabilities as of 01/01/2023	**1,823,397**	**1,823,397**
Occurrence of deductible temporary differences (+)	0	0
Reversal of deductible temporary differences (+)	6,143	6,143
Exchange rate differences (+/-)	-1,850	-1,850
Deferred tax liabilities as of 31/12/2023	**1,815,404**	**1,815,404**

The consolidated financial statement still includes deferred tax receivables and deferred tax liabilities that arise in different states or refer to different tax jurisdictions, and are unsettled both as receivables and as liabilities.

Net earnings per share

Basic earnings per share are calculated by dividing net earnings attributable to shareholders by the weighted average of the number of regular shares during the year, excluding the average number of own shares.

Table 68: **Net earnings per share in EUR**

	2023	2022
Profit or loss relating to the owners of the controlling entity	44,558,435	79,980,475
Weighted average of the number of regular shares	984,659	984,659
Basic earnings per share (in EUR)	**45.25**	**81.23**

Table 69: **Weighted average of the number of regular shares as of 31/12/2023 in EUR**

	2023	2022
Regular shares as of 01/01	1,066,767	1,066,767
Effect of own shares*	-82,108	-82,108
Weighted average of the number of regular shares as of 31/12	**984,659**	**984,659**

* These are shares of the controlling company Impol 2000, d. d., owned by companies in the Group, which are Impol-Montal, d. o. o. (80,482 shares) and Kadring, d. o. o. (1,626 shares).
Because the Impol Group has no preference shares or bonds that could be converted to shares, the diluted earnings per share is the same as the basic earnings per share.

Changes in other comprehensive income

Changes in other comprehensive income in 2023 include:

- Change of fair value of hedges (interest swaps) in the amount of EUR -131,843, while the derivatives were intended for hedging the cash flow from loans received. Exchange rate differences from converting financial statements of foreign companies included;
- Exchange rate differences from converting financial statements of foreign companies included consolidation in the amount of EUR -433,362;
- Actuary profits based on the re-calculation of provisions for retirement benefits for the financial year 2023, in the amount of EUR -393,105;
- Other items of total comprehensive income refer to the adjustment of the value of reserves resulting from interest rate swaps at fair value for deferred tax receivables in the amount of EUR 24,592.

6. Intangible assets and long-term deferred costs and accrued revenues

Table 70: Trend in intangible assets in 2023 in EUR

	Long-term property rights	Goodwill	Long-term deferred development costs	Long-term property rights acquired	TOTAL
Cost as of 31/12/2022	**10,072,163**	**1,261,518**	**653,803**	**290,892**	**12,278,376**
Opening balance adjustments	72,558	0	0	0	72,558
Cost as of 01/01/2023	**10,144,722**	**1,261,518**	**653,803**	**290,892**	**12,350,934**
Direct increases – acquisitions	50,267	0	0	429,571	479,837
Transfer from investments in progress	509,099	0	0	-509,099	0
Exchange rate differences	-424	0	0	15	-409
Decreases – exclusions, other decreases (-)	750,992	0	0	0	750,992
Cost as of 31/12/2023	**9,952,672**	**1,261,518**	**653,803**	**211,379**	**12,079,371**
Value adjustment as of 31/12/2022	**8,345,993**	**0**	**501,275**	**0**	**8,847,268**
Opening balance adjustment	14,510	0	0	0	14,510
Value adjustment as of 01/01/2023	**8,360,504**	**0**	**501,275**	**0**	**8,861,778**
Depreciation during the year	483,007	0	130,762	0	613,769
Exchange rate differences	-356	0	0	0	-356
Decreases – exclusions, other decreases (-)	124,767	0	0	0	124,767
Value adjustment as of 31/12/2023	**8,718,388**	**0**	**632,036**	**0**	**9,350,424**
Carrying amount as of 31/12/2023	**1,234,284**	**1,261,518**	**21,767**	**211,379**	**2,728,947**
Carrying amount as of 31/12/2022	**1,726,170**	**1,261,518**	**152,528**	**290,892**	**3,431,108**

The majority of increases and decreases in long-term property rights (without transfer from assets under acquisition) refers to the purchase and use of emission allowances. In 2023, the Group purchased EUR 602,480 worth of emission allowances on the market, and EUR 24,816 of them were obtained free of charge from the state. The total reported costs of the utilisation of emission allowances, which are reported under other operating expenses for 2023, amount to EUR 1,205,566 or 36,412 allowances, as much as the planned utilisation for 2023 - the final calculation will be carried out at the end of April 2024. Therefore, 7,058 allowances from 2022 with a value of EUR 581,732, 8,000 allowances purchased on the market in 2023 with a value of EUR 602,480, and 21,354 free state allowances for 2023 with a value of EUR 21,354 were booked for utilisation.

The balance of emission allowances at the end of 2023 amounts to 3,462 allowances at a price of EUR 1 per allowance (this is the remainder of EC obtained free of charge by the state for 2023). The stated emission allowances will be used by the Group in 2024 for emissions generated in 2024.

The correction, which was carried out in the initial state in 2023, refers to the transfer of an asset (software) from the category of production equipment and machinery to intangible assets, with no effect on the profit.

Table 71: Trend in intangible assets in 2022 in EUR

	Long-term property rights	Goodwill	Long-term deferred development costs	Long-term property rights acquired	TOTAL
Cost as of 31/12/2021	**9,579,859**	**1,261,518**	**653,803**	**57,272**	**11,552,451**
Opening balance adjustments	0	0	0	0	0
Cost as of 01/01/2022	**9,579,859**	**1,261,518**	**653,803**	**57,272**	**11,552,451**
Direct increases – acquisitions	1,430,914	0	0	539,741	1,970,655
Transfer from investments in progress	308,912	0	0	-308,912	0
Transfer between companies in the Group – acquisition	0	0	0	2,681	2,681
Exchange rate differences	103	0	0	111	213
Decreases – exclusions, other decreases (-)	1,247,624	0	0	0	1,247,624
Cost as of 31/12/2022	**10,072,163**	**1,261,518**	**653,803**	**290,892**	**12,278,376**
Value adjustment as of 31/12/2021	**7,880,362**	**0**	**370,513**	**0**	**8,250,876**
Opening balance adjustment	0	0	0	0	0
Value adjustment as of 01/01/2022	**7,880,362**	**0**	**370,513**	**0**	**8,250,876**
Depreciation during the year	475,115	0	130,762	0	605,877
Exchange rate differences	232	0	0	0	232
Decreases – exclusions, other decreases (-)	9,716	0	0	0	9,716
Value adjustment as of 31/12/2022	**8,345,993**	**0**	**501,275**	**0**	**8,847,268**
Carrying amount as of 31/12/2022	**1,726,170**	**1,261,518**	**152,528**	**290,892**	**3,431,108**
Carrying amount as of 31/12/2021	**1,699,496**	**1,261,518**	**283,290**	**57,272**	**3,301,575**

The disclosed intangible assets are owned by the Group and are free of debts. More than 70% of all intangible assets that were used on 31/12/2023 were fully depreciated.

Goodwill

Structure of goodwill according to business combinations that generated it.

Table 72: Structure of goodwill in EUR

	31/12/2023	31/12/2022
Alcad, d. o. o.	942,289	942,289
Stampal SB, d. o. o.	319,229	319,229
TOTAL	**1,261,518**	**1,261,518**

On 31/12/2023, goodwill was tested for possible impairment and no need for impairment was determined.

7. Tangible fixed assets

Table 73: Tangible fixed assets in 2023 in EUR

	Land	Buildings	Property being acquired	Total immovable property	Production machinery and equipment	Other machinery and equipment	Equipment and other tangible fixed assets being acquired	Advances to acquire tangible fixed assets	Total equipment	Total
Cost as of 31/12/2022	**17,069,330**	**112,005,982**	**5,341,269**	**134,416,582**	**384,634,065**	**33,917,847**	**6,770,491**	**9,647,744**	**434,970,147**	**569,386,729**
Opening balance adjustments	0	0	0	0	-72,558	0	0	0	-72,558	-72,558
Cost as of 01/01/2023	**17,069,330**	**112,005,982**	**5,341,269**	**134,416,582**	**384,561,507**	**33,917,847**	**6,770,491**	**9,647,744**	**434,897,589**	**569,314,170**
Direct increases – acquisitions	0	0	3,066,784	3,066,784	0	0	20,843,751	7,682,500	28,526,251	31,593,035
Transfer from investments in progress	386,296	2,896,250	-3,282,546	0	11,000,706	2,321,170	-13,321,876	0	0	0
Transfer between companies in the Group – acquisition	0	0	304,225	304,225	0	0	1,000,132	0	1,000,132	1,304,357
Transfer between companies in the Group – sales (-)	0	0	0	0	15,847	0	0	0	15,847	15,847
Transfer to assets under lease	0	0	0	0	14,400	0	0	0	14,400	14,400
Exchange rate differences	-15	-16,308	-388	-16,711	-83,163	-6,632	-7,591	1,030	-96,356	-113,068
Revaluation due to impairment (-)	0	0	0	0	43,359	0	0	0	43,359	43,359
Decreases – sales (-)	0	74,146	0	74,146	1,664,105	80,677	0	0	1,744,782	1,818,929
Decreases – exclusions, other decreases (-)	0	0	0	0	416,108	278,485	0	8,306,268	9,000,861	9,000,861
Transfers between categories of tangible fixed assets	0	0	0	0	0	0	0	0	0	0
Cost as of 31/12/2023	**17,455,612**	**114,811,778**	**5,429,344**	**137,696,733**	**393,354,030**	**35,873,223**	**15,284,906**	**9,025,007**	**453,537,165**	**591,233,898**
Value adjustment as of 31/12/2022	**0**	**60,010,603**	**0**	**60,010,603**	**259,539,276**	**24,867,828**	**0**	**0**	**284,407,104**	**344,417,706**
Opening balance adjustment	0	0	0	0	-14,510	0	0	0	-14,510	-14,510
Value adjustment as of 01/01/2023	**0**	**60,010,603**	**0**	**60,010,603**	**259,524,765**	**24,867,828**	**0**	**0**	**284,392,593**	**344,403,196**
Depreciation during the year	0	2,531,817	0	2,531,817	16,011,519	2,381,559	0	0	18,393,078	20,924,895
Direct increase	0	0	0	0	0	56,193	0	0	56,193	56,193
Transfer between companies in the Group – sales (-)	0	0	0	0	15,847	0	0	0	15,847	15,847
Transfer to assets under lease	0	0	0	0	5,520	0	0	0	5,520	5,520
Exchange rate differences	0	-11,003	0	-11,003	-38,217	-4,454	0	0	-42,671	-53,674
Revaluation due to impairment (-)	0	0	0	0	43,359	0	0	0	43,359	43,359
Decreases – sales (-)	0	74,146	0	74,146	1,615,557	80,386	0	0	1,695,942	1,770,088
Decreases – exclusions, other decreases (-)	0	0	0	0	407,683	271,621	0	0	679,305	679,305
Value adjustment as of 31/12/2023	**0**	**62,457,270**	**0**	**62,457,270**	**273,421,141**	**26,949,120**	**0**	**0**	**300,370,261**	**362,827,531**
Carrying amount as of 31/12/2023	**17,455,612**	**52,354,508**	**5,429,344**	**75,239,463**	**119,932,889**	**8,924,103**	**15,284,906**	**9,025,007**	**153,166,905**	**228,406,368**
Carrying amount as of 31/12/2022	**17,069,330**	**51,995,379**	**5,341,269**	**74,405,979**	**125,094,790**	**9,050,019**	**6,770,491**	**9,647,744**	**150,563,044**	**224,969,023**

In 2023, the Impol Group invested in increasing its production capacities in Slovenia as well as in companies abroad, namely investments in real estate in the total amount of EUR 3,371,009 and investments in equipment in the total amount of EUR 21,843,882 were made. More information about this is provided in the operating part of the annual report. In 2023, the Impol Group eliminated (sold, wrote off) tangible fixed assets with a total carrying amount of EUR 64,129, whereby it realised EUR 74,068 of revaluation operating expenses and EUR 1,034,645 of revaluation operating revenues.

The correction, which was carried out in the initial state in 2023, refers to the transfer of an asset (software) from the category of production equipment and machinery to intangible assets, with no effect on the profit.

More than 60% of all tangible fixed assets that were used on 31/12/2023 were fully depreciated.

Table 74: Tangible fixed assets in 2022 in EUR

	Land	Buildings	Property being acquired	Total immovable property	Production machinery and equipment	Other machinery and equipment	Equipment and other tangible fixed assets being acquired	Advances to acquire tangible fixed assets	Total equipment	Total
Cost as of 31/12/2021	**17,285,364**	**109,289,127**	**3,205,400**	**129,779,891**	**384,945,113**	**31,533,657**	**4,320,792**	**5,380,609**	**426,180,171**	**555,960,062**
Opening balance adjustments	0	0	0	0	0	0	0	0	0	0
Cost as of 01/01/2022	**17,285,364**	**109,289,127**	**3,205,400**	**129,779,891**	**384,945,113**	**31,533,657**	**4,320,792**	**5,380,609**	**426,180,171**	**555,960,062**
Direct increases – acquisitions	0	11,966	5,578,622	5,590,588	0	0	14,337,459	8,904,793	23,242,252	28,832,840
Transfer from investments in progress	25,000	3,586,957	-3,563,819	48,138	9,889,829	3,336,046	-13,274,013	0	-48,138	0
Transfer between companies in the Group – acquisition	0	0	123,229	123,229	0	0	1,387,853	0	1,387,853	1,511,082
Transfer between companies in the Group – sales (-)	0	0	0	0	0	95,961	0	0	95,961	95,961
Transfer from investment property	0	68,808	0	68,808	0	0	0	0	0	68,808
Exchange rate differences	-26,192	-37	38	-26,191	13,878	4,998	-1,600	-6,275	11,001	-15,190
Decreases – sales (-)	214,841	500,235	0	715,076	5,501,464	116,793	0	0	5,618,257	6,333,333
Decreases – exclusions, other decreases (-)	0	450,604	2,200	452,804	4,713,291	744,100	0	4,631,383	10,088,774	10,541,578
Cost as of 31/12/2022	**17,069,331**	**112,005,982**	**5,341,270**	**134,416,583**	**384,634,065**	**33,917,847**	**6,770,491**	**9,647,744**	**434,970,147**	**569,386,730**
Value adjustment as of 31/12/2021	**0**	**58,099,677**	**0**	**58,099,677**	**248,825,663**	**23,427,026**	**0**	**0**	**272,252,689**	**330,352,366**
Opening balance adjustment	0	0	0	0	0	0	0	0	0	0
Value adjustment as of 01/01/2022	**0**	**58,099,677**	**0**	**58,099,677**	**248,825,663**	**23,427,026**	**0**	**0**	**272,252,689**	**330,352,366**
Depreciation during the year	0	2,474,079	0	2,474,079	17,503,523	2,264,954	0	0	19,768,477	22,242,556
Direct increase	0	0	0	0	0	45,666	0	0	45,666	45,666
Transfer between companies in the Group – sales (-)	0	0	0	0	0	24,088	0	0	24,088	24,088
Transfer from investment property	0	68,808	0	68,808	0	0	0	0	0	68,808
Exchange rate differences	0	10,236	0	10,236	7,843	4,176	0	0	12,019	22,255
Decreases – sales (-)	0	453,741	0	453,741	5,449,645	114,970	0	0	5,564,615	6,018,356
Decreases – exclusions, other decreases (-)	0	188,456	0	188,456	1,348,109	734,935	0	0	2,083,044	2,271,500
Value adjustment as of 31/12/2022	**0**	**60,010,603**	**0**	**60,010,603**	**259,539,275**	**24,867,829**	**0**	**0**	**284,407,104**	**344,417,707**
Carrying amount as of 31/12/2022	**17,069,331**	**51,995,379**	**5,341,270**	**74,405,980**	**125,094,790**	**9,050,018**	**6,770,491**	**9,647,744**	**150,563,043**	**224,969,023**
Carrying amount as of 31/12/2021	**17,285,364**	**51,189,450**	**3,205,400**	**71,680,214**	**136,119,450**	**8,106,631**	**4,320,792**	**5,380,609**	**153,927,482**	**225,607,696**

*Due to the application of the IFRS 16 – Lease standard, the assets under lease in the financial statement up to 1/1/2019 onwards, are no longer recognised among tangible fixed assets, but are instead recognised separately under “assets under lease”. A more detailed presentation of the change is disclosed as part of the 2019 annual report.

Pledged tangible fixed assets

Table 75: Assets pledged as security for settlement of liabilities (without asserts under finance lease) in EUR

	Cost (+)	Value adjustment (-)	Carrying amount (=)
Immovable property	66,939,262	46,037,593	20,901,669
Equipment	8,559,535	4,450,331	4,109,204
TOTAL:	**75,498,797**	**50,487,924**	**25,010,873**

Assets are pledged as security for the settlement of liabilities by the following companies: Impol, d. o. o., Impol Seval, a. d., and Impol-Montal, d. o. o.

8. Assets under lease

Table 76: Trend in right to use assets in the first half of 2023 in EUR

	Assets under lease – immovable property – operating lease – other companies	Assets under lease – equipment – operating lease – other companies	Total assets under lease – operating lease	Assets under lease for equipment – financial lease – other companies	Total assets under lease – equipment – financial lease	Total assets under lease
Cost as of 31/12/2022	**37,767**	**1,925,545**	**1,963,312**	**175,223**	**175,223**	**2,138,535**
Opening balance adjustments	0	0	0	0	0	0
Cost as of 01/01/2023	**37,767**	**1,925,545**	**1,963,312**	**175,223**	**175,223**	**2,138,535**
Direct increase (+)	0	284,328	284,328	0	0	284,328
Decreases (-)	0	539,698	539,698	14,400	14,400	554,098
Other decreases (-)	10,739	0	10,739	0	0	10,739
Exchange rate differences	-148	298	150	0	0	150
Cost as of 31/12/2023	**26,881**	**1,670,474**	**1,697,354**	**160,823**	**160,823**	**1,858,177**
Value adjustment as of 31/12/2022	**28,503**	**1,134,221**	**1,162,724**	**136,954**	**136,954**	**1,299,678**
Opening balance adjustments	0	0	0	0	0	0
Value adjustment as of 01/01/2023	**28,503**	**1,134,221**	**1,162,724**	**136,954**	**136,954**	**1,299,678**
Depreciation (+)	8,561	407,366	415,927	12,595	12,595	428,523
Decreases (-)	0	539,132	539,132	5,520	5,520	544,652
Other decreases (-)	10,739	0	10,739	0	0	10,739
Exchange rate differences (+/-)	-97	167	70	0	0	70
Value adjustment as of 31/12/2023	**26,229**	**1,002,622**	**1,028,851**	**144,029**	**144,029**	**1,172,880**
Carrying amount as of 31/12/2023	**652**	**667,851**	**668,503**	**16,794**	**16,794**	**685,297**
Carrying amount as of 31/12/2022	**9,264**	**791,324**	**800,588**	**38,269**	**38,269**	**838,857**

Table 77: Trend in right to use assets in the first half of 2022 in EUR

	Assets under lease – immovable property – operating lease – other companies	Assets under lease – equipment – operating lease – other companies	Total assets under lease – operating lease	Assets under lease for equipment – financial lease – other companies	Total assets under lease – equipment – financial lease	Total assets under lease
Cost as of 31/12/2021	**37,798**	**1,823,937**	**1,861,735**	**175,223**	**175,223**	**2,036,958**
Opening balance adjustments	0	0	0	0	0	0
Cost as of 01/01/2022	**37,798**	**1,823,937**	**1,861,735**	**175,223**	**175,223**	**2,036,958**
Direct increase (+)	0	388,251	388,251	0	0	388,251
Decreases (-)	0	242,071	242,071	0	0	242,071
Other decreases (-)	665	41,454	42,119	0	0	42,119
Exchange rate differences	634	-3,118	-2,484	0	0	-2,484
Cost as of 31/12/2022	**37,767**	**1,925,545**	**1,963,312**	**175,223**	**175,223**	**2,138,535**
Value adjustment as of 31/12/2021	**18,144**	**959,354**	**977,498**	**122,679**	**122,679**	**1,100,177**
Opening balance adjustments	0	0	0	0	0	0
Value adjustment as of 01/01/2022	**18,144**	**959,354**	**977,498**	**122,679**	**122,679**	**1,100,177**
Depreciation (+)	10,328	452,072	462,400	14,274	14,274	476,674
Decreases (-)	0	241,590	241,590	0	0	241,590
Other decreases (-)	0	34,285	34,285	0	0	34,285
Exchange rate differences (+/-)	31	-1,330	-1,299	1	1	-1,298
Value adjustment as of 31/12/2022	**28,503**	**1,134,221**	**1,162,724**	**136,954**	**136,954**	**1,299,678**
	0	**0**	**0**	**0**	**0**	**0**
Carrying amount as of 31/12/2022	**9,264**	**791,324**	**800,588**	**38,269**	**38,269**	**838,857**
Carrying amount as of 31/12/2021	**19,654**	**864,583**	**884,237**	**52,544**	**52,544**	**936,781**

In transitioning to the new IFRS 16 – Lease standard, the Impol Group adopted the decision in 2019 to consistently select – for all leases – the option of retroactively applying the standard with cumulative effect of starting to apply the standard and measuring the asset in the amount that is equal to the calculated lease liability. A 3.00% annual interest rate was applied for calculating the current value of liabilities from leases for all leases. The right to use the asset is amortised and interests are attributed to liabilities. A more detailed presentation of the change is disclosed as part of the 2019 annual report.

9. Investment property

In the period under observation the investment property only includes buildings and associated land held to earn rentals.

Table 78: **Trend in investment property in 2023 in EUR**

Description	Buildings	TOTAL
Cost as of 31/12/2022	**5,252,337**	**5,252,337**
Opening balance adjustments	0	0
Cost as of 01/01/2023	**5,252,337**	**5,252,337**
Cost as of 31/12/2023	**5,252,337**	**5,252,337**
Value adjustment as of 31/12/2022	**3,843,887**	**3,843,887**
Opening balance adjustments	0	0
Value adjustment as of 01/01/2023	**3,843,887**	**3,843,887**
Depreciation (+)	111,659	111,659
Value adjustment as of 31/12/2023	**3,955,546**	**3,955,546**
Carrying amount as of 31/12/2023	**1,296,790**	**1,296,791**
Carrying amount as of 31/12/2022	**1,408,450**	**1,408,450**

In 2023, the Group generated income with investment property in the amount of EUR 255,785 (EUR 252,610 in 2022). Connected depreciation costs in 2023 were EUR 111,659 (EUR 111.659 in 2022).

Table 79: **Investment property in 2022 in EUR**

Description	Buildings	TOTAL
Cost as of 31/12/2021	**5,488,285**	**5,488,285**
Opening balance adjustments	0	0
Cost as of 01/01/2022	**5,488,285**	**5,488,285**
Decreases (-)	167,141	167,141
Transfer between tangible fixed assets (-)	68,808	68,808
Cost as of 31/12/2022	**5,252,337**	**5,252,337**
Value adjustment as of 31/12/2021	**3,966,505**	**3,966,505**
Opening balance adjustments	0	0
Value adjustment as of 01/01/2022	**3,966,505**	**3,966,505**
Depreciation (+)	111,659	111,659
Decreases (-)	165,469	165,469
Transfer between tangible fixed assets (-)	68,808	68,808
Value adjustment as of 31/12/2022	**3,843,887**	**3,843,887**
Carrying amount as of 31/12/2022	**1,408,450**	**1,408,450**
Carrying amount as of 31/12/2021	**1,521,780**	**1,521,781**

The Impol Group estimates that the carrying amount of investment property qualifies as fair value. The carrying amount of investment property pledged as security for settlement of liabilities amounts to EUR 1,220,341 as of 31/12/2023.

Impol, d. o. o. owns the pledged investment property.

10. Long-term financial investments

Table 80: Long-term financial investments in EUR

	Cost/amortised cost of long-term financial investments as of 31/12/2023	Of which long-term financial investments in companies:		Value adjustment as of 31/12/2023			Carrying amount	
		Associated companies	Other companies	Total value adjustment as of (-) 31/12/2023	- of which to associated companies	- of which to other companies	31/12/2023	31/12/2022
		+	+	-	-	-		
Long-term financial investments (+)	1,553,155	874,978	678,177	170,355	34,648	135,707	1,382,801	1,244,307
Total long-term investments	**1,553,155**	**874,978**	**678,177**	**170,355**	**34,648**	**135,707**	**1,382,801**	**1,244,307**
Investments in shares and participating interest	1,189,012	874,978	314,034	34,648	34,648	0	1,154,364	1,017,755
TOTAL long-term financial investments except for loans	**1,189,012**	**874,978**	**314,034**	**34,648**	**34,648**	**0**	**1,154,364**	**1,017,755**
Long-term loans granted	258,627	0	258,627	135,707	0	135,707	122,919	133,380
Other long-term funds invested	105,517	0	105,517	0	0	0	105,517	93,172
TOTAL long-term loans	**364,144**	**0**	**364,144**	**135,707**	**0**	**135,707**	**228,436**	**226,552**
Total long-term investments	**1,553,155**	**874,978**	**678,177**	**170,355**	**34,648**	**135,707**	**1,382,801**	**1,244,307**

LTFI: Long-term financial investments

Long-term financial investments as of 31/12/2023 were not pledged as security for liabilities.

Trend in long-term financial investments excluding loans

Table 81: Trend in long-term financial investments excluding loans in EUR

	Cost as of 01/01/2023	Change due to the use of the equity method	Exchange rate differences	Cost as of 31/12/2023	Value adjustment as of 01/01/2023	Value adjustment as of 31/12/2023	Carrying amount as of 31/12/2023	Carrying amount as of 01/01/2023
Shares and participating interests in subsidiaries	733,837	141,149	-7	874,978	34,648	34,648	840,330	699,189
Other shares and participating interests	318,566	0	-4,532	314,034	0	0	314,034	318,566
TOTAL investment in shares and stocks	**1,052,403**	**141,149**	**-4,539**	**1,189,012**	**34,648**	**34,648**	**1,154,364**	**1,017,755**

Investments in shares of associated companies

Table 82: Investments in associated companies in EUR

Associated company	Participating interests of the Group in capital	Investment as of 31/12/2023 - equity method	Value adjustment as of 31/12/2023	Carrying amount of the investment as of 31/12/2023	Carrying amount of the investment as of 31/12/2022
		+	-	=	
Simfin, d. o. o., Slovenia	49.51%	837,764	0	837,764	692,107
Slobodna carinska cona, d. o. o., Serbia	33.33%	2,566	0	2,566	7,081
Impol Brazil Aluminium LTDA, Brazil	50.00%	34,648	34,648	0	0
TOTAL:		**874,978**	**34,648**	**840,330**	**699,188**

Trend in long-term financial investments – loans

Table 83: Trend in long-term financial investments – loans in EUR

	Amortised cost as of 01/01/2023	New loans	Refunds (-)	Exchange rate differences (+/-)	Amortised cost as of 31/12/2023	Value adjust-ment as of (-) 01/01/2023	Value adjustment as of 31/12/2023	Carrying amount as of 31/12/2023	Carrying amount as of 01/01/2023
Long-term loans to others	269,087	0	10,114	-346	258,627	135,707	135,707	122,919	133,380
Other long-term funds invested to other companies	93,172	15,015	2,671	0	105,517	0	0	105,517	93,172
TOTAL:	**362,259**	**15,015**	**12,785**	**-346**	**364,144**	**135,707**	**135,707**	**228,436**	**226,552**

Long-term loans as of 31/12/2023 refer to loans given to employees and others in the Seval Group in Serbia, in the amount of EUR 122,919. The loans granted are not secured. For loans granted in the amount of EUR 135,707, a 100% value correction due to impairment is created.

11. Non-current assets (disposal groups) available for sale

Table 84: Trend in non-current assets (disposal groups) available for sale in EUR

	Equipment and other elements	Total
Carrying amount as of 31/12/2022	**39,171**	**39,171**
Opening balance adjustment (+/-)	0	0
Carrying amount as of 01/01/2023	**39,171**	**39,171**
Sales (-)	39,171	39,171
Carrying amount as of 31/12/2023	**0**	**0**

In 2023, the Group realised the sale of the Blaw Knox hot rolling mill, which it decommissioned in 2019 and identified as an asset for sale. With sales activities at a standstill as a result of the pandemic in the period from 2020 to 2022, the Group carried out sales in 2023 and achieved a profit or revaluation operating revenues in the total amount of EUR 217,681.

12. Inventories

Table 85: Inventories in EUR

	Cost as of 31/12/2023	Carrying amount as of 31/12/2023	Carrying amount as of 31/12/2022
Raw material and material	181,099,966	181,099,966	214,036,396
Work in progress and services	27,670,662	27,670,662	25,903,797
Products	22,210,217	22,210,217	17,739,209
Merchandise	4,131,712	4,131,712	3,585,241
Advances for inventories to companies in the Group	0	0	0
Advances for inventories to others	87,527	87,527	233,562
TOTAL	**235,200,083**	**235,200,083**	**261,498,204**

On 31/12/2023, inventories were not pledged as security for liabilities.

On 31/12/2023, the Group inspected the value of merchandise inventories and determined that the net realisable value of inventories exceeds the carrying amount, therefore no impairment of inventories was recorded on 31/12/2023. At the end of 2023, inventories decreased in value compared to 31/12/2022 by EUR 26 million.

Received goods and material to be processed are recorded as foreign goods and only their quantity is monitored. At the end of 2023, the Group's inventories of goods given on consignment amounted to EUR 1,651,504.

Inventory surpluses and deficits

Table 86: Inventory surpluses and deficits in EUR

	Total	Surpluses	Deficits (-)
Raw material and material	1,305	1,305	0
Work in progress and services	0	0	0
Products	0	0	0
Merchandise	2,250	2,873	-623

13. Short-term financial investments

Table 87: Short-term financial investments in EUR

	Cost/amortised cost/fair value of short-term financial investments as of 31/12/2023	Of which STFI in: Other companies	Value adjustment due to impairment	Carrying amount as of 31/12/2023	Carrying amount as of 31/12/2022
	=	+	-	=	
Short-term financial investments (+)	327,481	327,481	254,482	72,999	1,214,822
Short-term part of long-term financial investments (+)	0	0	0	0	0
TOTAL:	**327,481**	**327,481**	**254,482**	**72,999**	**1,214,822**
Fair value of forwards from the purchase/sale of aluminium and fair value of financial derivatives - interest rate swaps	15,270	15,270	0	15,270	1,162,112
TOTAL short-term financial investments excluding loans:	**15,270**	**15,270**	**0**	**15,270**	**1,162,112**
Short-term loans granted (including bonds)	312,210	312,210	254,482	57,728	52,709
TOTAL short-term loans granted:	**312,210**	**312,210**	**254,482**	**57,728**	**52,709**
Short-term unpaid called-up capital	0	0	0	0	0
TOTAL:	**327,481**	**327,481**	**254,482**	**72,999**	**1,214,822**

Table 88: Trend in short-term financial investments excluding loans in EUR

	Fair value 01/01/2023	Sales (-)	Fair value 31/12/2023	Carrying amount as of 31/12/2023	Carrying amount 01/01/2023
Fair value of forwards from the purchase/sale of aluminium	1,014,999	1,014,999	0	0	1,014,999
Interest rate swaps (IRS)	147,113	131,843	15,270	15,270	147,113
TOTAL	**1,162,112**	**1,146,842**	**15,270**	**15,270**	**1,162,112**

Short-term financial investments, excluding loans, in the total amount of EUR 15,270 represent the effect of measuring interest rate swaps as of 31 December 2023. The effect of the measurement of interest rate swaps at fair value in the total amount of EUR -131,843 for 2023 is shown in the framework of other comprehensive income. The hedges of interest rate swaps, which refer to the hedged items in the statement of financial position, are shown within capital as a reserve for fair value. The Group defines the said hedging as successful in its entirety.
The fair value of forwards from the purchase/sale of aluminium is shown as part of short-term financial investments on 31/12/2023 in the amount of EUR 0, as the fair value of forwards on 31/12/2023 is negative (EUR -171,510) and as a result shown among short-term financial liabilities.

Table 89: **Trend in short-term financial investments – loans in EUR**

	Amortised cost (+) as of 01/01/2023	New loans (+)	Refunds (-)	Exchange rate differences (+/-)	Amortised cost as of 31/12/2023	Value adjust-ment as of (-) 01/01/2023	Adjustment reduction due to impairment reversal (+)	Value adjust-ment as of (-) 31/12/2023	Carrying amount as of 31/12/2023	Carrying amount as of 01/01/2023
Short-term loans to others	320,233	94,580	102,552	-50	312,211	267,523	13,040	254,483	57,728	52,709
Total short-term financial investments - loans	**320,233**	**94,580**	**102,552**	**-50**	**312,211**	**267,523**	**13,040**	**254,483**	**57,728**	**52,709**

The majority of the carrying amount of short-term investments granted (EUR 57,728) refers to loans granted to employees of the Impol Group, whereas for loans granted to companies in the past years (EUR 254,483) a value adjustment due to impairment was fully formed. The correction was partly written off during the year due to payment from the bankruptcy estate (EUR 13,040).

Short-term financial investments were not pledged as security for liabilities.

14. Short-term operating receivables

Carrying amounts of all trade receivables and other receivables in significant amounts correspond to their fair value.

Table 90: **Short-term operating receivables in EUR**

	Short-term operating receivables	Short-term operating receivables from companies: Associated companies	Short-term operating receivables from companies: Other	Value adjustment due to impairment*	Value adjustment of short-term operating receivables to other companies	31/12/2023	31/12/2022
	=	+	+	-	-	=	
Short-term operating receivables from customers	97,967,906	7,292	97,960,614	3,450,677	3,450,677	94,517,229	115,181,056
• of which already matured on 31/12/2023	20,351,105	0	20,351,105	0	0	20,351,105	21,458,200
Short-term advances and securities granted	373,718	0	373,718	0	0	373,718	278,660
Short-term receivables related to financial revenues	108,442	0	108,442	76,412	76,412	32,030	54,783
Short-term receivables from state institutions**	11,344,303	0	11,344,303	0	0	11,344,303	6,923,755
Other short-term operating receivables	553,334	12	553,322	0	0	553,334	694,540
TOTAL	**110,347,703**	**7,304**	**110,340,399**	**3,527,090**	**3,527,090**	**106,820,614**	**123,132,794**

Short-term operating receivables from customer receivables in EUR by markets:	
• on the domestic market	7,363,735
• on the foreign market	87,153,494
TOTAL	**94,517,229**

Trend in value adjustment of current operating receivables due to impairment

Table 91: **Trend in value adjustment of short-term operating receivables due to the impairment in EUR**

	2023	Of which value adjustment for short-term receivables from other companies	2022
Balance as of 01/01/2023	**5,906,278**	**5,906,278**	**8,037,988**
Exchange rate differences (+/-)	99,506	99,506	-181,069
Decrease in value due to settlement of receivables (-)	375,356	375,356	539,945
Decrease in value due to write-offs of receivables (-)	2,243,166	2,243,166	-1,429,723
Value adjustments due to the impairment (+)	139,829	139,829	19,026
Transfers of formed adjustments of companies in the group upon acquisition	0	0	0
Balance as of 31/12/2023	**3,527,090**	**3,527,090**	**5,906,278**

Table 92: **Analysis of outstanding trade receivables in EUR**

	31/12/2023	31/12/2022
Matured in 2023	16,960,431	0
Matured in 2022	63,417	15,624,142
Matured in 2021	719,277	1,074,000
Matured in 2020	13,782	14,578
Matured in 2019 or before	2,594,197	4,745,479
TOTAL receivables from customers already due	**20,351,105**	**21,458,200**

** The majority of claims to the state institutions refer to receivables for deduction of value added tax in the tax jurisdictions of the Republic of Slovenia, the Republic of Croatia and the Republic of Serbia. Within the item receivables from the state, on 31/12/2023, the Impol Group reports, among other things, receivables from profit tax for EUR 5,090,848, of which EUR 3,311,857 refers to receivables from profit tax in the Republic of Slovenia and EUR 1,778,991 to receivables from the title of profit tax in the Republic of Serbia.

15. Cash and other short-term assets

Table 93: **Monetary assets in EUR**

	31/12/2023	31/12/2022
Monetary assets in hand and immediately cashable securities	2,213,009	3,205,356
Cash in banks and other financial institutions	101,275,739	68,120,542
Monetary assets	**103,488,748**	**71,325,898**

The Group has no cash deposits of under three months. Daily deposits are included under Cash in banks.

Among other short-term assets, the Group recognises short-term deferred costs, short-term accrued revenues and VAT on advances received.

Table 94: **Other short-term assets in EUR**

	31/12/2023	31/12/2022
Short-term deferred costs or expenses	948,289	1,158,092
Short-term deferred income	1,173,461	656,921
VAT from advances received	69,206	45,822
Other short-term assets	**2,190,956**	**1,860,834**

Short-term deferred costs or expenses mainly refer to the costs of property insurance, professional literature, IT maintenance, licenses, membership fees and the like.

Short-term accrued revenues in the amount of EUR 1,173,461 refer to accrued revenues for the co-financing of costs within the framework of the following projects:

In connection with the INDIGO project, for which the companies in the Impol Group (Impol 2000, d. d., Impol LLT, d. o. o., Alcad, d. o. o., and Kadring, d. o. o.) according to the balance as of 31/12/2023 have not yet submitted claims to the line ministry in the amount of EUR 205,572, it is a matter of co-financing the costs of public of the tender "Digital transformation of the economy" by the Ministry of Economic Development and Technology - the INDIGO project. The total amount of approved funds in the framework of the mentioned project, to which the companies in the Group are entitled, amounts to EUR 876,378. In 2022, companies have already issued claims in the total amount of EUR 252,439, and in 2023 for EUR 418,367.

In 2023, the Impol, d. o. o., as a leading consortium partner, signed a consortium agreement with the Ministry of Economic Development and Technology for the implementation of the GREEN_AL_PRO project (as part of the public call for Grants for research and development projects as part of Recovery and resilience plans). The project will last until the end of 2024, it also involves Impol PCP, d. o. o. and Impol LLT, d. o. o. In this regard, the Group will receive state aid in the estimated amount of EUR 299,260, of which EUR 76,194 of state aid has already been drawn in 2023 to cover co-financed costs. According to the balance on 31 December 2023, the balance of unissued claims remains in the amount of EUR 223,066.

Also, in 2023, the new "Green foil" project was launched, which is also co-financed by the Ministry of Economic Development and Technology. The total amount of approved funds within the mentioned project, in which the companies Impol 2000, d. d., and Impol FT, d. o. o. participate, amounts to EUR 267,121. In 2023, the two companies have already issued claims in the total amount of EUR 65,898. According to the balance on 31 December 2023, the balance of unissued claims remains in the amount of EUR 201,223.

Kadring, d. o. o. started implementing two projects - "Digital Competences", financed by the Ministry of Digital Transformation, and "Basic Competences", financed by the Ministry of Education. As part of the first mentioned project, the Group will receive state aid in the estimated amount of EUR 935,550, of which EUR 658,350 of state aid has already been drawn in 2023 to cover co-financed costs. According to the balance on 31 December 2023, the balance of unissued claims remains in the amount of EUR 277,200. The Group will receive state aid in the estimated amount of EUR 266,400 from the second mentioned project. The project has not yet been used or claims have not yet been issued, it will probably last until 2029.

16. Capital

Table 95: Capital in EUR

	31/12/2023	31/12/2022
Capital	**390,005,338**	**357,477,591**
Capital of non-controlling share	24,201,273	25,483,342
Called-up capital	4,451,540	4,451,540
Share capital	4,451,540	4,451,540
Capital reserves	10,751,254	10,751,254
Revenue reserves	7,958,351	7,958,351
Legal reserves	0	0
Reserves for own shares and own business shares	506,406	506,406
Own shares and own business shares (as a deductible item)	-506,406	-506,406
Statutory reserves	2,225,770	2,225,770
Other revenue reserves	5,732,581	5,732,581
Revaluation reserves	0	0
Reserves resulting from valuation at fair value	-909,144	-506,816
Capital revaluation adjustment	249,208	650,881
Retained net profit or loss	298,744,421	228,708,564
Net profit or loss for the financial year	44,558,435	79,980,475

Non-controlling share

The capital of the non-controlling interest refers to the minority shares held by the owners in the company Impol Aluminium Corp., USA, namely in the amount of 10 percent of the ownership share of the capital of the said company, and to the minority shares held by the owners in the company Impol Seval, a. d., Serbia, and its subsidiaries, in the amount of 30% of the ownership share in the capital of the said company.

Share capital

The share capital of Impol 2000, d. d. equals EUR 4,451,540 and is divided into 1,066,767 ordinary registered no-par value shares.

Reserves

The Group's reserves include capital reserves, reserves from profit and the reserves resulting from valuation at fair value and the revaluation adjustment of capital. None of these reserves can be used to pay dividends or other participating interests.

Capital reserves

Capital reserves as of 31/12/2023 amount to EUR 10,751,254. Capital reserves include paid-in capital surplus in the amount of EUR 9,586,803 and the general revaluation adjustment of capital in the amount of EUR 1,164,451.

Revenue reserves

Revenue reserves, which as of 31/12/2023 amount to EUR 7,958,351, which include own shares (as deduction) and the corresponding reserves for own shares, statutory reserves and other revenue reserves.

As of 31/12/2023, the Impol Group owned 82,108 own shares in the total amount of EUR 506,406 (as deduction of capital). These are shares of the controlling company Impol 2000, d. d. owned by the following companies in the Group: Impol-Montal, d. o. o. (80,482 shares) and Kadring, d. o. o. (1.626 shares). Reserves for own shares are disclosed in the same amount under Reserves from profit.

Table 96: Repurchased own shares in EUR

	Balance as of 01/01/2023			Balance as of 31/12/2023		
	Number	Percent	Value	Number	Percent	Value
Own shares acquired	82,108	7.70%	506,406	82,108	7.70%	506,406
TOTAL		7.70%	**506,406**		7.70%	**506,406**

Capital revaluation adjustment

The capital revaluation adjustment as of 31/12/2023 amounts to EUR 249,208 EUR and decreased by EUR 401,673 in 2023, which corresponds to an increased due to currency differences that occurred when including financial reports of foreign subsidiaries into consolidated financial statements. On 1 January 2023, the subsidiary company Impol-TLM, d. o. o., upon Croatia's entry into the euro zone, switched from HRK to EUR, resulting in exchange rate differences that are also included in the aforementioned item.

Reserves resulting from valuation at fair value

Reserves from fair value measurement contain the balance of changes in the value of effective cash flow protection (interest rate swaps) in the amount of EUR 15,271, accumulated actuarial losses from accrued severance payments upon retirement in the total amount of -921,056 EUR, and a adjustment of the value of reserves resulting from valuation at fair value for deferred tax liabilities in the amount of EUR -3,359 (due to the negative amount of the correction, these are effectively deferred tax liabilities, but the latter are offset by deferred tax receivables in the statement of financial position), as can be seen from the table.

Table 97: Reserves from fair value measurement in EUR

	Balance as of 01/01/2023	Formation	Reversal	Balance as of 31/12/2023
	+/-	+/-	+/-	=
Reserves resulting from valuation of long-term financial investments at fair value	147,113	-131,843	0	15,271
Actuarial gains/losses, recognised under provisions for retirement benefits	-625,978	-393,105	98,028	-921,056
Adjustment of reserves resulting from valuation of financial investments at fair value for deferred tax liabilities	-27,951	0	24,592	-3,359
TOTAL	**-506,816**	**-524,948**	**122,620**	**-909,144**
Of which reserves resulting from valuation at fair value belonging to non-controlling share	0	0	0	0
Reserves resulting from valuation at fair value belonging to owners of the controlling company	-506,816	-524,948	122,620	-909,144

Disbursement of dividends

In 2023, based on the resolution of the general meeting of shareholders, the controlling company Impol 2000, d. d. paid dividends in the gross amount of EUR 10.00 per share or a total of EUR 10,667,670. Since the receivers of dividends are also the companies Impol-Montal, d. o. o. that owns 80.482 shares of Impol 2000, d. d. and Kadring, d. o. o. that owns 1,626 shares of Impol 2000, d. d., the actual payment of dividends outside the group was EUR 9,846,590, while Impol-Montal, d. o. o. received dividends in the amount of EUR 804,820 and Kadring, d. o. o. in the amount of EUR 16,260.

17. Provisions and long-term accrued costs and deferred revenues

Table 98: **Provisions and long-term accrued expenses and deferred revenues in EUR**

	Provisions for long-service bonuses	Provisions for severance pays upon retirement	Provisions for retirement, long-service bonuses and severance pays upon retirement	Other provisions due to long-term accrued costs	Received government grants	Other long-term deferred costs and accrued revenues	TOTAL
Balance as of 31/12/2022	**1,066,894**	**2,744,445**	**3,811,339**	**3,322**	**1,027,516**	**21,938**	**4,864,116**
Opening balance adjustments	0	0	0	0	0	0	0
Balance as of 01/01/2023	**1,066,894**	**2,744,445**	**3,811,339**	**3,322**	**1,027,516**	**21,938**	**4,864,116**
Formation (+)	390,887	683,013	1,073,900	0	2,162,827	0	3,236,727
Other increase (+)	0	0	0	0	56	25,343	25,399
Entry of provisions of companies in the Group upon acquisition	0	0	0	0	0	0	0
Utilisation (-)	96,252	172,437	268,689	750	2,103,487	0	2,372,926
Reversal (–)	35,488	128,437	163,925	0	177	21,354	185,456
Other decreases (-)	0	0	0	0	0	0	0
Exchange rate differences	-211	-460	-671	0	0	0	-671
Balance as of 31/12/2023	**1,325,830**	**3,126,125**	**4,451,955**	**2,573**	**1,086,735**	**25,927**	**5,567,190**

It is estimated that no provisions, other than the above stated, need to be formed. The provisions refer to the business entities outside the Group. Provisions for post-employment and other long-term benefits of the employees are created in the amount of the estimated future payments of jubilee and retirement benefits, discounted to the end of the reporting period. Labour costs and interest expenses are recognised in profit or loss, while the conversion of post-employment benefits and/or unrealised actuarial gains and losses are recognised in other comprehensive income as capital.

The calculation of provisions for jubilee and retirement benefits is based on the following conditions:

- Discount rate based on information on the return of long-term government bonds of the Republic of Slovenia. Croatia or Republic of Serbia;
- Currently valid amounts of jubilee and retirement benefits from internal rules;
- Employee turnover mostly depending on their age;
- Mortality based on last available mortality tables of the local population.

Other provisions due to long-term accrued costs in the amount of EUR 1,327 refer to provisions due to claims in Croatia, and in the amount of EUR 1,246 to the formation of a risk fund for purposed of running a student employment agency (Kadring, d. o. o.).

Among received state aid after the balance on 31/12/2023, are stated assets from disposed of contributions of disabled persons and subsidies for improving the working conditions for disabled persons in the total amount of EUR 365,948, and free received emission allowances in the total amount of EUR 3,462, and assets from projects in the amount of EUR 717,326. The projects are described in the cash and short-term deferred costs and accrued revenues section. The total estimated state aid for all projects amounts to EUR 2,644,387, of which EUR 1,632,159 was formed in 2023. EUR 294,902 of state aid has already been drawn to cover co-financed costs in 2022, and EUR 1,632,159 in 2023.

The trend in received government grants in 2023 is presented below.

Table 99: **Received government grants in EUR**

	Disposed of contributions	Assets from disposed of contributions for covering depreciation costs	Calculated interest from unused contributions	Emission allowances obtained free of charge from the state	State support from the Indigo project, Green foil, Green_Al_Pro, Digital competences and Fundamental competences	TOTAL received government grants
Balance as of 31/12/2022	**103,090**	**342,773**	**177**	**0**	**581,476**	**1,027,516**
Opening balance adjustments	0	0	0	0	0	0
Balance as of 01/01/2023	**103,090**	**342,773**	**177**	**0**	**581,476**	**1,027,516**
Formation – disposed of contributions (+)	350,339	0	0	0	0	350,339
Formation – subsidies (+)	19,663	0	0	0	0	19,663
Formation – projects	0	0	0	0	1,768,009	1,768,009
Other increase (+)	0	0	56	24,816	0	24,872
Utilisation (75% of pays of disabled persons) (-)	391,809	0	0	0	0	391,809
Utilisation (acquisition of fixed assets from disposed of contributions) (+/-)	-24,613	24,613	0	0	0	0
Utilisation (covering depreciation costs and residual value at disposal) (-)	0	58,165	0	0	0	58,165
Utilisation (covering incurred costs) - projects (-)	0	0	0	0	1,632,159	1,632,159
Utilisation of emission allowances (-)	0	0	0	21,354	0	21,354
Annulment of interest from previous years (-)	0	0	177	0	0	177
Balance as of 31/12/2023	**56,671**	**309,221**	**56**	**3,462**	**717,326**	**1,086,735**

18. Long-term financial and operating liabilities

Table 100: **Long-term financial and operating liabilities in EUR**

	Total debt as of 31/12/2023	The part falling due in 2024	31/12/2023	31/12/2022
	+	-	=	
Long-term financial liabilities regarding bonds	0	0	0	0
Long-term financial liabilities to banks	175,721,380	65,385,502	110,335,878	116,453,936
Long-term financial liabilities (excluding liabilities from leases)	1,104,481	1,072,082	32,399	1,104,481
Long-term financial liabilities from leases – operating lease – other companies	687,610	331,535	356,075	434,340
Long-term business liabilities to suppliers – other companies	53,999	53,999	0	53,999
Other long-term operating liabilities	373,776	0	373,776	365,798
TOTAL long-term financial and operating liabilities	**177,941,246**	**66,843,118**	**111,098,128**	**118,412,555**
Long-term financial liabilities	177,513,472	66,789,119	110,724,352	117,992,758
Long-term operating liabilities	427,774	53,999	373,776	419,797
TOTAL long-term financial and operating liabilities	**177,941,246**	**66,843,118**	**111,098,128**	**118,412,555**

Table 101: Trend in long-term financial liabilities - without liabilities from leases in EUR

	Debt as of 01/01/2023	New loans	Repayment in the current year (-)	Exchange rate differences (+/-)	Debt as of 31/12/2023	Part of long-term debt falling due next year (-)	Long-term debt balance on 31/12/2023	Debt as of 31/12/2022
Long-term financial liabilities to banks	116,453,936	64,991,530	5,695,520	-28,567	175,721,380	65,385,502	110,335,878	116,453,936
Long-term financial liabilities to others (without liabilities from leases)	1,104,481	0	0	0	1,104,481	1,072,082	32,399	1,104,481
TOTAL long-term financial liabilities	**117,558,418**	**64,991,530**	**5,695,520**	**-28,567**	**176,825,861**	**66,457,584**	**110,368,277**	**117,558,418**

Interest rates and insurance of long-term financial liabilities

The range of the interest rate for long-term received loans in 2023 was from 1.99% fixed to a six-month EURIBOR +2.00% (depending on the field, maturity, insurance and credit institutions range).

Long-term financial liabilities are insured with mortgages, business share, and bills of exchange.

Liabilities from leases

Table 102: Trend in long-term financial liabilities from leases in EUR

	Debt as of 01/01/2023	New leases	Termination of the lease in current year (-) / Repayments in the current year (-)	Exchange rate differences (+/-)	Debt as of 31/12/2023	Part of long-term debt falling due next year (-)	Long-term debt balance on 31/12/2023
Long-term financial liabilities from leases – operating lease – other companies	434,340	284,328	-31,127	70	687,611	331,535	356,075
TOTAL	**434,340**	**284,328**	**-31,127**	**70**	**687,611**	**331,535**	**356,075**

A 3% interest rate is applied for calculating liabilities from leases for all leases.

Future minimum lease payments and their present values in connection with liabilities from leases are as shown in the table below.

Table 103: **Future minimum lease payments and their present value in EUR**

	Future minimum lease payments	Present net value of future lease payments
Up to 1 year	347,936	331,535
1 to 5 years	368,754	356,075
Total:	**716,690**	**687,610**

Table 104: **Maturity of long-term financial and operating liabilities in EUR**

	31/12/2023	31/12/2022
Matured in 2024	X	54,783,013
Matured in 2025	44,324,695	30,762,159
Matured in 2026	31,710,245	18,642,574
Matured in 2027	19,685,422	8,382,423
Matured in 2028	9,989,393	5,842,385
Due in 2029 or later	5,388,372	X
Total long-term financial and operating liabilities	**111,098,128**	**118,412,555**

19. Short-term liabilities

Table 105: Short-term liabilities in EUR

A. Short-term financial and operating liabilities	31/12/2023	31/12/2022
Short-term operating liabilities to suppliers on the domestic market to associated companies	428,862	269,040
Short-term operating liabilities to suppliers on the domestic market to other companies	27,028,218	23,251,380
Short-term pat of long-term operating liabilities to suppliers on the domestic market to other companies	43,127	127,188
Short-term operating liabilities to suppliers on the foreign market to other companies	46,434,544	35,462,636
Short-term operating liabilities based on advances to other companies	4,235,413	5,090,272
Other short-term operating liabilities to associated companies	2,099	1,195
Other short-term operating liabilities to others	17,587,761	26,872,624
TOTAL short-term operating liabilities	**95,760,024**	**91,074,335**
Short-term portion of long-term financial liabilities to banks	66,302,866	74,960,443
Short-term part of long-term financial liabilities (excluding liabilities from lease) – other companies	1,071,851	2,143,788
Short-term part of long-term financial liabilities from leases – financial lease – other companies	0	12,284
Short-term part of long-term financial liabilities from leases – operating lease – other companies	332,026	390,522
Short-term financial liabilities (other than lease liabilities) – associated companies	500,000	500,000
Short-term financial liabilities to banks	3,300,000	33,300,000
Short-term financial liabilities (other than lease liabilities) – other companies	2,999,766	2,870,000
Short-term financial liabilities from the distribution of profit	28,782	21,748
TOTAL short-term financial liabilities	**74,535,290**	**114,198,786**
TOTAL short-term financial and operating liabilities	**170,295,314**	**205,273,121**

B. Short-term financial and operating liabilities	31/12/2023	31/12/2022
Short-term financial liabilities	6,828,547	36,691,748
Short-term part of long-term financial liabilities	67,706,743	77,507,038
Total short-term financial liabilities	**74,535,290**	**114,198,786**
Short-term operating liabilities	95,716,897	90,947,146
Short-term part of long-term operating liabilities	43,127	127,188
Total short-term operating liabilities	**95,760,024**	**91,074,335**
Total short-term financial and operating liabilities	**170,295,314**	**205,273,121**

C. Short-term operating liabilities	31/12/2023	31/12/2022
Short-term operating liabilities to suppliers – associated companies	428,862	269,040
Short-term operating liabilities to suppliers – other companies	73,462,762	58,714,015
Short-term pat of long-term operating liabilities to suppliers – other companies	43,127	127,188
TOTAL short-term liabilities to suppliers	**73,934,751**	**59,110,243**
· **of which already matured on the financial statement date**	**11,155,443**	**2,490,961**
Short-term operating liabilities for advances	4,235,413	5,090,272
TOTAL short-term liabilities for advances	**4,235,413**	**5,090,272**
Short-term liabilities to employees	11,737,007	15,880,708
Short-term liabilities to government	2,511,552	9,695,411
Short-term liabilities from interest – associated companies	2,099	1,195
Short-term liabilities from interest – other companies	503,056	322,604
Other short-term operating liabilities – associated companies	0	18
Other short-term operating liabilities – other companies	2,836,147	973,883
TOTAL other short-term operating liabilities	**17,589,860**	**26,873,819**
TOTAL SHORT-TERM OPERATING LIABILITIES	**95,760,024**	**91,074,335**

D. Itemisation of short-term operating liabilities from interest	31/12/2023	31/12/2022
Interest related to finance expenses from operating liabilities	2,673	2,724
Interest related to finance expenses from financial liabilities	502,481	321,076
Total:	**505,155**	**323,800**

Table 106: **Trend in short-term financial liabilities in EUR (without liabilities from leases and liabilities relating to the distribution of profit)**

	Debt as of 01/01/2023	New loans in current year (+)	Transfer of the short-term portion of long-term liabilities (+)	Change in fair value (+/-)	Exchange rate differences (+/-)	Repayment in the current year (-)	Short-term debt balance as of 31/12/2023	Short-term debt balance as of 31/12/2022
Short-term portion of long-term financial liabilities to banks	74,960,443	0	65,385,502	0	3,115	74,046,193	66,302,866	74,960,443
Short-term financial liabilities to banks	33,300,000	0	0	0	0	30,000,000	3,300,000	33,300,000
Short-term financial liabilities to associated companies (excluding liabilities from leases)	500,000	500,000	0	0	0	500,000	500,000	500,000
Short-term financial liabilities to other companies (excluding liabilities from leases)	5,013,788	2,840,000	1,072,082	0	0	5,025,764	3,900,106	5,013,788
Fair value of forwards from the purchase/sale of aluminium	0	65,941	0	171,510	0	65,941	171,510	0
TOTAL:	**113,774,231**	**3,405,941**	**66,457,584**	**171,510**	**3,115**	**109,637,898**	**74,174,482**	**113,774,231**

Table 107: **Trend in short-term financial liabilities from leases in EUR**

	Debt as of 01/01/2023	Transfer of the short-term portion of long-term leases	Exchange rate differences (+/-)	Decrease in liabilities/ set-off with rent in the current year (-)	Short-term debt balance as of 31/12/2023
Short-term financial liabilities from lease – operating lease – other companies	390,522	331,535	-68	392,386	332,026
Short-term financial liabilities from lease – financial lease – other companies	12,284	0	0	9,772	0
TOTAL:	**402,807**	**331,535**	**-68**	**402,158**	**332,116**

The interest rate for the short-term loan received from the bank (without taking into account the short-term parts of the long-term loans received) on 31 December 2023 is the three-month EURIBOR + 1.9% remaining short-term loans at the recognised interest rate on the day of the transaction.

Short-term financial liabilities from loans are partly secured with a mortgage and others with equipment, bills of exchange, assignment of receivables and guarantees. Loans received in the amount of EUR 1,066,667 are not insured.

Table 108: **Analysis of outstanding liabilities to suppliers in EUR**

	31/12/2023	31/12/2022
Matured in 2023	10,978,594	X
Matured in 2022	95,683	2,344,620
Matured in 2021	31	3,415
Matured in 2020	1,667	62
Matured in 2019 or before	79,468	142,863
TOTAL outstanding liabilities to suppliers	**11,155,443**	**2,490,961**

Among short-term operating liabilities to the state, as of 31/12/2023, the Impol Group shows, among other things, liabilities from profit tax for EUR 1,017,229. The stated liability amount refers to the following tax jurisdictions:

- Slovenia: EUR 666,007;
- Serbia: EUR 2,945;
- USA: EUR 21,644;
- Hungary: EUR 5,810;
- Croatia: EUR 320,823.

20. Other short-term liabilities

Among other short-term liabilities, the Group shows pre-charged costs or expenses, short-term deferred income and VAT from advances.

Table 109: Other short-term liabilities in EUR

	31/12/2023	31/12/2022
Accrued deferred costs or expenses	4,001,713	3,496,963
Short-term deferred revenues	31,686	53,907
VAT from advances granted	101,277	95,289
TOTAL OTHER SHORT-TERM LIABILITIES	**4,134,676**	**3,646,159**

Pre-calculated costs refer to the calculated amounts of unused annual leaves as of 31/12/2023 in the total amount of EUR 1,886,129, calculated costs for already incurred obligations for 2023 in the total amount of EUR 53,190, calculated costs of employee awards in the amount of 396,422 EUR and other included costs in the amount of EUR 1,665,973 (among the latter, the largest item is the included costs for the concession from the Ražinka water source in Croatia (EUR 922,444).

21. Contingent liabilities

The Impol Group has issued guarantees in the amount EUR 3,338,791, mostly in connection with custom duties upon importation of goods and materials, and liabilities in the amount of EUR 42,364 in connection with recalculated VAT at bankruptcy.

There are pending lawsuits against the Group as a defendant in labour law disputes by employees in the total amount of EUR 95,775 for damages and a commercial lawsuit in the amount of EUR 100,000, which was still pending on 31 December 2023. In the last case, the court of first instance rejected the plaintiff's claim in its entirety, but the plaintiff appealed against the first instance verdict. In this regard, the Group assessed that the claim was not justified, and therefore did not create provisions for these purposes. On 11 January 2024, the Group received the judgement of the court of second instance, which rejected the plaintiff's appeal in its entirety. The case is hereby legally closed. The Group assesses all aforementioned lawsuits as unfounded, therefore it has not created provisions for them in the stated amounts.

22. Financial instruments and financial risks

Regarding the probability of occurrence and relevance, the financial risks of the Impol Group are ranked as high. For this reason attention is given to these risk categories. They are actively monitored and managed by the Finance and Business Administration Department, the Risk Management Department and all other relevant departments in Impol Group companies operating outside Slovenia.

Liquidity risks

When it comes to liquidity risk management, the Impol Group examines whether it is able to settle all current operating liabilities and whether it is generating a sufficiently large cash flow to settle financing liabilities. Floating weekly and monthly scheduling of cash flows allows the Company to determine liquid asset requirements. Potential shortages of cash are covered by bank credit lines, whereas any short-term surpluses are invested in liquid short-term financial investments. Successful business performance facilitates sustainable solvency and capital increase.

Long-term financial liabilities

Table 110: Long-term financial liabilities in EUR

	Total debt as of 31/12/2023	The part falling due in 2024	31/12/2023	31/12/2022
Long-term financial liabilities to banks	175,721,380	65,385,502	110,335,878	116,453,936
Long-term financial liabilities (excluding liabilities from leases)	1,104,481	1,072,082	32,399	1,104,481
Long-term financial liabilities from leases – operating lease – other companies	687,610	331,535	356,075	434,340
TOTAL long-term financial liabilities	**177,513,472**	**66,789,119**	**110,724,352**	**117,992,758**

Maturity of long-term financial liabilities by years

Table 111: Maturity of long-term financial liabilities by years in EUR

	31/12/2023	31/12/2022
Matured in 2024	X	54,729,014
Matured in 2025	44,124,398	30,762,159
Matured in 2026	31,630,197	18,642,574
Matured in 2027	19,638,370	8,382,423
Matured in 2028	9,960,715	5,476,587
Due in 2029 or later	5,388,372	X
Total long-term financial liabilities	**110,742,053**	**117,992,757**

Table 112: Short-term financial and operating liabilities in EUR

	31/12/2023	31/12/2022
Short-term financial liabilities	6,828,547	36,691,748
Short-term part of long-term financial liabilities	67,706,743	77,507,038
Total short-term financial liabilities	**74,535,290**	**114,198,786**
Short-term operating liabilities	95,706,025	90,947,146
Short-term part of long-term operating liabilities	53,999	127,188
Total short-term operating liabilities	**95,760,024**	**91,074,335**
TOTAL SHORT-TERM FINANCIAL AND OPERATING LIABILITIES	**170,295,314**	**205,273,121**

Risk of changes in aluminium prices

The primary objective of the Group is to regulate fluctuations, to try to coordinate purchases and sales and protect possible inconsistencies by concluding derivatives.

In 2023, the activity of forward operations generated the forward balance of EUR 817,634.

Table 113: Forward balance in 2023 in EUR

	2023	2022	2021	2020	2019
Financial revenue from forwards – forward purchases/sales of aluminium	1,095,070	1,468,051	821,924	1,455,157	687,345
Financial expenditure from forwards – forward purchases/sales of aluminium	277,436	818,966	4,448,111	341,445	8,444

The fair value of these financial instruments (aluminium hedging) as of 31/12/2023 amounts to EUR 171,510 and is shown as a short-term financial liability. The impact of potential changes of concluded forwards is neutral, since values in a certain period of time are neutralised on the physical market.

Foreign exchange risk

In 2023, we did not decide to protect foreign exchange risk using implemented financial instruments.

Table 114: Overview of dollar inflows, outflows and open positions at Impol, d. o. o. in USD million

	2023	2022	2021
Inflows	24.6	33.0	38.2
Outflows	22.6	49.9	67.7

Since the Group operates in several countries, the open receivables and liabilities in foreign currencies are distributed by individual countries.

Open short-term operating receivables in foreign currencies as of 31/12/2023 for companies based in Slovenia:

- USD: 7,496,734
- AUD: 90,839

Open short-term operating liabilities in foreign currencies as of 31/12/2023 for companies based in Slovenia:

- USD: 119,636
- HRK: 3,344
- GBP: 17,749

Open short-term operating receivables in foreign currencies as of 31/12/2023 for companies based in Serbia:

- EUR: 9,547,580

Open short-term operating liabilities in foreign currencies as of 31/12/2023 for companies based in Serbia:

- EUR: 4,910,312
- USD: 7,255

Open short-term operating receivables in foreign currencies as of 31/12/2023 for companies based in Croatia:

- EUR: 9,529,644
- GBP: 2,871

Open short-term operating liabilities in foreign currencies as of 31/12/2023 for companies based in Croatia:

- EUR: 2,115,451

Analysis of the sensitivity to currency pairs to which we are exposed in Slovenia

Adverse change of any currency pair by 10% would decrease the operating result by not more than EUR 313,796. The largest change refers to the currency pair EUR/USD, where the impact on the operating results amounted to EUR 312,440 due to an adverse change.

Analysis of the sensitivity to currency pairs to which we are exposed in Serbia

Adverse change of any currency pair by 10% would decrease the operating result by not more than RSD 75,846,173 (which according to the exchange rate of the National Bank of Serbia as of 31/12/2023 amount to EUR 647,297). The largest part refers to the currency pair EUR/RSD, where the impact on the operating results amounted to RSD 75,561,86 due to an adverse change (which according to the exchange rate of the National Bank of Serbia as of 31/12/2023 amounts to EUR 644,870).

Analysis of the sensitivity to currency pairs to which we are exposed in Croatia

Adverse change of any currency pair by 10% would decrease the operating result by not more than EUR 1,026. Of this amount the largest change refers to the currency pair EUR/USD, where the impact on the operating results amounted to EUR 977 due to an adverse change.

The Group adopted a measure to reduce the impact of exchange differences on the operating profit in the Serbian and Croatian part of the Group and to minimise the need for financing a substantial share of raw materials. A large part of the sales in the European Union is thus organised through Impol, d. o. o. The latter provides aluminium to be processed and in this way eliminates the risk of higher foreign exchange differences.

Table 115: Revenues and expenses from foreign exchange differences in EUR

	2023	2022
Financial revenues from operating receivables – foreign exchange differences	529,349	2,206,958
TOTAL revenues from foreign exchange differences	**529,349**	**2,206,958**
Financial expenses from loans received from banks – foreign exchange differences	401	1,798
Financial expenses from operating liabilities – foreign exchange differences	831,328	2,118,379
TOTAL expenses from foreign exchange differences	**831,729**	**2,120,177**

Tveganje spremembe obrestnih mer

Tveganje se nanaša na tveganje rasti medbančne referečne obrestne mere EURIBOR, na katero so vezane določene dolgoročne in kratkoročne finančne obveznosti, v primeru, ko za finančni dolg ni dogovorjena fiksna obrestna mera.

Analiza občutljivosti spremembe obrestnih mer

Skupina Impol je izpostavljena obrestnemu tveganju na delu zadolženosti, ki je vezano na variabilno obrestno mero (variabilni del je vezan na EURIBOR).

Table 116: Short and long-term financial liabilities of the Impol Group at a fixed rate in EUR

	31/12/2023	31/12/2022
Financial liabilities	79,088,756	133,002,711

Table 117: Short-term and long-term financial liabilities at a variable interest rate in EUR

	31/12/2023	31/12/2022
Financial liabilities	106,170,886	99,188,834

Table 118: Value of financial liabilities secured with interest rate swaps in EUR

	31/12/2023	31/12/2022
Interest rate swaps amount	2,000,000	8,000,000

Table 119: Analysis of the impact of the operating result changes on the interest rate changes in EUR

	31/12/2023	31/12/2022
Increase of IR by 50 bp	-520,854	-455,944
Increase of IR by 100 bp	-1,041,709	-911,888
Decrease of IR by 50 bp	520,854	455,944
Decrease of IR by 100 bp	1,041,709	911,888

Sprememba obrestne mere za 50 ali 100 bazičnih točk na dan poročanja bi povečala/zmanjšala zneske, navedene v zgornji tabeli. Analiza občutljivosti poslovnega izida pri zadolženosti predpostavlja, da vse ostale spremenljivke ostanejo nespremenjene. Pri izračunu so obveznosti po variabilni obrestni meri zmanjšane za celotni znesek zamenjav obrestnih mer. Skupina Impol na poročan datum nima bistvenih zneskov finančnih terjatev, vezanih na variabilno obrestno mero.

Poštena vrednost obrestnih zamenjav na dan 31. 12. 2023 v znesku +15.270 EUR je izkazana kot finančno sredstvo (terjatev) v okviru kratkoročnih finančnih naložb (brez posojil).

Kreditno tveganje

Proces kreditne kontrole zajema bonitetno ocenjevanje kupcev, kar redno izvajamo s pomočjo izbrane kreditne zavarovalnice in tujih zavarovalnih hiš ter s svojim sistemom spremljanja plačilne sposobnosti kupcev. Skupina ima zavarovane terjatve do kupcev pri kreditnih zavarovalnicah.

Na dan 31. 12. 2023 je s strani zavarovalnic 76.835.176 EUR zavarovanih terjatev do kupcev, kar predstavlja 81,29 odstotka vseh odprtih terjatev do kupcev.

Preostanek terjatev, ki niso zavarovane, se spremlja skladno s politiko spremljanja odprtih terjatev in je struktura zapadlosti enaka kot velja za celotne terjatve. Slednje pomeni redno spremljanje bonitetne ocene kupcev, postavljanje internih limitov in spremljanje tveganj v okviru odbora za obvladovanje tveganj.

Pri prikazu zavarovanih terjatev so zajeta samo kvalitetna zavarovanja. Menice in izvršnice niso vključene mednje zaradi nižje stopnje unovčljivosti.

Z rednim spremljanjem odprtih in zapadlih terjatev do kupcev, starostne strukture terjatev in povprečnimi plačilnimi roki ohranjamo kreditno izpostavljenost skupine Impol v sprejemljivih okvirih glede na zaostrene tržne razmere. Politika skupine je, da posamezen kupec ne presega sedem odstotkov celotne prodaje.

Carrying amounts and fair values of financial instruments

Classification of financial instruments according to their fair value as of 31/12/2023 is presented in the table.

Table 120: Carrying amounts and fair values of financial instruments in EUR

	Carrying amount	Fair value	Fair value level
Investments in associate companies	840,330	840,330	3
Long-term financial investments – available-for-sale assets	314,034	314,034	3
Long-term loans granted	228,436	228,436	3
Short-term financial investments – fair value of financial derivatives (interest rate swaps)	15,270	15,270	2
Short-term loans granted	57,728	57,728	3
Short-term operating receivables	106,820,614	106,820,614	3
Cash and cash equivalents	103,488,748	103,488,748	3
Long-term financial liabilities	110,724,352	110,724,352	3
Long-term operating liabilities	373,776	373,776	3
Short-term financial liabilities (excluding financial derivatives)	74,363,780	74,363,780	3
Short-term financial liabilities – fair value of financial derivatives (forwards from the purchase/sale of aluminium)	171,510	171,510	2
Short-term operating liabilities	95,760,024	95,760,024	3

EVENTS AFTER THE REPORTING DATE

In the period from the end of 2023 until the date of approval of the financial statements, no events occurred that would in any way affect the presented financial statements of the Impol Group for the financial year 2023.

Other important events that occurred in the stated period after the end of the financial year and do not affect the consolidation of the Group for the financial year 2023 are as follows:

- Due to general price increases, the minimum wage rose. Inflation in Slovenia impacted the raise of minimum wage, which increased from EUR 1,203.36 to EUR 1,253.90, meaning a 4.2% increase. The payment system of the entire Impol Group was adjusted accordingly.
- At its meeting on 13 December 2023, the National Assembly adopted the Act on Reconstruction, Development and Provision of Financial Resources, which, among other things, increases the income tax rate from 19% to 22% for the period from 2024 to 2028.

OTHER DISCLOSURES

The Impol Group has a single-tier management system in place.

Composition of the Board of Directors (up to 31/12/2026):
- Jernej Čokl, Board of Directors President;
- Vlado Leskovar, Board of Directors Vice President;
- Janko Žerjav, Board of Directors Member;
- Andrej Kolmanič, Board of Directors Member;
- Dejan Košir, Board of Directors Member.

The Board of Directors appointed two Executive Directors:
- Andrej Kolmanič, Chief Executive Officer;
- Irena Šela, Executive Director of Finance;

And the Audit Commission:
- Vladimir Leskovar, President of the Commision;
- Dejan Košir;
- Tanja Ahaj, External Member.

The Company had no matured receivables from members of the Board of Directors and employees on individual contracts.

Table 121: Remuneration of members of the Board of Directors, executive directors, directors of subsidiaries, members of the Supervisory Board and employees based on individual contracts in the Impol Group in 2023 in EUR

	2023	2022
Management members (Board of Directors, Executive Directors and Directors of Subsidiaries)	3,998,610	3,776,265
Members of the Supervisory Board	142,972	143,857
Employees on individual contracts	9,449,823	10,607,309
TOTAL	**13,591,405**	**14,527,431**

Table 122: The amount (cost) spent for auditors of companies in the Impol Group (according to ZGD-1, Point 2, Paragraph 4, Article 69) in EUR

	2023	2022
Auditing of the annual report	150,444	151,405
Other audit services	3,450	3,150
TOTAL	**153,894**	**154,555**

Except for the mandatory annual audit of financial statements and legally defined audit overview report on the relations with affiliated companies in Slovenia (Article 546 of the Companies Act (ZGD-1)) for financial year 2023, the auditors were not carrying out any other audit or non-audit services for companies in the Impol Group.

SIGNATURE OF THE ANNUAL REPORT FOR 2023 AND ITS COMPONENTS

The president and members of the Board of Directors and the executive directors of Impol 2000, d. d. are familiar with the content of all parts of the Consolidated Annual Report of the Group and with the whole Annual Report of the Impol Group for 2023. We agree with the content and confirm it with our signature.

Jernej Čokl
(Board of Directors President)

Vladimir Leskovar
(Board of Directors Vice President)

Janko Žerjav
(Board of Directors Member)

Andrej Kolmanič
(Board of Directors Member)

Dejan Košir
(Board of Directors Member)

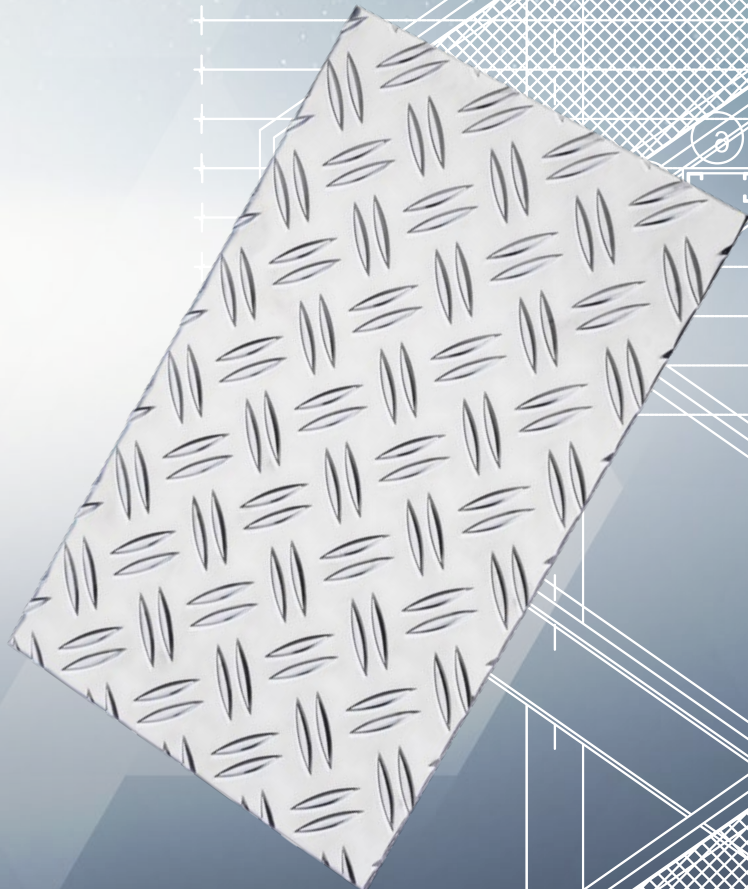
Andrej Kolmanič
(Chief Executive Officer)

Irena Šela
(Executive Director of Finance)

07 FINANCIAL REPORT OF IMPOL 2000, D. D., FOR THE YEAR 2023

"If you always do what you've always done, you'll always get what you've always got."

Henry Ford



STATEMENT ON THE RESPONSIBILITY OF THE EXECUTIVE DIRECTORS

The Executive Directors are responsible for drawing up the Annual Report of Impol 2000, d. d. so that it gives a true and fair view of the financial situation of Impol 2000, d. d. as well as its results of operations for 2023.

The Executive Directors hereby confirm to have diligently applied the appropriate accounting policies and that accounting estimates have been prepared following the principle of prudence and good management. We likewise certify that the financial statements, along with the notes to these statements, have been drawn up on the assumption that and Company will continue to operate, and in accordance with the valid legislation and International Accounting Standards.

The Executive Directors are responsible for proper accounting, adoption of appropriate measures for preservation of property, constant monitoring of other risks when conducting business and adoption and implementation of measures for minimization of such risks, and prevention and detection of fraud and other irregular or illegal activities.

Andrej Kolmanič
(Chief Executive Officer)

Irena Šela
(Executive Director of Finance)

Slovenska Bistrica, 15 April 2024

DECLARATION OF THE BOARD OF DIRECTORS

The Board of Directors hereby approves the Financial Statements of Impol 2000, d. d. for the year ending on 31 December 2023, and the accounting policies applied. This Annual Report was adopted by the Company's Board of Directors at its session held on 24 April 2024.

Jernej Čokl
(Board of Directors President)

Vladimir Leskovar
(Board of Directors Vice President)

Janko Žerjav
(Board of Directors Member)

Andrej Kolmanič
(Board of Directors Member)

Dejan Košir
(Board of Directors Member)

Slovenska Bistrica, 24 April 2024

INDEPENDENT AUDITOR'S REPORT FOR IMPOL 2000, D. D.

AUDITOR
REVIZIJSKA DRUŽBA d.o.o. PTUJ

This is a translation of the original report in Slovene language

INDEPENDENT AUDITOR'S REPORT

To the shareholders of IMPOL 2000 d.d.,
Slovenska Bistrica

Report on audit of the separate financial statements

Opinion

We have audited the separate financial statements of IMPOL 2000, d.d., Partizanska 38, Slovenska Bistrica (the Company), which comprise the separate statement of financial position as at December 31, 2023, the separate income statement, the separate statement of other comprehensive income, the separate statement of changes in equity and the separate cash flow statement for the year then ended, and a summary of material accounting policy information and other explanatory information.

In our opinion, the accompanying separate financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2023, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Separate Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code, including International Independence Standards) together with the ethical requirements that are relevant to our audit of the financial statements in Slovenia, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

Management is responsible for other information. The other information comprises the business report, which is an integral part of the Annual report of the IMPOL Group and IMPOL 2000, d.d., but does not include the financial statements and our auditor's report thereon.

Our opinion on the separate financial statements does not cover other information.

In connection with our audit of the separate financial statements, our responsibility is to read the other information and, in doing so, assess whether the other information is materially inconsistent with the financial statements, legal requirements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. In addition, our responsibility is to report, based on the knowledge and understanding of the Company obtained in the audit, on whether the other information contains any material misstatements of fact. Based on the procedures performed, we report that:

AUDITOR
REVIZIJSKA DRUŽBA d.o.o. PTUJ

- *the other information is in all respect consistent with the audited separate financial statements;*
- *the other information is prepared in compliance with applicable law and regulation; and*
- *based on knowledge and understanding of the Company obtained in the audit on the other information, we have not identified any material misstatement on fact.*

Responsibilities of Management and Those Charged with Governance for the Separate Financial Statements

Management is responsible for the preparation and fair presentation of the separate financial statements in accordance with IFRSs adopted by the European Union, and for such internal control as management determines is necessary to enable the preparation of separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the separate financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Charged with Governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Separate Financial Statements

Our objectives are to obtain reasonable assurance about whether the separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- *Identify and assess the risks of material misstatement of the separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.*
- *Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.*
- *Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.*
- *Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the separate financial statements or, if such disclosures are*

AUDITOR
REVIZIJSKA DRUŽBA d.o.o. PTUJ

inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- *Evaluate the overall presentation, structure and content of the separate financial statements, including the disclosures, and whether the separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.*

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

AUDITOR
REVIZIJSKA DRUŽBA d.o.o. Ptuj
Murkova 4, Ptuj

April 18th, 2024

Certified auditor:

Simon Pregl, univ. dipl. ekon.

Simon Pregl

FINANCIAL STATEMENTS OF IMPOL 2000, D. D.

Accounting policies and notes form an integral part of the financial statements presented below and should be read in conjunction with them.

Profit and loss statement

Table 123: **Profit and loss statement in EUR**

Item		Note	2023	2022
1.	**Net sales revenues**	**1**	**38,651,840**	**49,092,982**
a)	Net sales revenues in the domestic market		35,546,517	46,156,410
b)	Net sales revenues in the foreign market		3,105,323	2,936,572
2.	**Other operating revenues (including operating revenues from revaluation)**	**1**	**204,733**	**167,962**
3.	**Costs of goods, materials and services**	**2**	**25,128,431**	**35,597,143**
a)	Cost of goods and materials sold, and costs of the materials used		23,074,642	33,538,642
b)	Costs of services	2	2,053,789	2,058,501
4.	**Labour costs**		**12,746,839**	**12,719,793**
a)	Costs of wages and salaries		8,784,186	8,022,804
b)	Social security costs (pension insurance costs are shown separately)		1,440,926	1,313,077
c)	Other labour costs		2,521,727	3,383,912
5.	**Write-offs**	**2**	**244,739**	**256,243**
a)	Depreciation		243,965	256,243
b)	Revaluation operating expenses of intangible assets and tangible fixed assets		740	0
c)	Revaluation operating expenses of current assets		34	0
6.	**Other operating expenses**	**2**	**389,754**	**322,540**
7.	**Financial revenues from participating interests**	**3**	**16,250,000**	**10,000,000**
a)	Financial revenues from participating interests in companies in the Group		16,250,000	10,000,000
8.	**Financial revenues from loans granted**	**3**	**792**	**793**
a)	Financial revenues from loans granted to companies in the Group		790	790
b)	Financial revenues from loans granted to others		2	3
9.	**Financial revenues from operating receivables**	**3**	**3,239**	**12,329**
a)	Financial revenues from operating receivables due from others		3,239	12,329
10.	**Financial expenses from financial liabilities**	**3**	**637,251**	**448,536**
a)	Financial expenses from loans received by companies in the Group		610,825	437,088
b)	Financial expenses from other financial liabilities		11,489	4,579
c)	Financial expenses from leases from companies in the group		8,299	2,572
d)	Financial expenses from leases		6,638	4,297
11.	**Financial expenses from operating liabilities**	**3**	**547**	**319**
a)	Financial expenses from trade creditors and bills of exchange		43	5
b)	Financial expenses from other operating liabilities		504	314
12.	**Income tax**	**4**	**139,429**	**132,185**
13.	**Deferred taxes**	**5**	**-7,875**	**1,022**
14.	**Net profit or loss for the accounting period**		**15,831,489**	**9,796,285**

Statement of other comprehensive income

Table 124: Statement of other comprehensive income in EUR

	Note	2023	2022
Net profit or loss for the accounting period		**15,831,489**	**9,796,285**
Other comprehensive income in the accounting period		-42,430	-4,367
a) Items that later will not be reclassified to the profit or loss statement		-42,430	-4,367
Actuarial gains and losses of defined benefit plans (employee benefits) (+/-)	15	-42,430	-4,367
b) Items that will later be reclassified to the profit or loss statement		0	0
Total comprehensive income in the accounting period		**15,789,059**	**9,791,918**

Statement of financial position

Table 125: Statement of financial position in EUR

		Note	31/12/2023	31/12/2022
A.	**LONG-TERM (NON-CURRENT) ASSETS**		**142,136,785**	**142,056,105**
I.	**Intangible assets and long-term deferred costs and accrued revenues**	**6**	**212,932**	**255,613**
1.	Long-term property rights		212,932	255,613
II.	**Tangible fixed assets**	**7**	**183,551**	**215,996**
1.	Production machinery and equipment		64,712	67,877
2.	Other machinery and equipment		118,839	146,989
3.	Tangible fixed assets being acquired		0	1,130
a)	Tangible fixed assets under construction and manufacture		0	1,130
III.	**Assets under lease**	**8**	**320,487**	**172,561**
1.	Assets under lease to companies in the Group		242,086	52,892
2.	Assets under lease from other companies		78,401	119,669
IV.	**Investment property**		**0**	**0**
V.	**Long-term financial investments**	**9**	**141,385,666**	**141,385,661**
1.	Long-term financial investments, excluding loans		141,334,666	141,334,661
a)	Shares and stocks in companies in the Group		141,334,666	141,334,661
2.	Long-term loans		51,000	51,000
a)	Long-term loans to companies in the Group		51,000	51,000
VI.	**Long-term operating receivables**		**0**	**0**
VII.	**Deferred tax receivables**	**5**	**34,149**	**26,274**
B.	**SHORT-TERM ASSETS**		**9,560,810**	**12,052,977**
I.	**Assets (disposal groups) available for sale**		**0**	**0**
II.	**Inventories**	**10**	**0**	**0**
III.	**Short-term financial investments**	**11**	**0**	**0**
IV.	**Short-term operating receivables**	**12**	**5,336,520**	**5,647,509**
1.	Short-term operating receivables from companies in the Group		1,219,033	49,588
2.	Short-term operating receivables from customers		3,471,679	4,918,614
3.	Short-term operating receivables from others		645,808	679,307
V.	**Monetary assets**	**13**	**4,003,958**	**6,213,318**
VI.	**Other short-term assets**	**13**	**220,332**	**192,150**
	TOTAL ASSETS		**151,697,595**	**154,109,082**
A.	**CAPITAL**	**14**	**74,783,643**	**69,662,254**
I.	**Called-up capital**		**4,451,540**	**4,451,540**
1.	Share capital		4,451,540	4,451,540
II.	**Capital reserves**		**10,751,254**	**10,751,254**
III.	**Revenue reserves**		**7,958,351**	**7,958,351**
1.	Statutory reserves		2,225,770	2,225,770
2.	Other revenue reserves		5,732,581	5,732,581
IV.	**Revaluation reserves**		**0**	**0**
V.	**Reserves resulting from valuation at fair value**		**-84,535**	**-45,756**
VI.	**Retained net profit or loss**		**35,875,544**	**36,750,580**
VII.	**Net profit or loss for the financial year**		**15,831,489**	**9,796,285**
B.	**PROVISIONS AND LONG-TERM ACCRUED EXPENSES AND DEFERRED REVENUES**	**15**	**508,806**	**490,324**
1.	Provisions for pensions and similar obligations		394,979	322,325
2.	Long-term accrued costs and deferred revenues		113,827	167,999
C.	**LONG-TERM LIABILITIES**	**16**	**229,477**	**64,470,436**
I.	**Long-term financial liabilities**		**229,477**	**64,470,436**
1.	Long-term financial liabilities to companies in the Group		0	63,319,148
2.	Other long-term financial liabilities		0	1,066,667
3.	Long-term financial liabilities from leases		229,477	84,621
a)	Long-term financial liabilities from leases to companies in the Group		186,975	0
b)	Long-term financial liabilities from leases to other companies		42,502	84,621
II.	**Long-term operating liabilities**		**0**	**0**

III.	**Deferred tax liabilities**		**0**	**0**
D.	**SHORT-TERM LIABILITIES**	**17**	**76,175,669**	**19,486,068**
I.	**Liabilities included in groups for disposal**		**0**	**0**
II.	**Short-term financial liabilities**		**69,486,617**	**7,230,318**
1.	Short-term financial liabilities to companies in the Group		68,319,148	5,000,000
2.	Other short-term financial liabilities		1,066,667	2,133,334
3.	Short-term financial liabilities from leases		100,802	96,984
a)	Short-term financial liabilities from leases to companies in the Group		58,683	56,108
b)	Short-term financial liabilities from leases to other companies		42,119	40,876
III.	**Short-term operating liabilities**		**6,224,641**	**11,823,594**
1.	Short-term operating liabilities to companies in the Group		3,207,612	7,556,735
2.	Short-term operating liabilities to suppliers		346,277	360,073
3.	Short-term operating liabilities from advance payments		148,965	224,140
4.	Other short-term operating liabilities		2,521,787	3,682,646
IV.	**Other short-term liabilities**	**17**	**464,411**	**432,156**
	TOTAL LIABILITIES TO SOURCES OF ASSETS		**151,697,595**	**154,109,082**

Statement of changes in capital for the year 2023

Table 126: Statement of changes in capital for 2023 in EUR

		Called-up capital	Capital reserves	Revenue reserves		Revaluation reserves	Reserves resulting from valuation at fair value	Retained net profit or loss	Net profit or loss for the financial year	Total CAPITAL
		I	II	III		IV	V	VI	VII	VIII
		Share capital	Capital reserves	Statutory reserves	Other revenue reserves	Revaluation reserves	Reserves resulting from valuation at fair value	Retained net profit	Net profit for the current year	TOTAL CAPITAL
		I	II	III/1	III/2	IV	V	VI	VII	VIII
A.1	**Balance at the end of the previous reporting period 31/12/2022**	**4,451,540**	**10,751,254**	**2,225,770**	**5,732,581**	**0**	**-45,756**	**36,750,580**	**9,769,285**	**69,662,254**
A.2	**Opening balance for the reporting period as of 01/01/2023**	**4,451,540**	**10,751,254**	**2,225,770**	**5,732,581**	**0**	**-45,756**	**36,750,580**	**9,796,285**	**69,662,254**
B.1	**Changes in equity – transactions with owners**	**0**	**0**	**0**	**0**	**0**	**0**	**-10,667,670**	**0**	**-10,667,670**
	Disbursement of dividends to other legal and natural persons	0	0	0	0	0	0	-9,846,590	0	-9,846,590
	Disbursement of dividends to associated legal persons	0	0	0	0	0	0	-821,080	0	-821,080
B.2	**Total comprehensive income for the reporting period**	**0**	**0**	**0**	**0**	**0**	**-42,430**	**0**	**15,831,489**	**15,789,059**
	Entry of net profit/loss in the financial year	0	0	0	0	0	0	0	15,831,489	15,831,489
	Actuarial gains/losses, recognised under provisions for retirement benefits	0	0	0	0	0	-42,430	0	0	-42,430
B.3	**Changes in capital**	**0**	**0**	**0**	**0**	**0**	**3,651**	**9,792,634**	**-9,796,285**	**0**
	Allocation of the remaining portion of the net profit for the comparable reporting period to other capital components	0	0	0	0	0	0	9,796,285	-9,796,285	0
	Other changes in capital	0	0	0	0	0	3,651	-3,651	0	0
C.	**Closing balance for the reporting period as of 31/12/2023**	**4,451,540**	**10,751,254**	**2,225,770**	**5,732,581**	**0**	**-84,535**	**35,875,544**	**15,831,489**	**74,783,643**

Statement of changes in capital for the year 2022

Table 127: Statement of changes in capital for 2022 in EUR

		Called-up capital	Capital reserves	Revenue reserves		Revaluation reserves	Reserves resulting from valuation at fair value	Retained net profit or loss	Net profit or loss for the financial year	Total CAPITAL
		I	II	III		IV	V	VI	VII	VIII
		Share capital	Capital reserves	Statutory reserves	Other revenue reserves	Revaluation reserves	Reserves resulting from valuation at fair value	Retained net profit	Net profit for the current year	TOTAL CAPITAL
		I	II	III/1	III/2	IV	V	VI	VII	VIII
A.1	**Balance at the end of the previous reporting period 31/12/2021**	**4,451,540**	**10,751,254**	**2,225,770**	**5,732,581**	**0**	**-42,180**	**32,610,964**	**10,541,009**	**66,270,938**
A.2	**Opening balance for the reporting period as of 01/01/2022**	**4,451,540**	**10,751,254**	**2,225,770**	**5,732,581**	**0**	**-42,180**	**32,610,964**	**10,541,009**	**66,270,938**
B.1	**Changes in equity – transactions with owners**	**0**	**0**	**0**	**0**	**0**	**0**	**-6,400,602**	**0**	**-6,400,602**
	Disbursement of dividends to other legal and natural persons	0	0	0	0	0	0	-5,907,954	0	-5,907,954
	Disbursement of dividends to associated legal persons	0	0	0	0	0	0	-492,648	0	-492,648
B.2	**Total comprehensive income for the reporting period**	**0**	**0**	**0**	**0**	**0**	**-4,367**	**0**	**9,796,285**	**9,791,918**
	Entry of net profit/loss in the financial year	0	0	0	0	0	0	0	9,796,285	9,796,285
	Actuarial gains/losses, recognised under provisions for retirement benefits	0	0	0	0	0	-4,367	0	0	-4,367
B.3	**Changes in capital**	**0**	**0**	**0**	**0**	**0**	**791**	**10,540,218**	**-10,541,009**	**0**
	Allocation of the remaining portion of the net profit for the comparable reporting period to other capital components	0	0	0	0	0	0	10,541,009	-10,541,009	0
	Other changes in capital	0	0	0	0	0	791	-791	0	0
C.	**Closing balance for the reporting period as of 31/12/2022**	**4,451,540**	**10,751,254**	**2,225,770**	**5,732,581**	**0**	**-45,756**	**36,750,580**	**9,796,285**	**69,662,254**

Cash flow statement

Table 128: Cash flow statement in EUR

Item			Note	2023	2022
A.		**Cash flows from operating activities**			
	a)	**Profit and loss statement items**		**431,776**	**439,981**
		Operating revenues (except for revaluation) and financial revenues from operating receivables	1	38,828,902	49,212,335
		Operating expenses excluding depreciation (except from revaluation) and financial expenses from operating liabilities	2	-38,265,572	-48,639,147
		Income tax and other taxes not included in operating expenses	4	-131,554	-133,207
	b)	**Changes of net working assets (and accrued costs and deferred revenues, provisions and deferred tax receivables and liabilities) of the balance sheet operating items**		**-5,321,670**	**3,756,572**
		Opening minus closing operating receivables	12	311,745	-164,771
		Opening minus closing deferred costs and accrued revenues	13	-28,182	-146,581
		Opening minus closing deferred tax receivables	5	-7,875	1,022
		Opening minus closing inventory		0	7,485
		Closing minus opening operating debts	17	-5,618,371	3,811,615
		Closing minus opening accrued costs and deferred revenues and provisions	17	21,013	247,802
	c)	**Positive or negative cash flow from operating activities (a + b)**		**-4,889,894**	**4,196,553**
B.		**Cash flows from investing activities**			
	a)	**Cash receipts from investing activities**		**16,253,502**	**10,000,003**
		Cash receipts from interest and participation in profit of others relating to investing activities	3	16,250,002	10,000,003
		Cash receipts from the disposal of tangible fixed assets		3,500	0
	b)	**Cash disbursements from investing activities**		**-67,795**	**-95,136**
		Cash disbursements for the acquisition of tangible fixed assets	7	-67,790	-95,136
		Cash disbursements for the acquisition of financial investments		-5	0
	c)	**Positive or negative cash flow from investing activities (a + b)**		**16,185,707**	**9,904,867**
C.		**Cash flows from financing activities**			
	a)	**Cash receipts from financing activities**		**0**	**0**
	b)	**Cash disbursements from financing activities**		**-13,505,173**	**-9,049,204**
		Cash disbursements for given interests from financing activities	3	-606,344	-411,882
		Cash repayment of financial liabilities	16, 17	-2,231,159	-2,236,720
		Cash disbursements of dividends and other profit shares paid	17	-10,667,670	-6,400,602
	c)	**Positive or negative cash flow from financing activities (a + b)**		**-13,505,173**	**-9,049,204**
D.		**Monetary assets at the end of the period**		**4,003,958**	**6,213,318**
	x)	**Cash flows in the period (sum of cash flows Ac, Bc and Cc)**		**-2,209,360**	**5,052,216**
	y)	**Monetary assets at the beginning of the period**		**6,213,318**	**1,161,102**

Notes to the financial statements

Reporting entity

In accordance with the Companies Act, Impol 2000, d. d. (hereinafter referred to as: Company), with head office in Slovenska Bistrica, Partizanska ulica 38, is classified as a large public limited company, and as such, subject to regular annual audit. The Company is classified under the activity code 70.100 – management of companies. The Company's share capital in the amount of EUR 4,451,540 EUR is divided into 1,066,767 ordinary registered no-par value shares that are not traded in the organised security market. The shares are owned by 821 shareholders.

The following section presents financial statements of Impol 2000, d. d. for the financial year that ended on December 31, 2023.

Introductory note on reporting standards

The financial statements of Impol 2000, d. d. and the notes for 2023 were prepared in accordance with International Financial Reporting Standards (hereinafter referred to as: IFRS), as adopted by the European Union. By 2015, the company prepared financial statements in accordance with the Slovenian Accounting Standards and the notes by the Slovenian Institute of Auditors.

On the basis of requirements of the Companies Act (ZGD-1), the Impol Group, the parent company of which is Impol 2000, d. d., is bound to draw up a consolidated annual report according to the IFRS, since it is a so called large group. Therefore, the preparation of individual financial statements in compliance with IFRS, as adopted by the European Union, has also been (voluntarily) introduced by Impol 2000, d. d..

Statement of compliance with the IFRS

The Board of Directors and the Executive directors hereby approve the financial statements for the financial year 2023.

The 2023 financial statements of Impol 2000, d. d. were drawn up in accordance with the International Financial Reporting Standards (IFRS), as they were adopted by the European Union, including the notes that were adopted by the International Financial Reporting Interpretations Committee (IFRIC) and that were also adopted by the European Union, and in accordance with the Slovenian Companies Act (ZGD-1).

On the statement of financial position date, there were no differences between the applied IFRS and the IFRS adopted by the European Union in accounting guidelines of Impol 2000, d. d. as regards the process of confirming standards in the European Union.

The financial statements have been drawn up on the basis of the going concern assumption. The applied accounting policies remain the same as in previous years.

a) Amendment of existing accounting policies, introduction of new standards, and new notes applicable for the current accounting period

The following amendments in the existing accounting standards, new standards, and new notes issued by the International Accounting Standards Board (IASB) and adopted by the European Union, apply for the current accounting period:

- Amendments to IAS 1 - Presentation of financial statements and amendments to IAS 1 - Disclosure of accounting policies: IAS 1 contains an amendment related to the presentation of short-term and long-term liabilities and an amendment related to the disclosure of accounting policies. In January 2020, the International Financial Reporting Standards Interpretations Committee (IFRS) issued amendments to IAS 1 that clarify the criteria for determining whether liabilities are classified as short-term and long-term. These amendments clarify that the classification as short-term or long-term is based on whether the Company has the right at the end of the reporting period to postpone the settlement of liabilities for at least twelve months after the reporting period. The amendments also clarify that "settlement" includes the transfer of cash, goods, services or equity instruments, unless the obligation to transfer the equity instruments arises from a conversion feature that is a separate component of the compound financial instrument. The amendment to IAS 1 related to the disclosure of accounting policies introduces the disclosure of material and not only material accounting policies and contains guidance on when information related to accounting policies is material. The amendments to IFRS 1 entered into effect for annual periods beginning on or after 1 January 2023.
- Amendments to IAS 8 - Definition of accounting estimates: The amendment introduces the definition of an accounting estimate and other clarifications, which help to distinguish between an accounting policy and an accounting estimate. The amendment also clarifies that the effect of an amendment in input data or measurement techniques is an amendment in accounting estimate, unless their consequence is the correction of an error from a prior period. The amendments to IFRS 8 entered into effect for annual periods beginning on or after 1 January 2023.
- Amendments to IAS 12 – Income tax – Deferred tax receivables and deferred tax liabilities for individual transactions: The amended standard clarifies whether the first-time recognition exception applies to certain transactions that are recognised both as an asset and as a liability (e.g. a lease under IFRS 16 - Leases). The amendment introduces an additional criterion for the initial application of the exception according to IAS 12.15, whereby the exception is not applied at the first recognition of an asset or liability that results in the same taxable and deductible temporary differences at the time of recognition. The amendments to IFRS 12 entered into effect for annual periods beginning on or after 1 January 2023.
- Amendments to IAS 12 – Income Taxes – International Tax Reform: The amendments to IAS

12 were introduced in response to the OECD and BEPS second pillar rules and include a mandatory temporary exemption in relation to the recognition and disclosure of deferred taxes related to the second pillar model rules and disclosure requirements in relation to second pillar income tax exposures . The specified amendments to IFRS 12 entered into effect for annual periods beginning on or after 1 January 2023.
- IFRS 17 - Insurance contracts and amendments to IFRS 17 - Insurance contracts relating to the first-time adoption of IFRS 17 and comparable information under IFRS 9. IFRS 17 requires insurance liabilities to be measured at present settlement value and provides a more uniform measurement and presentation approach for all insurance contracts. It applies to annual reporting periods beginning on or after 1 January 2023, including amendments to IFRS 17 which was adopted by the EU on 9 September 2022 and also applies to annual reporting periods beginning on or after 1 January 2023.

The adoption of the new standards, amendments to existing standards and notes did not result in significant changes or impacts on the financial statements of Impol 2000, d. d.

b) Standards and amendments to existing standards issued by the International Accounting Standards Board and adopted by the European Union, but not yet applied

The standards adopted by the European Union and notes, but not yet applied up to the date of the consolidated financial statements, are presented hereafter. Impol 2000, d. d. will apply these standards and notes for drawing up the financial statements after their implementation. Impol 2000, d. d. did not adopt any of the standards or notes specified below before the commencement of their application.

- Amendments to IFRS 16 – Leases: Lease liability in a sale and leaseback transaction (effective for annual periods beginning on or after 1 January 2024). The amendment to the standard contains a requirement that the seller-lessee determine the “lease payment” or “modified lease payment” so that the seller-lessee would not recognise a gain or loss related to the right-of-use retained by the seller-lessee.

Impol 2000, d. d. decided not to adopt or apply these standards, amendments and notes before their entry into force. Impol 2000, d. d. estimates that the implementation of these new standards and amendments will not have a significant impact on its separate financial statements during the period of initial application.

c) New standards, standard amendments and notes not yet adopted by the European Union

Currently, the International Financial Reporting Standards as they were adopted by the European Union, do not differ significantly from the regulations adopted by the International Accounting Standards Board, with the exception of the following new standards, amendments of existing standards and new notes which were not yet confirmed for application in the European Union when the financial statements for the 2023 financial year were being drawn up/approved[2]:

- Amendments to IAS 1 – Presentation of Financial Statements – Classification of obligations to short- and long-term (applicable for annual periods starting on or after 1 January 2024). The amendments affect the presentation of liabilities in the statement of financial position but do not change the existing requirements related to the measurement or recognition period of either assets, liabilities, income, expenses or the information which the company discloses about these items. The amendments also clarify the requirements relating to debt classification, which the company may settle by issuing own equity instruments. The EU has not yet approved the amendments/changes to the standard.
- Amendments to IAS 1 - Non-current liabilities with commitments (effective for annual periods beginning on or after 1 January 2024). If the company's right to defer depends on the company meeting certain conditions, those conditions affect whether the right to defer existed at the end of the reporting period if the company is required to meet the conditions on or before the end of the reporting period, and not if the company is required to qualify after the end of the reporting period. The amendment also contains a clarification of the term “settlement” for the purpose of classifying liabilities as current or non-current. The EU has not yet approved the amendments/changes to the standard.
- Amendments to IAS 7 – Statement of cash flows and IFRS 7 – Financial instruments: disclosures: The amendments to the standard apply to annual periods beginning on or after 1 January 2024 and address supplier financial arrangements. The amendments add disclosure requirements and guidance within existing disclosure requirements to provide qualitative and quantitative information about supplier financial arrangements. The EU has not yet approved the amendments/changes to the standard.
- Amendments to IAS 21 – Effects of changes in exchange rates: The amendments to the standard apply to annual periods beginning on or after 1 January 2025 and address the lack of currency convertibility. The amendments provide guidance on determining when a currency is convertible and how to determine an exchange rate when a currency is not convertible. The EU has not yet approved the amendments/changes to the standard.
- Amendments to IFRS 10 - Consolidated financial statements and IAS 28 - Investments in associates and joint ventures - Sale or contribution of assets between the investor and its associate or joint venture. The amendments address an inconsistency between the requirements in IFRS 10 and those in IAS 28 in dealing with the sale or contribution of assets between investors and their associated company or joint venture. The main consequence of the amendments is for the company to recognise the entire profit or loss amount if the transaction includes business operations (regardless of the fact whether they are located in a subsidiary or not). For transactions with assets that do not represent operations, only part of the profit or loss is recognised even if the assets are located in a subsidiary. The EU has not yet approved the amendments/changes to the standard.
- Amendments to IFRS 14 – Statutory deferred payment of invoices: The amendment to the standard applies to annual periods beginning on or after 1 January 2016. The European Commission has decided that it will not start the process of confirming this intermediate standard and that it will wait for the release of its final version. The objective of the standard is to enable companies that apply IFRS for the first time and that currently recognise statutory deferred payment of invoices in accordance with previous SSRNs to continue such recognition upon transition to IFRS. The EU has not yet approved the amendments/changes to the standard.

Impol 2000, d. d. estimates the potential impact of these amendments on its separate financial statements. Despite the above-mentioned, Impol 2000, d. d. estimates that the implementation of these new standards and amendments will not have a significant impact on its separate financial statements during the period of initial application.

The basis for drawing up financial statements

Financial statements of Impol 2000, d. d. were drawn up on historical cost basis.
In accordance with the legislation, the company shall ensure independent auditing of these financial statements.

Functional and reporting currency

The financial statements in this report are in EUR (without cents), and EUR is also the functional currency of the company. Due to the rounding off of value data, there may be insignificant deviations from the sums given in the tables.

Significant accounting judgements and estimates

The preparation of financial statements requires the management of the controlling company to make judgements, estimates and assumptions that affect the carrying amounts of assets and liabilities of the Group as well as the reported income and expenses. Estimates and assumptions are based on previous experiences and many other factors which are considered in given circumstances as justified and based on which we can determine the carrying amount of assets and liabilities that are not clearly evident from other sources. Actual results can differ from these estimates. Estimates and assumptions must be reviewed on an ongoing basis. Revisions to accounting estimates are only recognised in the period in which the estimate was revised, if the revisions only applies to this period, or for the period of revision and future years, if the revision affects the current as well as future years.

Assessments and assumptions are mostly present in the following estimates:

- estimate of useful life of depreciable assets

For estimating the useful life of assets, the Company considers the expected physical wear, technical ageing, economical ageing, and the expected legal and other restrictions of use. The Company annually reviews the useful life of more significant assets. The applied depreciation method and useful life are evaluated at the end of each financial year, and if the expected pattern of using future economic gains arising from the depreciable assets changes significantly, the depreciation method shall be amended to fit the changed pattern. These changes are regarded as changes in accounting estimates.

- impairment testing of assets

Impairment testing of assets is performed by the management to ensure that the carrying amount does not exceed the recoverable amount. On every reporting date, the management estimates potential signs of impairment. Critical estimates were used for the following assessments of value:

- Investment in subsidiaries (Note 9),
- Investments in associates (Note 9),
- Financial receivables (Note 11),
- Estimate of the fair value of assets (Note 18).

All items in financial statements represent the costs or the settlement value. All assets and liabilities that are measured by fair value in financial statements are classified in a hierarchy of fair value based on the lowest level of inputs that are important for measuring the total fair value:

- level one includes quoted prices (unadjusted) on functioning markets for the same assets and liabilities,
- level two includes inputs that besides quoted prices from level one are also noted directly (i.e. prices) or indirectly (i.e. derived from prices) as assets or liabilities,
- level three includes inputs for the asset or liability not based on observable market data.

Impol 2000, d. d., classified all its financial instruments in level three (Note 18).

- estimate of the net realisable value of the merchandise inventory

At least at the end of every financial period, the Company measures the net recoverable amount of inventories and the need for write-offs. Costs of inventories are not reversible if inventories are damaged, partially or completely obsolete, or if their sales price is reduced. Costs of inventories are also not reversible if the estimated costs of completion or costs in connection with sales increase. Partial write-offs of inventories under their original value or costs up to the net recoverable value is in accordance with the policy that assets cannot be recognised at values higher than expected from their sale or utilisation. Inventories are usually partially written off to their net recoverable value under individual items.

- assessment of the recoverable amount of receivables and assessment of expected credit losses in business receivables

At least once annually, namely before preparing the annual statement of account, the suitability of recognised amounts of individual claims is assessed. If, based on the accounting data, the Board of Directors decides to recognise the receivables not settled within the agreed period as 'doubtful' and 'disputable', the adjustment of their value is charged against the revaluation operating expenses in a proportion defined in the resolution.
Receivables older than 365 days shall be recognised as 'doubtful'. Unless otherwise decided by the Board of Directors, such receivables shall be subject to judicial proceedings (action or enforcement). Receivables already subject to a judicial proceeding are recognised as 'disputable' receivables. For 'doubtful' and 'disputable' receivables, an adjustment of their value shall be made which shall be charged against revaluation operating expenses.

- estimate of the possibility to use deferred tax liabilities

The Company has formed deferred tax liabilities in respect of the formulation of provisions and impairment of operating receivables. The Company checks the amount of recognised deferred tax liabilities at the end of the financial year. Deferred tax assets are recognised in case of a probable available future profit against which the deferred tax assets can be utilised.

- estimate of formed provisions

Within the requirements regarding certain post-employment and other benefits, the present value of retirement and jubilee benefits is recorded. They are recognised based on the actuarial assessment. The actuarial assessment is based on the assumptions and estimates valid at the time of the assessment and can differ from actual assumptions in the future due to certain changes (discount levels, assessment of turnover of staff, assessment of mortality, and assessment of wage growth).

The Company has not formed any provisions for judicial actions, since it does not have current obligations due to binding past events.

Summary of relevant information about accounting policies

The accounting policies applied in the preparation of financial statements were the same as were applied in the preparation of financial statements for the financial year that ended on December 31, 2023. When presenting and valuing items in the financial statements, the Company takes into account the requirements of the accounting framework. In cases where the accounting standards allow for a choice, the accounting policies listed below are taken into account when displaying and valuing the items.

Transactions in foreign currency

Transactions in foreign currencies are converted to functional currencies at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the end of the reporting period are converted to the functional currency according to the valid ECB exchange rate published by the Bank of Slovenia. Positive or negative foreign currency differences are differences between the purchase value in the functional currency at the beginning of the period, adjusted by the amount of effective interest and payments during the period, and the purchase value in foreign currency converted at the exchange rate at the end of the period. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated into the functional currency at the exchange rate at the date when the fair value was determined. Non-cash items measured at historical costs in foreign currency are translated into the functional currency by applying the exchange rate valid at the date of the transaction. Foreign exchange differences are recognised in the statement of profit or loss.

Subsidiaries

Subsidiaries are entities controlled by the parent company Impol 2000, d. d. Control exists when the controlling company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Investments of the Company in subsidiaries are measured at cost. If the loss of Impol 2000, d. d. is higher than its share, the carrying amount of the Company's share shall be reduced to zero and this share shall no longer be recognised in subsequent losses. Costs, which can be connected with purchasing a subsidiary, increase the value at cost of the capital investment. The subsidiary's participation in profit is recognised in the statement of profit or loss of Impol 2000, d. d. when the Company obtains the profit-sharing right.

For more information see section “Presentation of the parent company Impol 2000, d. d. and the Impol Group”.

Investment in associated companies

Associates are companies where Impol 2000, d. d. has a significant influence but does not control their financial and business policies. A significant influence exists if an entity owns 20 to 50 percent of voting rights in another entity. For more information see section “Presentation of the parent company Impol 2000, d. d. and the Impol Group”.

Impol 2000, d. d. recognises Investment in associated companies at cost. Costs which the company can relate to the acquisition increase the cost of the investment.

Intangible assets

Intangible assets of Impol 2000, d. d. include other long-term deferred items (IT programmes, programme solutions). At initial recognition, they are are valued at cost. The carrying amount of intangible assets with a finite useful life is reduced with depreciation. Later expenditure in connection with intangible assets are only capitalised if they increase future economic gain. All other costs are recognised in profit and loss as expenditure at the moment they arise.

Depreciation is calculated using the straight-line method, while considering the useful life of the intangible asset. Depreciation starts after the asset is made available for use.

Depreciation rates based on the estimated useful life of individual types of intangible fixed assets are presented in the table below.

Table 129: Depreciation rates used for intangible fixed assets

Depreciation rates used in the Company	Depreciation rate in %	
	Lowest	Highest
Intangible assets		
Computer software	10.00%	50.00%

Each impairment is immediately recognised in the statement of profit or loss and is subsequently not reversed.

Tangible fixed assets

All tangible fixed assets of the Company are disclosed according to the cost model. Upon initial recognition they are measured at cost, reduced by the accumulated depreciation and accumulated impairment losses. Cost includes expenses which may be directly attributed to the acquisition of an individual asset.

Important parts of tangible fixed assets with different useful lives are calculated as individual tangible fixed assets.

Borrowing costs that are directly connected with purchasing, building or creating an asset in acquisition are recognised within the value at cost of this asset.

The positive or negative difference between the net sales value and the carrying amount of the disposed asset is recognised in the statement of profit or loss. The costs of replacement of a certain part of the tangible fixed asset are recognised in the carrying amount of this asset when it is probable that the future economic benefits related to the part of this asset will flow to the Company and the cost can be measured reliably.

All other costs (repairs, maintenance) for maintenance or renovation of future economic benefits are recognized in the statement of profit or loss as expensed, the moment they arise. Depreciation is calculated using the straight-line method, considering the useful life of individual tangible fixed assets and the residual value, while residual value is only determined for significant assets. Land is not subject to depreciation. Depreciation starts after the asset is made available for use.

Depreciation rates based on the estimated useful life of individual types of tangible fixed assets.

Table 130: Depreciation rates used for tangible fixed assets

Depreciation rates used in the Company	Depreciation rate in %	
	Lowest	Highest
Tangible fixed assets		
Equipment		
Production equipment	10.00%	20.00%
Furniture	20.00%	25.00%
Computer hardware	50.00%	50.00%
Motor vehicles		
Personal vehicles	20.00%	20.00%

Assets under lease

When signing a contract, it must be determined whether said contract includes lease pursuant to IFRS 16. According to this standard, a contract is a lease contract if it grants the right to use a certain asset for a certain period of time in return for payment.

For these types of contracts, the IFRS 16 standard specifies that at the beginning of the lease the lessee must recognise the right to use the asset (asset under lease) and the liability from the lease. The right to use the asset is amortised and interests are attributed to liabilities.

The asset with the right to use is recognised on the date of commencement of the lease, i.e. when the asset is available for use. The initial measurement of the asset encompasses the amount of the initial measurement of lease obligation (discounted current value of lease that has not yet been paid on that date), and the payment of leases that have been effectuated on the day of commencement of the lease or before, minus any received lease incentives and estimates of potential costs that will occur within the Company with the removal of the asset.

The assets are then measured according to their cost, minus the accumulated depreciation and losses due to impairment, and are then adapted for each consecutive measurement of lease obligation. The asset is depreciated from the beginning of the lease until the end of its useful life, or until the end of the duration of the lease, if this period is shorter than its useful life. If the contract is concluded for an undefined period or if it is automatically extended every year, the expected depreciation periods for each individual group of assets are used.

Signs of impairment are verified annually; in this case, the replaceable value of these assets must be determined. In the event of impairment, it must be recognised in the profit and loss statement pursuant to IAS 36.

The Company excludes from the right to use assets leases that last no longer than 12 months (short-term leases) and do not have the option to purchase, and leases where the leased asset is of small value. This takes into account the value of the asset when it is new.

Financial instruments

In the financial instruments section of its statements, Impol 2000, d. d. discloses the following items:

- Non-derivative financial assets;
- Non-derivative financial liabilities.

In its accounts, the Company does not recognise derivative financial instruments.

Non-derivative financial instruments are initially recognised at their fair value. Fair value is the amount at which an asset can be sold or a liability exchanged between knowledgeable, willing parties in an arm's length transaction. After initial recognition, the non-derivative financial instruments are measured using the method defined below.
Determination of the fair value of financial instruments takes into account the following hierarchy of determination levels:

- level one includes quoted prices (unadjusted) on functioning markets for the same assets and liabilities,
- level two includes inputs that besides quoted prices from level one are also noted directly (i.e. prices) or indirectly (i.e. derived from prices) as assets or liabilities,
- level three includes inputs for the asset or liability not based on observable market data.

Quoted prices are applied as the basis for determination of the fair value of financial instruments. If a financial instrument is placed on an organised market or if the market is estimated as not functioning, inputs from levels two and three are used for determining the fair value.

Non-derivative financial assets

Non-derivative financial assets of Impol 2000, d. d. include cash and cash equivalents, receivables and loans, and investments. Pursuant to the IFRS 9, the aforementioned assets can be divided into the following three groups:

- financial assets at fair value through profit or loss;
- financial assets at repayment value;
- financial assets at fair value through other comprehensive income.

The basis for the aforementioned division is represented by the business models, in the framework of which each individual financial asset is managed, as well as its contractual cash flows. Pursuant to IFRS 9, classifying and measuring financial assets in the financial statements is defined according to the chosen business model, in the framework of which financial assets are managed, and the characteristics of their contractual cash flows. Upon initial recognition, each of the financial assets is classified into one of the following business models:

- model with the purpose of acquiring contractual cash flows (measurement at repayment value),
- model with the purpose of selling and acquiring contractual cash flows (measurement at fair value through comprehensive income statement),
- other models (measurement at fair value through the profit and loss statement).

Financial assets at fair value through profit or loss

The financial assets measured at fair value through the profit and loss statement are initially measured at fair value, while transaction costs are indicated in the profit and loss statement upon purchase. Financial instruments are classified in this group, which are intended for trading, and financial instruments measured by Impol 2000, d. d., at fair value. Profit and loss arising from these financial instruments are classified into the profit and loss statement. Dividends from financial instruments classified in this group are recognised as financial revenues in the profit and loss statement. Impol 2000, d. d. possesses no such assets.

Financial assets at repayment value

Financial assets at repayment value are measured at repayment value using the effective interest rate. They are shown in the amount of outstanding capital, increased for the amount of outstanding interest and compensation, and decreased for the amount of impairment.

Financial assets at fair value through other comprehensive income

Financial assets owned for trading, and financial assets measured at fair value through other comprehensive income, are measured at fair value after initial recognition. The fair value is based on the published market price on the reporting date which represents the best offer or, if unavailable, closing offer. Impol 2000, d. d. possesses no such assets.

Loans and receivables

Loans and receivables are non-derivative financial assets that are not quoted in an active market. They are included in short-term assets, except with maturity longer than 12 months after the date of the financial statement, in which case they are classified as long-term assets. In the financial situation statement, loans and receivables are reported under business, financial and other receivables at amortised value, considering the current interest rate.
In addition to the aforementioned financial assets, the investments in subsidiaries and associated companies accounted pursuant to IAS 27 according to their cost are also shown in the framework of separate financial statements of Impol 2000, d. d.

Monetary assets and cash equivalents

Cash and cash equivalents include cash, bank deposits under three months and other short-term highly liquid investments with original maturity of three months or less. They are disclosed at cost. Overdrafts are included under short-term financial liabilities.

Non-derivative financial liabilities

Non-derivative financial liabilities include business, financial and other liabilities. Financial liabilities are initially recognised at fair value, increased by costs directly attributable to the transaction. After initial recognition, financial liabilities are measured at amortised value using the effective interest method. Financial liabilities are classified under long-term liabilities, except with maturity shorter that 12 months after the date of the statement of financial position. Such liabilities are classified as short-term liabilities.

Inventories

Merchandise inventories of Impol 2000, d. d. are valued at cost or net realisable value, whichever is lower. Net recoverable value is the estimated selling price at the reporting date less sales expenses and other possible administrative expenses, which are usually connected with the sale.

Cost of merchandise inventories consists of the purchase price, import and other non-refundable purchase charges and direct purchase costs. The FIFO method is used for valuing inventories of merchandise and measuring use. The Company does not own any other inventories. The inventory impairment policy is described in section “Impairment”.

Equity

Equity is an obligation towards the owners which falls due if the Company ceases to operates, whereby the size of the equity is adjusted considering the price of net wealth attainable at that point. Equity is defined with sums that have been invested by owners, and sums that arose during the course of the business operations of the company and which belong to the owners.

Total equity consists share capital, capital reserves, profit reserves, net profit carried over from previous years, reserves from fair value measurement, temporarily undistributed net profit of the financial year.

On 31/12/2023, the share capital of Impol 2000, d. d. amounted to EUR 4,451,540 and was divided into 1,066,767 ordinary no-per value shares.

Capital reserves of Impol 2000, d. d. in the total amount of EUR 10,751,254 comprise of the paid-in share premium in the amount of EUR 97,090 and EUR 9,489,713, and a general capital revaluation adjustment of EUR 1,164,451.

In accordance with the Company Statute, statutory reserves represent ½ of the Company's share capital and amount to EUR 2,225,770.

In accordance with the resolution of the General Meeting held on 14/07/2023, dividends were paid out in the amount of EUR 10,667,670 or EUR 10.00 per share in 2023. The accounting value of the share on 31/12/2023 amounted to EUR 70.10 per share, and the net profit amounted to EUR 14.84 per share.

Provisions

Provisions are formed for a present obligation as a result of a past event and when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation.

Provisions for jubilee and retirement benefits

In accordance with legal provisions, the collective agreement and internal rules, the company is committed to the payment of long-service bonuses to employees and severance pays upon retirement. For this purpose, long-term provisions are formed. There are no other retirement obligations. Provisions are formed in the amount of the expected future payments of jubilee and retirement benefits discounted on the date of the statement of financial position. The actuarial calculation is made for each employee, taking into account the costs of severance pays upon retirement and the cost of all expected long-service bonuses until retirement. Actuarial calculation is based on assumptions and assessments applicable at the time of the calculation that due to changes in the following year may differ from actual assumptions that will apply at that time. This mainly refers to discount rates, employee fluctuation estimates, mortality rates and wage growth estimates.

Government grants

Government grants are recognised at fair value, but only when there is an acceptable assurance that Impol 2000, d. d., will fulfil the conditions related to them and receive the grants. Government subsidies are recognised as revenue in the periods in which they are matched with the relevant costs that they are supposed to compensate. If the government grant relates to a specific asset, it is recognised as deferred revenues, which Impol 2000, d. d., recognises in the income statement proportionately over the period of the expected useful life.

Financial liabilities from leases

Financial liabilities from leases are recognised on the commencement date of the lease of asset. On the commencement date of lease, the lease liability is measured at current value of lease still due. These leases are discounted. At a later measurement of the financial liability from leases, it is increased for the value reflecting liability interests from lease, and reduced for the value of leases paid. In the event of an amendment of the lease conditions, the current value is measured again on the basis of revaluation of future leases or an amendment of lease (duration or price).

After the commencement date of lease, financial liabilities from leases are measured again using the new discount rate, if the duration of lease or the value of future leases have changed.
In the event of lease termination or reduction, the profit or loss connected to partial or full termination of lease are recognised in the profit or loss statement.
Liabilities from lease are disclosed as a long-term liability, with the exception of liabilities that will be settled in a 12-month period and that are disclosed in the financial statement as short-term liabilities from lease.

Impairment

Financial assets

A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows from that asset. A financial asset is impaired, if its carrying amount is higher than the estimated recoverable value or if there is objective evidence of the impairment. The replacement value represents the present value of the estimated future cash flows discounted at the original effective interest rate of this instrument. The impairment is recognised in the profit or loss statement.

A financial investment is assessed at each reporting date by the accounting department to determine its suitability. If a financial investment is losing value (e.g. due to unsuccessful operations of the entity where the Company has its capital participation, insufficient solvency etc.), it mus be determined what kind of corrections have to be made to the initially recognised value of cost and debited to revaluation financial expenditures. The responsible person also has to order a partial or total cancellation of the financial investment as soon as reasons for this occur.

Impairment of receivables and loans granted

Impairments of receivables are formed based on the assessment of recoverability time analysis. Here, in accordance with the provisions of IFRS 9, the impairment of receivables is formed on the basis of expected losses in relation to the risk that the receivables would not be repaid, taking into account historical, current and forward-looking information on repayments.

If it is estimated that when the carrying amount of the receivable exceeds its fair value (i.e. recoverable value), the receivable is impaired. Receivables that are assessed not to be collected within the regular deadline or in the whole amount are considered as doubtful. If proceedings were already brought before the court, receivables are considered as disputed. Impairment of loans granted is assessed for every individual loan. Impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate. The loss is recognized in the statement of profit or loss for the period (for more information see section “Estimate of the recoverable value of receivables”).

When it comes to financial assets measured at fair value through other comprehensive income, the latter is measured according to its cost upon initial recognition, and is then increased for the cost of the business transaction arising from the purchase of said financial asset. Profit and loss arising from these financial instruments are never classified into the profit and loss statement.

When it comes to impairment of financial assets measured at repayment value, the amount of loss is measured as the difference between the carrying amount of a financial investment and the current value of expected future cash flows, discounted according to the initial effective interest rate. The value of said loss is recognised in the profit and loss statement. If reasons for the impairment of the financial investment cease to exist, the reversal of impairment of the financial asset disclosed at repayment value is recognised in the profit and loss account.

In the event of financial assets measured at fair value through the profit and loss statement, profit and loss arising from these financial instruments are classified into the profit and loss statement.

Impairment of financial investments in equity of subsidiaries

Financial investments into subsidiaries are calculated according to their cost in the financial statements of Impol 2000, d. d. At each reporting date, the Company reviews the carrying amount of the Company’s non-financial assets in order to determine whether there is any indication of impairment. If any such indication exists, then the asset’s recoverable amount is estimated. The recoverable value of the asset or cash-generating unit is the value in use or its fair value, reduced by costs of disposal, whichever is higher. When determining the asset's value in use, the estimated future cash flows are discounted to their present value using the pre-tax discount rate reflecting the current market assessment of the time value of money and those risks specific to the asset. An impairment loss is recognized when the accounting value of an asset or cash-generating unit exceeds its recoverable value. Impairment losses are recognised in the profit and loss statement.

Non-financial assets

Tangible and intangible assets

The carrying amount of the Company's non-financial assets is reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

An impairment loss is recognised when the carrying amount of an asset or cash-generating unit exceeds its recoverable value. A cash-generating unit is the smallest group of assets that generate financial income that are to a greater extent independent from financial income from other assets and groups of assets. Impairment losses are recognised in the profit and loss statement. The recoverable value of the asset or cash-generating unit is the value in use or its fair value, reduced by costs of disposal, whichever is higher. In assessing value in use, estimated future cash flows are discounted to their present value by using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment loss of goodwill is not reversed.
Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the assets' recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation write-off, if no impairment loss had been recognised in the previous periods.

Inventories

Inventories are impaired if their carrying amount exceeds their estimated recoverable amount. Additionally, individual types of inventories are analysed by their age structure. Depending on the group of inventories, the amount of impairment loss according to their age is determined as a percentage of their value. Impairment also includes expert judgement on possible utilisation or sale of such inventories. At least at the end of every financial period, the Company measures the net recoverable amount of inventories and the need for write-offs. Costs of inventories are not reversible if inventories are damaged, partially or completely obsolete, or if their sales price is reduced. Costs of inventories are also not reversible if the estimated costs of completion or costs in connection with sales increase. Partial write-offs of inventories under their original value or costs up to the net recoverable value is in accordance with the policy that assets cannot be recognised at values higher than expected from their sale or utilisation. Inventories are usually partially written off to their net recoverable value under individual items.

Recognition of revenues

Revenues are recognised in the financial statements if the increase of economic gain in the financial year is connected with an increase of an asset or a decrease of a liability, and if this increase can be reliably measured.

Operating revenues, which include revenues from contracts with customers and other operating revenues, are recognised when it could reasonably be expected that they will result in remuneration, if this is not already realised upon occurring and they may be reliably measured. In connection with revenues from contracts with customers, the Company uses a five-step revenue recognition model in accordance with IFRS 15. The identification of the contract with customers is followed by the identification of separation enforcement obligations, the identification of the price, the division of the price according to separation enforcement obligations and, pursuant to the aforementioned steps, the recognition of revenues. The main principle is that recognition of revenues reflects the transfer of goods and services to a customer in the amount reflecting the indemnity that the Company expects to be entitled to. Operating revenues of Impol 2000, d. d. includes:

- Revenues from sale of merchandise measured by sales prices, stated on invoices or other documents, reduced by discounts granted at sale or later, even for the reason of earlier payment. Revenues is recognised in profit or loss after the Company has transferred the significant risks and rewards of ownership to the buyer.
- Revenues from sale of services, except services that lead to financial revenues, are measured according to sales prices of completed services. The work completion percentage method at the financial statement date is applied;
- Other operating revenues arising from disposal of property, devices, equipment and intangible assets, reversal of provisions, settlement of written-of receivables and other.

Sales revenues are recognised in an amount that reflects the transaction price, which is allocated to the individual performance obligation. The transaction price is the amount of compensation to which the Company expects to be entitled in exchange for the transfer of goods or services to the buyer, excluding amounts collected on behalf of third parties. The control of the goods and services depends on the terms of the sales contract, and the transfer occurs at the moment when the buyer takes over the goods or the service is performed.

A customer contract asset is a right to consideration in exchange for goods or services that have been transferred to the customer but have not yet been billed to the customer. In this case, the Company shows accrued revenues for goods and services delivered to customers among assets from contracts with customers.

A liability from contracts with customers is a liability to transfer goods or services to the customer in exchange for compensation received by the Company from the customer. Within the framework of liabilities from contracts with customers, the Company would thus show liabilities from approved volume discounts. Liabilities from contracts are recognised as revenues when the Company fulfils its performance obligation under the contract.

Financial revenues comprise interest income, investment income, dividend income and positive foreign exchange differences. Interest income is generally recognised at the time of occurrence using the agreed interest rates. Dividend income is recognised on the date that the shareholder's right to receive payment is established.

Recognising expenses

Expenses are recognised in the financial statements if the decrease in economic benefit in the accounting period is connected to a decrease in assets or an increase in debts, and if said decrease can be reliably measured.

Operating expenses are, in principle, in the accounting period equal to costs that cannot be kept in the stocks of products and unfinished production and are consequently already recognised as operating expenses when they are incurred, as well as expenses from the cost of the goods sold. The cost of goods sold includes expenses related to the sale of goods when the cost of goods is not kept in inventories, since it is a trading activity. In addition to the cost of goods sold, operating expenses also include the costs of materials and services, labour costs, depreciation and write-offs, and other operating expenses.

Depreciation costs are the original costs associated with the strictly consistent transfer of the value of depreciable tangible fixed assets and depreciable intangible assets.

Write-offs include impairments, write-offs and losses on the sale of intangible assets and tangible fixed assets, as well as impairments or write-offs of receivables.

Labour costs are original costs related to accrued wages and similar amounts in gross amounts, as well as to duties calculated from this basis and not an integral part of gross amounts. Labour costs also include the costs of creating provisions for jubilee and retirement benefits for employees.

Other operating expenses arise in connection with the creation of provisions, concession fees, expenses, etc.

Financial expenses comprise borrowing costs (part of borrowing costs can be capitalised under property, devices and equipment) and negative foreign exchange differences.

Taxes

Income tax comprises current and deferred tax.

Current tax liabilities are disclosed in profit or loss, except for the part relating to items disclosed directly in other comprehensive income. Current tax is the expected tax payable on the taxable income for the year. Taxable profit differs from net profit reported for the financial year since it excludes income or expense items taxable or deductible in other financial years and other items that are never subject to taxation or deduction. The current tax liability is calculated using tax rates effective on the balance sheet date.

Deferred tax is disclosed entirely using the balance sheet liability method, which takes into account temporary differences occurring between the carrying amount of an asset or liability and its tax base in profit or loss. Deferred tax is determined using tax rates effective at the date of the statement of financial position that are expected to be used when the deferred tax liability is realised or the deferred tax liability is settled. Deferred tax receivables are recognised in the extent of the probability that there will be taxable profit available in the future that can be used to cover the deferred tax receivable.

Cash flow statement

The cash flow statement for the part regarding operations is composed using the indirect method from the data of the statement of financial position on 31/12 of the financial year and the statement of financial position on 31/12 of the previous financial year and additional data necessary for adjusting inflows and outflows, and for a suitable breakdown of significant items. The part regarding investments and financing is drawn up using the direct method. Settled and received interest from operating receivables are distributed between cash flows from operating activities. Interest from loans and paid and received dividends are distributed between cash flows from financing.

Segment reporting

Because of the very similar nature of product groups, their production procedure and distribution, Impol 2000, d. d. as well as the Impol Group defined only one reporting segment. Presentation of data with segment reporting takes into account that aluminium business activities represent the main operating activities of the Group. Other activities have an insignificant effect on presenting financial information.

Impol 2000, d. d., reports on the sale by geographical areas. The defined geographical areas are Slovenia, European Union, other European countries and the rest of the world.

NOTES TO INDIVIDUAL ITEMS OF FINANCIAL STATEMENTS

1. Poslovni prihodki

Table 131: Operating revenues in EUR

Operating revenues	Operating revenues generated with companies		2023	2022
	in the Group	others		
Net sales revenues	14,802,713	23,849,127	38,651,840	49,092,982
Other operating revenues	3,216	201,517	204,733	167,962
TOTAL	**14,805,929**	**24,050,644**	**38,856,573**	**49,260,944**

Table 132: Other operating revenues in EUR

Other operating revenues	2023	2022
Revenues from the reversal of provisions	24,194	59,751
Other revenues associated with business effects (subsidies, grants, compensations, premiums, etc.)*	173,823	105,667
Revaluation operating revenue**	6,716	2,545
TOTAL	**204,733**	**167,962**

*In 2023, among other operating revenues, the Company recognised co-financed funds approved by the Ministry of Economic Development and Technology from the INDIGO project ("Digital transformation of the economy") in the amount of EUR 112,456 and the "Green foil" project in the amount of EUR 60,567, the remaining other revenues (EUR 800) refer to received compensation and other operating revenues.
**These are revenues from the sale of the fixed asset (EUR 3,500), and the remainder (EUR 3,216) relates to the early termination of the contract on the business lease of the asset and, consequently, the elimination of the right to use the asset and related obligations from the lease.

Čisti prihodki od prodaje glede na vrsto blaga oziroma storitve

Table 133: Net sales revenues by the type of merchandise or service in EUR

Product, merchandise or service	2023	2022
Revenues from services – domestic market	14,866,106	14,448,603
Revenues from sale of merchandise – domestic market	20,680,412	31,707,807
Revenues from sale of merchandise – foreign market	3,103,768	2,933,712
Revenues from services – foreign market	1,554	2,860
TOTAL	**38,651,840**	**49,092,982**

Net sales revenues by operating segments

Table 134: Net sales revenues by operating segments in EUR

Net sales revenues by operating segments	2023	2022
Revenues from sales in Slovenia	**35,546,517**	**46,156,409**
• Revenue from sales in Slovenia – Group companies	14,801,609	14,408,063
• Revenues from sales in Slovenia – other companies	20,744,908	31,748,346
Revenues from sales in EU	**1,337,965**	**1,381,254**
• Revenue from sales in the EU – Group companies	1,104	1,790
• Revenues from sales in EU – other companies	1,336,860	1,379,465
Revenues from sales in other European countries	**1,767,358**	**1,555,318**
• Revenues from sales in other European countries – other companies	1,767,358	1,555,318
TOTAL	**38,651,840**	**49,092,982**

2. Operating expenses

Analysis of costs and expenses

Table 135: Analysis of costs and expenses in EUR

	Costs of sale	Costs of general activities	Total 2023	TOTAL purchases in 2023 from: Companies in the Group	Associated companies	Other companies	Total 2022
Cost of merchandise and materials sold	22,806,566	0	**22,806,566**	22,754,766	0	51,800	**33,329,436**
Costs of material	0	268,076	**268,076**	78,645	0	189,431	**209,207**
Costs of services	585,153	1,468,636	**2,053,789**	336,815	467,045	1,249,929	**2,058,501**
Labour costs	0	12,746,839	**12,746,839**	0	0	12,746,839	**12,719,793**
Depreciation	0	243,965	**243,965**	60,521	0	183,444	**256,243**
Revaluation operating expenses	0	773	**773**	0	0	773	**0**
Other operating expenses	0	389,754	**389,754**	7,500	0	382,254	**322,540**
TOTAL:	**23,391,719**	**15,118,044**	**38,509,763**	**23,238,247**	**467,045**	**14,804,470**	**48,895,719**

Costs of material

Table 136: Costs of materials in EUR

	2023	2022
Costs of energy	58,511	56,245
Costs of office supplies and professional literature	128,080	100,820
Other costs of materials	81,485	52,142
TOTAL	**268,076**	**209,207**

Costs of services

Table 137: Costs of services in EUR

	2023	2022
Costs of transport services	54,126	50,174
Costs of rents	18,459	10,463
Reimbursement of employee costs	170,344	141,362
Other costs of services	1,810,860	1,856,502
TOTAL	**2,053,789**	**2,058,501**

Auditor's cost

Table 138: The amount (cost) spent for the auditor (according to ZGD-1, Point 2, Paragraph 4, Article 69) in EUR

	2023	2022
Auditing of the annual report	21,060	21,060
TOTAL	**21,060**	**21,060**

Except for the mandatory annual audit of separate and consolidated financial statements of Impol 2000, d. d., for the financial year of 2023, the audit firm did not carry out any other audit or non-audit services.

Labour costs

Table 139: Itemisation of labour costs in EUR

	2023	2022
Costs of wages and salaries	8,784,185	8,022,804
Costs of pension insurance	778,399	720,002
Costs of other social security contributions	662,527	593,075
Other labour costs	2,521,727	3,383,912
TOTAL	**12,746,839**	**12,719,793**

Table 140: Remuneration of members of the Board of Directors and Supervisory Board and employees on individual contracts in EUR

	2023	2022
Board of Directors members	2,078,759	1,478,404
Employees on individual contracts	5,341,229	6,151,505
TOTAL	**7,419,988**	**7,629,910**

Employee education structure as of 31/12/2023

Table 141: Education structure

Education level	Number of employees as of 31/12/2023	Number of employees as of 31/12/2022
Doctoral Degree	6	5
Master's Degree	4	4
Bachelor's Degree	50	50
Higher education	20	20
College	15	16
Secondary School Degree	19	21
Qualified	9	10
Semi-qualified	1	2
Non- qualified	3	3
Total	**127**	**131**

Depreciation

Table 142: Depreciation in EUR

	2023	2022
Depreciation of intangible fixed assets	42,681	42,910
Depreciation of tangible fixed assets	99,494	106,979
Depreciation of tangible fixed assets relating to the right to use assets	101,789	106,354
TOTAL depreciation	**243,965**	**256,243**

Other costs and expenses

Table 143: Other costs and expenses in EUR

	2023	2022
Charges independent of operation	281,676	158,576
Grants	108,077	163,927
Other costs	1	36
TOTAL	**389,754**	**322,539**

3. Financial revenues and expenses

Financial revenues

Table 144: Financial revenues from financial investments and operating receivables in EUR

	Total 2023	Of which from companies		**Total 2022**
		in the Group	of others	
Financial revenues from participating interests – in profits, dividends	**16,250,000**	16,250,000	0	**10,000,000**
Financial revenues from loans – interests	**792**	790	2	**793**
Financial revenues from operating receivables – interests	**3,239**	0	3,239	**12,329**
Total:	**16,254,031**	**16,250,790**	**3,241**	**10,013,122**

*Shares in profit refer to participation in profit of subsidiaries in 2023, i.e.:

- in accordance with the resolution of the General Meeting of Impol, d. o. o., held on 07/09/2023, Impol 2000, d. d. is entitled to the entire share of the accumulated profit, intended for distribution, i.e. in the amount of EUR 15,000,000.
- in accordance with the resolution of the General Meeting of Impol Rondal, d. o. o., held on 07/09/2023, Impol 2000, d. d. is entitled to the entire share of the accumulated profit, intended for distribution, i.e. in the amount of EUR 900,000.
- in accordance with the resolution of the General Meeting of Impol FinAl, d. o. o., held on 07/09/2023, Impol 2000, d. d. is entitled to the entire share of the accumulated profit, intended for distribution, i.e. in the amount of EUR 350,000.

Financial expenses

Table 145: Financial expenses from financial investments and operating liabilities in EUR

	Total 2023	Of which from companies in the Group	to others	Total 2022
Financial expenses from (excluding bank loans) – interests	**610,824**	610,824	0	**437,086**
Financial expenses from other financial liabilities – interests	**11,489**	0	11,489	**4,579**
Financial expenses from leases – interests (operating lease)	**14,937**	8,299	6,638	**6,869**
Financial expenses from operating liabilities – interests	**115**	0	115	**5**
Financial expenses from operating liabilities – foreign exchange differences	**433**	0	433	**315**
Total	**637,798**	**619,124**	**18,674**	**448,854**

4. Income tax

Table 146: Income tax in EUR

Income tax	2023	2022
Revenues determined in accordance with accounting regulations	55,110,604	59,274,065
Revenue adjustment for tax purposes – decrease	16,261,501	10,029,427
Revenues recognised for tax purposes	**38,849,103**	**49,244,638**
Expenses determined under accounting regulations	39,147,561	49,344,573
Expense adjustment for tax purposes – decrease	446,483	522,104
Expenses recognised for tax purposes	**38,701,077**	**48,822,469**
Difference between deductible revenues and expenses	**148,025**	**422,170**
Change of the tax base when amending tax base when amending accounting policies, error corrections and revaluations	-23,041	-2,579
Increase in tax base for predetermined tax relief	812,500	500,000
Tax base	**937,485**	**919,591**
Decrease in tax base and tax relief (up to the maximum amount of the tax base)	203,645	223,878
Tax base	**733,840**	**695,713**
Tax (19%)	**139,430**	**132,185**
Effective tax rate (in %)	**0.87%**	**1.33%**

In 2023, the effective profit tax rate for Slovenia was 19% (in 2022: 19%). The Company according to the balance as of 31/12/2023 in the statement of financial position among other short-term business liabilities (item 4. Other short-term business liabilities) shows EUR 18,260 in liabilities from profit tax.

CbCR reporting

Since in 2023 the total consolidated revenues of the Impol Group reached or exceeded EUR 750,000,000 (the same applies for 2022), the so called country-by-country reporting (CbCR) will be carried out. The reporting company for the international group of companies is the company Impol 2000, d. d.

Minimum tax

At the end of 2023, the Minimum Tax Act (ZMD) was passed, which aims to ensure a global minimum taxation of large international and domestic groups with an effective tax rate of 15%. The minimum tax rules set out in the law apply to business years from 1 January 2024 onwards. It is a separate system from corporate income tax with the countries' own rules for determining the base and actual tax rate. Groups that have the obligation to pay the minimum tax are groups whose annual revenues, which are reported in the consolidated financial statements of the umbrella parent entity, amount to EUR 750 million or more in at least two of the four financial years. The first calculations of domestic additional tax will have to be submitted by 30/06/2026. FURS is prepared documents with explanations and demonstrations of the functioning of the minimum tax and the preparation of by-laws. In order to facilitate the practical implementation and international exchange of information, the Financial Administration of the Republic of Slovenia has established the so-called Consultative Body'. An advisory body in which the Impol Group also participates. We are still evaluating the effects of the Minimum Tax Act on the tax policy and tax obligations of the Impol Group and Impol 2000, d. d.

5. Deferred taxes

Trend in deferred tax for Impol 2000, d. d.

Table 147: Trend in deferred tax for Impol 2000, d. d. in EUR

	Deferred taxes from deductible temporary differences due to the differences in provisions for jubilee and retire-ment benefits	Total
Deferred tax receivables for tax as of 31/12/2022	**26,274**	**26,274**
Deferred tax receivables for tax as of 01/01/2023	**26,274**	**26,274**
Deductible temporary differences (+)	3,726	3,726
Change of unused opening-balance amounts due to change in the tax rate*	4,189	4,149
Deferred tax receivables for tax as of 31/12/2023	**34,149**	**34,149**

Deferred tax receivables were formed from deductible temporary differences due to the differences in provisions for jubilee and retirement benefits. The considered deductible temporary differences will in the future result in a reduction of the taxable profit shown in the Company's profit or loss statement.

* The 22% rate was applied in the calculation, as will be the applicable rate of profit tax for Slovenia in 2024.

Table 148: Change in deferred tax receivables in EUR

Changes in deferred-tax assets and liabilities were recognised in:	2023	2022
• Profit or loss account (+ / -)	7,875	-1,022
TOTAL	**7,875**	**-1,022**

Impact on the net operating result of Impol 2000, d. d, from deferred taxes, amounted to EUR 7,875, which increased the net profit for the current year.

Čisti dobiček na delnico

Osnovni čisti dobiček na delnico se izračuna z delitvijo čistega dobička, ki pripada delničarjem, s tehtanim povprečnim številom navadnih delnic, ki so v prometu med letom, pri čemer se izključi povprečno število lastnih delnic.

Table 149: Net earnings per share in EUR

	2023	2022
Profit or loss relating to the owners of the controlling entity	15,831,489	9,796,285
Weighted average of the number of regular shares	1,066,767	1,066,767
Net earnings per share (in EUR)	**14.84**	**9.18**
Regular shares as of 01/01	1,066,767	1,066,767
Effect of own shares	0	0
Weighted average of the number of regular shares as of 31/12	**1,066,767**	**1,066,767**

Ker družba nima prednostnih delnic niti obveznic, ki bi jih bilo mogoče pretvoriti v delnice, je popravljeni dobiček na delnico enak osnovnemu dobičku na delnico.

6. Intangible assets and long-term deferred costs and accrued revenues

Table 150: **Trend in intangible assets in 2023 in EUR**

Description	Long-term property rights	**Total**
Cost as of 31/12/2022	**624,089**	**624,089**
Opening balance adjustments	0	**0**
Cost as of 01/01/2023	**624,089**	**624,089**
Cost as of 31/12/2023	**624,089**	**624,089**
Value adjustment as of 31/12/2022	**368,476**	**368,476**
Opening balance adjustment	0	**0**
Value adjustment as of 01/01/2023	**368,476**	**368,476**
Depreciation during the year	42,681	**42,681**
Value adjustment as of 31/12/2023	**411,157**	**411,157**
Carrying amount as of 31/12/2023	**212,932**	**212,932**
Carrying amount as of 31/12/2022	**255,613**	**255,613**

Table 151: **Trend in intangible assets in 2022 in EUR**

Description	Long-term property rights	Total
Cost as of 31/12/2021	**624,089**	**624,089**
Opening balance adjustments	0	0
Cost as of 01/01/2022	**624,089**	**624,089**
Cost as of 31/12/2022	**624,089**	**624,089**
Value adjustment as of 31/12/2021	**325,566**	**325,566**
Opening balance adjustment	0	0
Value adjustment as of 01/01/2022	**325,566**	**325,566**
Depreciation during the year	42,910	42,910
Value adjustment as of 31/12/2022	**368,476**	**368,476**
Carrying amount as of 31/12/2022	**255,613**	**255,613**
Carrying amount as of 31/12/2021	**298,523**	**298,523**

The intangible assets shown mostly relate to software owned by Impol 2000, d. d., and are free of encumbrances. Cost of intangible fixed assets with zero present value, which are still being utilised, amounts to EUR 208,764. The Company does not report intangible assets with an indefinite useful life.

7. Tangible fixed assets

Table 152: Tangible fixed assets in 2023 in EUR

Description	Production machinery and equipment	Other machinery and equipment	Equipment and other tangible fixed assets being acquired	**Total equipment**	**Total**
Cost as of 31/12/2022	**739,009**	**673,462**	**1,130**	**1,413,601**	**1,413,600**
Opening balance adjustments	0	0	0	**0**	**0**
Cost as of 01/01/2023	**739,009**	**673,462**	**1,130**	**1,413,601**	**1,413,600**
Direct increases – acquisitions	0	0	67,792	**67,792**	**67,792**
Transfer from investments in progress	0	68,922	-68,922	**0**	**0**
Transfer between companies in the Group – acquisition	0	0	0	**0**	**0**
Decreases – sales (-)	0	25,979	0	**25,979**	**25,979**
Decreases – exclusions, other decreases (-)	0	10,088	0	**10,088**	**10,088**
Cost as of 31/12/2023	**739,009**	**706,316**	**0**	**1,445,326**	**1,445,326**
Value adjustment as of 31/12/2022	**671,133**	**526,472**	**0**	**1,197,605**	**1,197,605**
Opening balance adjustment	0	0	0	**0**	**0**
Value adjustment as of 01/01/2023	**671,133**	**526,472**	**0**	**1,197,605**	**1,125,839**
Depreciation during the year	3,164	96,330	0	**99,495**	**99,495**
Direct increase	0	2	0	**2**	**2**
Decreases – sales (-)	0	25,979	0	**25,979**	**25,979**
Decreases – exclusions, other decreases (-)	0	9,348	0	**9,348**	**9,348**
Value adjustment as of 31/12/2023	**674,297**	**587,478**	**0**	**1,261,775**	**1,261,775**
Carrying amount as of 31/12/2023	**64,712**	**118,839**	**0**	**183,551**	**183,551**
Carrying amount as of 31/12/2022	**67,877**	**146,989**	**1,130**	**215,996**	**215,996**

With the application of the IFRS 16 – Lease standard, the assets under lease in the balance sheet from 01/01/2019, are no longer recognised among tangible fixed assets, but are instead recognised separately under "Assets under lease" – see Note 8.

Table 153: Tangible fixed assets in 2022 in EUR

Description	Production machinery and equipment	Other machinery and equipment	Equipment and other tangible fixed assets being acquired	Total equipment	Total
Cost as of 31/12/2021	**739,009**	**615,316**	**0**	**1,354,326**	**1,354,326**
Opening balance adjustments	0	0	0	**0**	**0**
Cost as of 01/01/2022	**739,009**	**615,316**	**0**	**1,354,326**	**1,354,326**
Direct increases – acquisitions	0	0	58,326	**58,326**	**58,326**
Transfer from investments in progress	0	94,006	-94,006	**0**	**0**
Transfer between companies in the Group – acquisition	0	0	36,810	**36,810**	**36,810**
Decreases – exclusions, other decreases (-)	0	35,861	0	**35,861**	**35,861**
Cost as of 31/12/2022	**739,009**	**673,462**	**1,130**	**1,413,601**	**1,413,601**
Value adjustment as of 31/12/2021	**667,496**	**458,343**	**0**	**1,125,839**	**1,125,839**
Opening balance adjustment	0	0	0	**0**	**0**
Value adjustment as of 01/01/2022	**667,496**	**458,343**	**0**	**1,125,839**	**1,125,839**
Depreciation during the year	3,637	103,342	0	**106,979**	**106,979**
Direct increase	0	649	0	**649**	**649**
Decreases – exclusions, other decreases (-)	0	35,861	0	35,861	35,861
Value adjustment as of 31/12/2022	**671,133**	**526,472**	**0**	**1,197,605**	**1,197,605**
Carrying amount as of 31/12/2022	**67,877**	**146,989**	**1,130**	**215,996**	**215,996**
Carrying amount as of 31/12/2021	**71,513**	**156,973**	**0**	**228,487**	**228,487**

Disclosed tangible assets are the property of Impol 2000, d. d. and encumbrance free. The cost of intangible fixed assets, which currently amount to zero and are still being utilised as of 31/12/2023, amounts to EUR 1,075,522.

8. Assets under lease

Table 154: Trend in right to use assets in the first half of 2023 in EUR

Description	Right to use immovable property – operating lease – companies within the Group	Total right to use immovable property – operating lease	Right to use equipment – operating lease – other companies	**Total right to use equipment – operating lease**	**Total right to use – operating lease**	Right to use equipment – financial lease – other companies	**Total right to use equipment – financial lease**	**Total right to use**
Cost as of 31/12/2022	**264,460**	**264,460**	**178,045**	**178,045**	**442,505**	**97,881**	**97,881**	**540,386**
Opening balance adjustments	0	0	0	0	**0**	0	**0**	**0**
Cost as of 01/01/2023	**264,460**	**264,460**	**178,045**	**178,045**	**442,505**	**97,881**	**97,881**	**540,386**
Direct increase (+)	**302,607**	**302,607**	**0**	**0**	**302,607**	**0**	**0**	**302,607**
Decreases (-)	0	0	0	0	**0**	0	**0**	**0**
Other decreases (-)	264,460	264,460	0	0	**264,460**	0	**0**	**264,460**
Cost as of 31/12/2023	**302,607**	**302,607**	**178,045**	**178,045**	**480,652**	**97,881**	**97,881**	**578,533**
Value adjustment as of 31/12/2022	**211,568**	**211,568**	**58,376**	**58,376**	**269,944**	**97,881**	**97,881**	**367,825**
Opening balance adjustments	0	0	0	0	**0**	0	**0**	**0**
Value adjustment as of 01/01/2023	**211,568**	**211,568**	**58,376**	**58,376**	**269,944**	**97,881**	**97,881**	**367,825**
Depreciation (+)	60,521	60,521	41,268	41,268	**101,789**	0	**0**	**101,789**
Decreases (-)	0	0	0	0	**0**	0	**0**	**0**
Other decreases (-)	211,568	211,568	0	0	**211,568**	0	**0**	**211,568**
Value adjustment as of 31/12/2023	**60,521**	**60,521**	**99,644**	**99,644**	**160,165**	**97,881**	**97,881**	**258,046**
Carrying amount as of 31/12/2023	**242,086**	**242,086**	**78,401**	**78,401**	**320,487**	**0**	**0**	**320,487**
Carrying amount as of 31/12/2022	**52,892**	**52,892**	**119,669**	**119,669**	**172,561**	**0**	**0**	**172,561**

Table 155: **Trend in right to use assets in the first half of 2022 in EUR**

Description	Right to use immovable property – operating lease – companies within the Group	Total right to use immovable property – operating lease	Right to use equipment – operating lease – other companies	**Total right to use equipment – operating lease**	**Total right to use – operating lease**	Right to use equipment – financial lease – other companies	**Total right to use equipment – financial lease**	**Total right to use**
Cost as of 31/12/2021	**264,460**	**264,460**	**151,519**	**151,519**	**415,979**	**97,881**	**97,881**	**513,860**
Opening balance adjustments	0	0	0	0	**0**	0	**0**	**0**
Cost as of 01/01/2022	**264,460**	**264,460**	**151,519**	**151,519**	**415,979**	**97,881**	**97,881**	**513,860**
Direct increase (+)	**0**	**0**	**113,160**	**113,160**	**113,160**	**0**	**0**	**113,160**
Decreases (-)	0	0	58,934	58,934	**58,934**	0	**0**	**58,934**
Other decreases (-)	0	0	27,700	27,700	**27,700**	0	**0**	**27,700**
Cost as of 31/12/2022	**264,460**	**264,460**	**178,045**	**178,045**	**442,505**	**97,881**	**97,881**	**540,386**
Value adjustment as of 31/12/2021	**158,676**	**158,676**	**90,873**	**90,873**	**249,549**	**97,881**	**97,881**	**347,430**
Opening balance adjustments	0	0	0	0	**0**	0	**0**	**0**
Value adjustment as of 01/01/2022	**158,676**	**158,676**	**90,873**	**90,873**	**249,549**	**97,881**	**97,881**	**347,430**
Depreciation (+)	52,892	52,892	53,462	53,462	**106,354**	0	**0**	**106,354**
Decreases (-)	0	0	58,934	58,934	**58,934**	0	**0**	**58,934**
Other decreases (-)	0	0	27,025	27,025	**27,025**	0	**0**	**27,025**
Value adjustment as of 31/12/2022	**211,568**	**211,568**	**58,376**	**58,376**	**269,944**	**97,881**	**97,881**	**367,825**
Carrying amount as of 31/12/2022	**52,892**	**52,892**	**119,669**	**119,669**	**172,561**	**0**	**0**	**172,561**
Carrying amount as of 31/12/2021	**105,784**	**105,784**	**60,646**	**60,646**	**166,430**	**0**	**0**	**166,430**

*Upon transferring to the new IFRS 16 – Lease standard within Impol 2000, the latter has made the decision in 2019 to choose the possibility of using the standard retroactively, with a cumulative effect of the beginning of use of the standard and measurement of assets amounting to calculated lease liabilities.

A 3 % annual interest rate is applied for calculating the current value of liabilities from leases for all leases. The right to use the asset is amortised and interests are attributed to liabilities.

Assets under financial lease

As of 31/12/2023, Impol 2000, d. d., does not report assets under financial lease among its assets.

9. Long-term financial investments

Table 156: **Long-term financial investments in EUR**

	Cost of long-term financial investments as of 31/12/2023	Of which long-term financial investments in companies:		Value adjustment as of 31/12/2023		Carrying amount	
		in the Group	associated companies	Total value adjustment as of 31/12/2023	of which to associated companies	31/12/2023	31/12/2022
		+	+	-	-		
Investments in shares and participating interest	141,369,314	141,334,666	34,648	34,648	34,648	141,334,666	141,334,661
TOTAL long-term financial investments except for loans	**141,369,314**	**141,334,666**	**34,648**	**34,648**	**34,648**	**141,334,666**	**141,334,661**
Long-term loans granted	51,000	51,000	0	0	0	51,000	51,000
TOTAL long-term loans	**51,000**	**51,000**	**0**	**0**	**0**	**51,000**	**51,000**
TOTAL long-term investments	**141,420,314**	**141,385,666**	**34,648**	**34,648**	**34,648**	**141,385,666**	**141,385,661**

LFI – long-term financial investments

Trend in investments in subsidiaries and associated companies

Table 157: Trend in investments in subsidiaries and associated companies in EUR

Long-term financial investment in the company:	Cost 01/01/2023	Pur-chases*	Cost 31/12/2023	Purchase value due to impairment		Carrying amount		Ownership as of 31/12/2023
				Value adjustment as of 01/01/2023	Value adjustment as of 31/12/2023	31/12/2023	01/01/2023	%
	+		+	-	-	=	=	
Impol Servis, d. o. o.	245,037		245,037	0	0	245,037	245,037	100%
Impol, d. o. o.	73,988,863		73,988,863	0	0	73,988,863	73,988,863	100%
Impol-FinAl, d. o. o.	1,000,000		1,000,000	0	0	1,000,000	1,000,000	100%
Rondal, d. o. o.	100,000		100,000	0	0	100,000	100,000	100%
Impol-TLM, d. o. o.	63,773,761	6	63,773,766	0	0	63,773,766	63,773,761	100%
Alcad, d. o. o.	2,227,000		2,227,000	0	0	2,227,000	2,227,000	100%
Total subsidiaries	**141,334,661**		**141,334,666**	**0**	**0**	**141,334,666**	**141,334,661**	
Impol Brazil Aluminium	34,648		34,648	34,648	34,648	0	0	50%
Total associated companies	**34,648**		**34,648**	**34,648**	**34,648**	**0**	**0**	
TOTAL	**141,369,308**	**6**	**141,369,314**	**34,648**	**34,648**	**141,334,666**	**141,334,661**	

Long-term financial investments in capital are entirely classified in the Group for financial investments in subsidiaries and associated companies and are measured at cost. As the controlling company, Impol 2000, d. d. is responsible for preparation of consolidated financial statements for the companies presented above.

*On 1 January 2023, Croatia introduced the euro (formerly the Croatian kuna). As a result, the capital of the subsidiary Impol-TLM, d. o. o. was adjusted in such a way that the investment in this subsidiary increased through an additional payment, namely by EUR 5.54.

A financial investment in the equity of the subsidiary Impol, d. o. o., namely 97.54% of the ownership share in this Company was pledged In the form of the given guarantee for the obligations of Impol, d. o. o., to banks. The balance of these liabilities of the Impol, d. o. o., amounts to EUR 2,000,000 as of 31/12/2023.

The presentation of subsidiaries and the equity and operating results of the companies in question for 2023 is given in the business part of the annual report.

Trend in long-term loans granted

Table 158: Trend in long-term loans granted in EUR

	Loans granted to Group companies	Total
Balance of long-term loans granted as of 01/01/2023	**51,000**	**51,000**
New loans (+)	0	0
Balance of long-term loans granted as of 31/12/2023	**51,000**	**51,000**

*This is a loan granted to a company in the Group in Slovenia. The loan is secured with bills of exchange and is calculated at the established interest rate, which applies to loans between associated entities, increased by 1 percentage point due to maturity. It is due on 31/12/2026.

10. Inventories

As of 31/12/2023, Impol 2000, d. d., does not report inventories.

11. Short-term financial investments

As of 31/12/2023, Impol 2000, d. d., does not report short-term financial investments.

12. Short-term operating receivables

Table 159: Short-term operating receivables in EUR

	Short-term operating receivables	Short-term operating receivables from companies: in the Group	Short-term operating receivables from companies: Other	Value adjustment due to impairment (to other companies)	31/12/2023	31/12/2022
	=	+	+	-	=	
Short-term operating receivables from customers	4,666,877	1,189,425	3,477,452	5,773	4,661,104	4,964,969
• of which already matured on 31/12/2023	1,537,912	1,149,263	388,649	0	1,537,912	802,036
Short-term advances and securities granted	25,585	25,585	0	0	25,585	0
Short-term receivables related to financial revenues	26,811	4,023	22,788	0	26,811	40,367
Short-term receivables from state institutions	211,099	0	211,099	0	211,099	148,548
Other short-term operating receivables	411,921	0	411,921	0	411,921	493,625
TOTAL	**5,342,293**	**1,219,033**	**4,123,261**	**5,773**	**5,336,520**	**5,647,509**

Table 160: Short-term operating receivables from customers in the domestic and foreign market in EUR

	31/12/2023	31/12/2022
Short-term operating receivables in the domestic market	4,345,997	4,611,646
Short-term operating receivables in the foreign market	315,107	353,323
TOTAL	**4,661,104**	**4,964,969**

*In Slovenia, the Company's receivables from customers are secured through Coface PKZ zavarovalnica, d. d. Slovenia in the amount of EUR 2,898,422 in accordance with the balance as of 31/12/2023 (balance as of 31/12/2022: EUR 4,055,917).

Trade debtors abroad are converted into the local currency at the exchange rate of the ECB published by the Bank of Slovenia. Exchange rate difference arising until the date of settlement of the receivable or until the financial statement date are classified as the financial income or expenses item.

Analysis of outstanding trade receivables in EUR

Table 161: Analysis of outstanding trade receivables in EUR

	31/12/2023	31/12/2022
Matured in 2023	1,537,912	-
Matured in 2022	-	802,002
Matured in 2021	-	34
TOTAL receivables from customers already due	**1,537,912**	**802,036**

Trend in value adjustment of current operating receivables due to impairment

Table 162: Trend in value adjustment of short-term operating receivables due to the impairment in EUR

	2023	Of which value adjustment of short-term receivables from other companies	2022
Balance as of 01/01/2023	5,773	5,773	8,268
Decrease in value due to settlement of receivables (-)	0	0	2,495
Decrease in value due to write-offs of receivables (-)	0	0	0
Balance as of 31/12/2023	5,773	5,773	5,773

Table 163: Short-term receivables related to financial revenues in EUR

	31/12/2023	31/12/2022
Short-term receivables for interests related to financial revenues from operating receivables from other companies (customers) (+)	22,788	37,134
Short-term receivables for interests related to financial revenues from loans granted to companies in the Group (+)	4,023	3,233
TOTAL	**26,811**	**40,367**

On 31/12/2023, the Company had no disclosed receivables from members of the Board of Directors, the Executive Directors and internal owners.

13. Denarna sredstva in druga kratkoročna sredstva

Table 164: Monetary assets in EUR

	31/12/2023	31/12/2022
Monetary assets in hand and immediately cashable securities	489	387
Cash in banks and other financial institutions	4,003,469	6,212,931
TOTAL cash	**4,003,958**	**6,213,318**

The Company has no short-term deposits under three months, but as of 31/12/2023 the so-called over-night deposit in the amount of EUR 607,082 EUR has been formed, which is included in the credit balance shown at banks and other financial institutions.

Other short-term assets

Among other short-term assets, the Company recognises short-term deferred costs, short-term accrued revenues and VAT on advances received.

Table 165: Other short-term assets in EUR

	31/12/2023	31/12/2022
Short-term deferred costs or expenses	62,402	16,910
Short-term deferred income	148,848	174,488
VAT from advances received	9,082	751
Other short-term assets	**220,332**	**192,149**

Short-term deferred costs or expenses mainly refer to the costs of professional literature, IT licenses, membership fees and other.

In the case of short-term accrued revenues, for which the Company has not yet submitted claims to the line ministry, it is a matter of co-financing the costs of two public tenders:

- "Digital transformation of the economy" by the Ministry of Economic Development and Technology - INDIGO project from 2022. The total amount of approved funds in the framework of the mentioned project, to which the Company is entitled, amounts to EUR 223,867. In 2022, the Company has already issued claims in the total amount of EUR 49,379, and in 2023 for EUR 103,305.

- The new project from 2023 "Green foil", also co-financed by the Ministry of Economic Development and Technology. The total amount of approved funds in the framework of the mentioned project, to which the Company is entitled, amounts to EUR 118,851. In 2023, the Company has already issued claims in the total amount of EUR 41,186.

14. Capital

Table 166: Capital in EUR

	31/12/2023	31/12/2022
Capital	**74,783,643**	**69,662,254**
Called-up capital	4,451,540	4,451,540
Share capital	4,451,540	4,451,540
Capital reserves	10,751,254	10,751,254
Revenue reserves	7,958,351	7,958,351
Statutory reserves	2,225,770	2,225,770
Other revenue reserves	5,732,581	5,732,581
Reserves resulting from valuation at fair value	-84,535	-45,756
Retained net profit or loss	35,875,544	36,750,580
Net profit or loss for the financial year	15,831,489	9,796,285

The share capital of Impol 2000, d. d., amounts to EUR 4,451,540 and is divided into 1,066,767 registered no-par value shares, namely into:

- 23,951 no-par value shares of the first issue,
- 1,029,297 no-par value shares of the second issue,
- 13,519 no-par value shares of the third issue.

The shares are held by named persons, are of the same class and are transferable. The central share register is kept by KDD.

Capital reserves of Impol 2000, d. d., include paid-in capital surplus and the general revaluation adjustment.

Statutory reserves were formed in previous years on the basis of the Company's Statute, namely in the amount of 15% of the Company's net profit for the business year, until the latter reached ½ of the Company's share capital.

In 2023, the amount of other profit reserves did not change compared to the situation in 2022.

The change in reserves resulting from fair value valuation in 2023 is presented in the table.

Table 167: Trend in reserves from fair value measurement in EUR

	Balance as of 31/12/2022	Balance as of 01/01/2023	Formation (+/-)	Reversal (-/+)	Balance as of 31/12/2023
Actuarial gains/losses, recognised under provisions for retirement benefits	-45,756	-45,756	-42,430	3,652	-84,535
TOTAL	**-45,756**	**-45,756**	**-42,430**	**3,652**	**-84,535**

In 2023, Impol 2000, d. d. paid out dividends in the amount of EUR 10,00 gross per share or in a total amount of EUR 10,667,670.

The net profit of the financial year 2023 amounted to EUR 15,831,489 and remained entirely unused for possible purposes from Article 230 ZGD-1.

Disclosure regarding distributable profit

Table 168: Distributable profit in EUR

	31/12/2023	31/12/2022
Net profit or loss for the accounting period	15,831,489	9,796,285
Retained net profit	35,875,544	36,750,580
Distributable profit	**51,707,032**	**46,546,865**

At the regular annual General Meeting of Impol 2000, d. d., in 2024, the Board of Directors will propose that the balance sheet profit as of 31/12/2023 be divided in the amount of EUR 10.00 gross/share.

Table 169: Use of the distributable profit in EUR

Dividends to shareholders in the amount of EUR 10.00/share	10,667,670
Undistributed accumulated profit/loss for 2023 (to the retained profit/loss)	**41,039,362**

The remaining distributable profit in the amount of EUR 41,039,362 would remain undistributed upon the proposal of the management.

15. Rezervacije in prejete državne podpore

Table 170: **Provisions and received government grants in EUR**

	Provisions for long-service bonuses	Provisions for severance pays upon retirement	Total provisions for retirement, jubilee benefits and severance pays upon retirement	Received government grants	Total
Balance as of 31/12/2022	**74,395**	**247,930**	**322,325**	**167,999**	**490,324**
Opening balance adjustments	0	0	0	0	0
Balance as of 01/01/2023	**74,395**	**247,930**	**322,325**	**167,999**	**490,324**
Formation (+)	29,387	66,269	95,656	120,042	215,698
Utilisation (-)	2,393	9,387	11,780	174,214	185,994
Reversal (–)	3,232	7,991	11,222	0	11,222
Balance as of 31/12/2023	**98,158**	**296,822**	**394,979**	**113,827**	**508,806**

Rezervacije za odpravnine ob upokojitvi in jubilejne nagrade

Table 171: **Trend in provisions for jubilee and retirement benefits in EUR**

	Provisions for retirement benefits	Provisions for jubilee benefits	TOTAL
Balance as of 31/12/2022	**247,930**	**74,395**	**322,325**
Changes (conversions, adjustments) to the opening balance			0
Balance as of 01/01/2023	**247,930**	**74,395**	**322,325**
Interest costs (+)	8,888	2,601	11,489
Past and present service costs (+/-)	6,960	2,596	9,556
Payout of benefits (-)	9,387	2,393	11,780
Actuarial profit/loss (IPI) (+/-)		20,959	20,959
Actuarial profit/loss (other comprehensive income) (+/-)	42,430		42,430
Balance as of 31/12/2023	**296,822**	**98,158**	**394,979**

Provisions for pensions, jubilee and retirement benefits to other companies were first allocated in 2015. Provisions for jubilee and retirement benefits were allocated in the amount of the estimated future payments for jubilee and retirement benefits, discounted to the end of the reporting period. Labour costs and costs of interest are recognised in the statement of profit or loss, while the conversion of such provisions or unrealised actuarial profit or loss due to retirement benefits is recognised in other comprehensive income from capital.

Calculation of provisions for post-employment benefits and other long-term employee benefits is based on actuarial model, which takes into account the following assumptions:

- annual discount rate, derived from data on the yield of government bonds of the Republic of Slovenia (for 2023, we decreased the annual discount factor, from 3.75 to 3.00 percent);
- Currently valid amounts of jubilee and retirement benefits from internal rules;
- 20% employee turnover depending primarily on age;
- 5% mortality based on last available mortality tables of the local population.

It is estimated that no provisions, other than the above stated, need to be formed.

Received government grants

In 2022, Impol 2000, d. d., as the leading consortium partner signed a consortium agreement with the Ministry of Economic Development and Technology for the implementation of the INDIGO project. It is about co-financing the costs of the public tender for the "Digital transformation of the economy". The project will last until mid-2024. In this regard, Impol 2000, d. d will receive state aid in the estimated amount of EUR 223,868, of which EUR 168,325 was already drawn state aid to cover co-financed costs in 2022 and 2023 (in 2023 for EUR 112,456, in 2022 for EUR 55,869).

In 2023, Impol 2000, d. d., as the leading consortium partner signed another consortium agreement with the Ministry of Economic Development and Technology for the implementation of the project "Green foil". It is about co-financing the costs of the public call for incentives for research and development as part of Recovery and resilience plans. The project will last until the end of 2024. In this regard, Impol 2000, d. d will receive state aid in the estimated amount of EUR 118,851, of which EUR 60,567 was already drawn state aid to cover co-financed costs in 2023.

The remaining amounts of the formed or of the used state subsidies refer to bonuses received for exceeding the employment quota for disabled people, partial exemption from the payment of contributions due to the employment of disabled people and older people over 60 years of age.

16. Long-term financial and operating liabilities

Table 172: **Long-term financial and operating liabilities in EUR**

	Total debt as of 31/12/2023	The part falling due in 2024	31/12/2023	31/12/2022
	+	-	=	
Long-term financial liabilities	64,716,093	64,486,616	229,477	64,470,436
Long-term operating liabilities	0	0	0	0
TOTAL long-term financial and operating liabilities	**64,716,093**	**64,486,616**	**229,477**	**64,470,436**
Long-term financial liabilities to companies in the Group (excluding liabilities from leases)	63,319,148	63,319,148	0	63,319,148
Long-term financial liabilities (excluding liabilities from leases)	1,066,667	1,066,667	0	1,066,667
Long-term financial liabilities from leases – operating lease – companies in the Group	245,657	58,682	186,975	0
Long-term financial liabilities from leases – operating lease – other companies	84,621	42,119	42,502	84,621
TOTAL long-term financial and operating liabilities	**64,716,093**	**64,486,616**	**229,477**	**64,470,436**

Table 173: **Maturity of long-term financial and operating liabilities in EUR**

	31/12/2023	31/12/2022
Matured in 2024	X	64,427,934
Matured in 2025	97,978	37,511
Matured in 2026	67,297	4,991
Matured in 2027	64,201	0
Matured in 2028	0	0
Due in 2029 or later	0	X
Total long-term financial and operating liabilities	**229,477**	**64,470,436**

Gibanje dolgoročnih finančnih obveznosti

Table 174: Trend in long-term financial liabilities due to liabilities (loans and bonds) in EUR

	Interest rate in %	Maturity date	Debt as of 01/01/2023	New loans	Repayment in the current year (-)	Debt as of 31/12/2023	Part of long-term debt falling due in the following year	Long-term debt balance on 31/12/2023	Debt as of 31/12/2022
Long-term financial liabilities to companies in the Group – loan	0.646	23/09/2024	63,319,148	0	0	63,319,148	63,319,148	0	63,319,148
Long-term financial liabilities to others – purchase of a business share	interest-free	16/02/2024	1,066,667	0	0	1,066,667	1,066,667	0	1,066,667
TOTAL long-term financial liabilities			**64,385,815**	**0**	**0**	**64,385,815**	**64,385,815**	**0**	**64,385,815**

V letu 2019 je bilo družbi Impol 2000, d. d., s strani družbe v skupini odobreno dolgoročno okvirno posojilo v višini 67 milijonov EUR za pokrivanje obveznosti iz naslova kratkoročnega posojila in financiranje poslovanja. Posojilo se obrestuje po priznani obrestni meri, povečani za eno odstotno točko in odstotkom za ročnost in je zavarovano z menico. V plačilo zapade v letu 2024.

Med druge dolgoročne finančne obveznosti je spadal tudi dolg iz naslova kupnine za pridobitev dodatnega poslovnega deleža v družbi Impol, d. o. o., v juliju 2021. Višina posameznega obroka znaša 1.066.667 EUR. Posojilo ni zavarovano, zadnji obrok je zapadel v plačilo 16. 2. 2024.

Obveznosti iz najemov

Table 175: Trend in long-term financial liabilities from leases in EUR

	Debt as of 31/12/2022	Debt as of 01/01/2023	New lease	Early termination of the lease in the current year (-)	Debt as of 31/12/2023	Part of long-term debt falling due in the following year	Long-term debt balance on 31/12/2023
Long-term financial liabilities from leases – operating lease – companies in the Group	0	0	302,607	56,950	245,657	58,682	186,975
Long-term financial liabilities from leases – operating lease – other companies	84,621	0	0	0	84,621	42,119	42,502
TOTAL	**84,621**	**0**	**302,607**	**56,950**	**330,278**	**100,802**	**229,477**

Table 176: Maturity of long-term financial liabilities from leases as of 31/12/2023 in EUR

	31/12/2023	31/12/2022
Matured in 2024	x	42,119
Matured in 2025	97,978	37,511
Matured in 2026	67,297	4,991
Matured in 2027	64,202	0
Matured in 2028	0	0
Due in 2029 or later	0	x
TOTAL long-term financial liabilities from leases	**229,477**	**84,621**

Table 177: Future minimum lease payments and their present value

	Future minimum lease payments	Present net value of future lease payments
Up to 1 year	109,297	100,802
1 to 5 years	238,976	229,477
Over 5 years	0	0
TOTAL	**348,273**	**330,278**

In 2023, the Company did not capitalise borrowing costs (nor in 2022).

17. Short-term liabilities

Table 178: Short-term financial and operating liabilities in EUR

	31/12/2023	31/12/2022
Short-term operating liabilities to suppliers on the domestic market to companies in the Group	2,041,816	5,663,921
Short-term operating liabilities to suppliers on the foreign market to Group companies	0	10,520
Short-term operating liabilities to suppliers on the domestic market to associated companies	90,299	57,485
Short-term operating liabilities to suppliers on the domestic market to other companies	249,329	279,494
Short-term operating liabilities on foreign markets to suppliers to others	6,649	23,094
Short-term operating liabilities based on advance payments to companies in the Group	693,349	1,533,005
Short-term operating liabilities based on advances to other companies	148,965	224,140
Other short-term operating liabilities to companies in the Group	472,447	349,290
Other short-term operating liabilities to others	2,521,787	3,682,646
TOTAL short-term operating liabilities:	**6,224,641**	**11,823,595**
Short-term part of long-term financial liabilities (excluding liabilities from lease) – companies in the Group	63,319,148	0
Short-term part of long-term financial liabilities (excluding liabilities from lease) – other companies	1,066,667	2,133,333
Short-term part of long-term financial liabilities from leases – operating lease – companies in the Group	58,682	56,108
Short-term part of long-term financial liabilities from leases – operating lease – other companies	42,119	40,876
Short-term financial liabilities (other than lease liabilities) – companies in the Group	5,000,000	5,000,000
TOTAL short-term financial liabilities:	**69,486,616**	**7,230,318**
TOTAL short-term financial and operating liabilities:	**75,711,257**	**19,053,912**

Short-term financial liabilities

Short-term financial liabilities consist of liabilities arising from acquired loans, the repayment date of which is shorter than one year, and thus also include the short-term part of long-term financial liabilities due in 2024. Interest for loans between Group companies are calculated at the established interest rate, which applies to loans between associated entities, increased by 1 percentage point.

Other short-term financial liabilities refer to the portion of liabilities for leases maturing in 2024.

Table 179: Short-term financial liabilities (without leases) in EUR

	Debt as of 01/01/2023	New loans in current year (+)	Transfer of the short-term portion of long-term liabilities (+)	Repayment in the current year (-)	Short-term debt balance as of 31/12/2023	Short-term debt balance as of 31/12/2022
Short-term financial liabilities to companies in the Group – loan	5,000,000	5,000,000	63,319,148	5,000,000	68,319,148	5,000,000
Short-term financial liabilities to other companies – purchase of a business share	2,133,333	0	1,066,667	2,133,333	1,066,667	2,133,333
TOTAL	**7,133,333**	**5,000,000**	**64,385,815**	**7,133,333**	**69,385,815**	**7,133,333**

Short-term loan given by a company in the Group will bear interest at an established interest rate applicable to associated persons, increased by one percentage point. Secured with bills of exchange.

Table 180: Short-term financial liabilities from leases in EUR

	Debt as of 31/12/2022	Debt as of 01/01/2023	Transfer of the short-term portion of long-term liabilities from leases	Termination of the lease in current year (-)	Decrease in liabilities/ off-set with lease in the current year (-)	Short-term debt balance as of 31/12/2023
Short-term financial liabilities from leases – operating lease – companies in the Group	56,108	56,108	58,682	56,108	0	58,682
Short-term financial liabilities from lease – operating lease – other companies	40,876	40,876	42,119	0	40,876	42,119
TOTAL	**96,984**	**96,984**	**100,802**	**56,108**	**40,876**	**100,802**

Short-term operating liabilities

Table 181: Short-term operating liabilities in EUR

	31/12/2023	31/12/2022
Short-term business liabilities to suppliers – companies in the Group	2,041,816	5,674,440
Short-term operating liabilities to suppliers – associated companies	90,299	57,485
Short-term operating liabilities to other suppliers	255,978	302,588
TOTAL short-term liabilities to suppliers	**2,388,093**	**6,034,514**
• of which already matured on the financial statement date	2,040,496	5,648,195
Short-term operating liabilities for advances	842,315	1,757,144
TOTAL short-term liabilities for advances	**842,315**	**1,757,144**
Short-term liabilities to employees	1,610,072	3,386,540
Short-term liabilities to government	88,134	38,460
Short-term liabilities from interest – Group companies	165,648	146,230
Short-term liabilities from interest – other companies	21	0
Other short-term operating liabilities – Group companies	306,798	203,060
Other short-term operating liabilities – other companies	823,560	257,646
TOTAL other short-term operating liabilities	**2,994,234**	**4,031,936**
TOTAL SHORT-TERM OPERATING LIABILITIES	**6,224,641**	**11,823,595**

Table 182: Analysis of outstanding liabilities to suppliers in EUR

	31/12/2023	31/12/2022
Matured in 2023	2,040,496	x
Matured in 2022	0	5,648,195
Matured in 2021	0	0
Matured in 2020	0	0
Matured in 2019 or before	0	0
TOTAL outstanding liabilities to suppliers	**2,040,496**	**5,648,195**

Družba po stanju na dan 31. 12. 2023 med kratkoročnimi obveznostmi do države med drugim izkazuje za 18.260 EUR obveznosti iz naslova davka od dobička.

Druge kratkoročne obveznosti

Med drugimi kratkoročnimi obveznostmi družba izkazuje vnaprej vračunane stroške oziroma odhodke, kratkoročne odložene prihodke in DDV od danih predujmov.

Table 183: Other short-term liabilities in EUR

	31/12/2023	31/12/2022
Accrued deferred costs or expenses	441,623	395,512
Short-term deferred revenues	22,788	36,643
TOTAL other short-term liabilities	**464,411**	**432,155**

Vnaprej vračunani stroški oz. odhodki se v višini 14.742 EUR nanašajo na strošek revizije leta 2023, v višini 29.738 EUR na reklamacije v teku, sicer povezane z realiziranimi prihodki v letu 2023, vsa ostala razlika 397.143 EUR pa se nanaša na neizkoriščene dopuste po stanju na dan 31. 12. 2023.

Kratkoročno odloženi prihodki so oblikovani iz naslova zaračunanih (še neplačanih) obresti iz poslovanja. Ob plačilu slednjih bodo pripoznani tudi prihodki.

18. Financial instruments and financial risks

Impol 2000, d. d. faces the following risks in its business process, in particular with the following risks.

Table 184: Risks

Risk area	Risk description	Risk management method	Exposure
Liquidity risk	Lack of liquid assets for the settlement of operating or financing liabilities.	Pre-agreed credit lines and preparation of inflow and outflow schedules.	Low
Interest rate risk	Risk associated with changes in the terms and conditions of financing and borrowing.	Monitoring of the ECB's and FED's policies, security with appropriate financial instruments – interest rate swaps (at the level of Impol, d. o. o.), transition from the fixed to a floating interest rate.	Moderate
Credit risk	Risk of customer failure to settle their liabilities.	Securing trade receivables – primarily receivables from foreign debtors – through “Prva kreditna zavarovalnica” and foreign insurance firms, monitoring of customer credit ratings, limiting maximum exposure to individual customers. Transactions with customers located in high-risk markets are only performed on the basis of advance payments or prime bank guarantees.	Moderate to high

Liquidity risk

When it comes to liquidity risk management, we examine whether the Company is able to settle its running operating liabilities and whether it is generating a sufficiently large cash flow to settle its financing liabilities.

Floating weekly and monthly scheduling of cash flows allows the Company to determine liquid asset requirements. Potential cash shortages are covered by bank credit lines and other forms of financing, whereas short-term surpluses are invested in liquid short-term financial investments.

Interest rate risk

Impol 2000, d. d., currently has no loans with variable interest rate except in financial liabilities from leases, for this reason it is not exposed to the interest rate change risk. Despite the above, the Company shows the effects that a hypothetical change in interest rates on an annual basis would have on the Company's profit, taking into account the state of financial liabilities as of 31/12/2023.

Analysis of the sensitivity to changes in interest rates.

Impol 2000, d. d., is exposed to interest rate risk in the portion of debt which is tied to the variable interest rate (the variable portion is tied to EURIBOR). Given the fact that loans received by companies in the Group are usually extended, the sensitivity analysis also includes loans received at an otherwise fixed interest rate, which will change with the conclusion of a new loan agreement, taking into account the recognised interest rates in force at the time for loans between related parties.

Table 185: Short-term and long-term financial liabilities at a fixed interest rate in EUR

	31/12/2023	31/12/2022
Financial liabilities	1,066,667	3,200,000

Table 186: Short-term and long-term financial liabilities at a variable interest rate in EUR

	31/12/2023	31/12/2022
Financial liabilities	68,649,426	68,500,754

Table 187: Impact of the operating result changes on the interest rate changes in EUR

	31/12/2023	31/12/2022
Increase of IR by 50 bp	-343,247	-342,504
Increase of IR by 100 bp	-686,494	-685,008
Decrease of IR by 50 bp	343,247	342,504
Decrease of IR by 100 bp	686,494	685,008

Interest rate changes on the reporting date for 50 or 100 basis points would increase/decrease the net profit or loss for the amounts from the above table. Sensitivity analysis of the profit or loss in case of the indebtedness at a variable interest rate assumes that all other variables remain unchanged. During the calculation, liabilities according to variable interest rate are reduced for the entire amount of receivables (loans granted) according to the variable interest rate.

Credit risk

The credit control process encompasses customer credit rating which is carried out regularly by Coface PKZ zavarovalnica d. d., in Slovenia and by foreign insurance companies as well as our customer solvency monitoring system. By regularly monitoring of open and matured trade debtors, the age structure of receivables and average payment deadlines, we maintain our credit exposure within acceptable limits given the strained conditions on the market. In 2023, receivables from customers (excluding receivables from companies in the Group) decreased compared to 2022, and the same applies to the share of overdue receivables from customers outside the Group.

62% of receivables from customers are secured at the Coface PKZ insurance company, for this reason sales limits are being monitored on a daily basis.

Carrying amounts and fair values of financial instruments

Classification of financial instruments according to their fair value as of 31/12/2023 is presented in the table.

Table 188: Carrying amounts and fair values of financial instruments in EUR

	Carrying amount	Fair value	Fair value level
Long-term investments in subsidiaries	141,334,666	141,334,666	3
Long-term loans granted to Group companies	51,000	51,000	3
Short-term operating receivables	5,336,520	5,336,520	3
Cash and cash equivalents	4,003,958	4,003,958	3
Long-term financial liabilities	229,477	229,477	3
Short-term financial liabilities	69,486,617	69,486,617	3
Short-term operating liabilities	6,224,641	6,224,641	3

19. Contingent liabilities

On 31/12/2023, Impol 2000, d. d. had a guarantee in the amount of EUR 2 million granted to the subsidiary Impol, d. o. o. from the received long-term loans at banks. The guarantee is secured by the pledge of a 97.54% ownership share in Impol, d. o. o.

On 31/12/2023, a lawsuit against the Company in the total amount of EUR 100,000 in connection with economical disputes is still pending. The court of first instance rejected the plaintiff's claim in its entirety, but the plaintiff appealed against the first instance verdict. In this regard, the Company assessed that the claim was not justified, and therefore did not create provisions for these purposes. On 11/01/2024, the Company received the judgement of the court of second instance, which rejected the plaintiff's appeal in its entirety. The case is hereby legally closed.

20. Transactions with associates

Table 189: Receivables to companies in the Group as of 31/12/2023 in EUR

	Long-term financial investments	Long-term loans granted	Short-term operating receivables	Total
Impol, d. o. o.	73,988,863	0	34,470	74,023,333
Impol FT, d. o. o.	0	0	112	112
Impol LLT, d. o. o.	0	0	105	105
Impol-TLM, d. o. o.	63,773,766	0	0	63,773,766
Impol-FinAl, d. o. o.	1,000,000	0	0	1,000,000
Stampal SB, d. o. o.	0	0	1,154,631	1,154,631
Alcad, d. o. o.	2,227,000	0	0	2,227,000
Kadring, d. o. o.	0	0	25,693	25,693
Rondal, d. o. o.	100,000	0	0	100,000
Impol Servis, d. o. o.	245,037	0	0	245,037
Štatenberg, d. o. o.	0	51,000	4,023	55,023
Total	**141,334,666**	**51,000**	**1,219,034**	**142,604,700**

Table 190: Liabilities to companies in the Group as of 31/12/2023 in EUR

	Long-term financial liabilities	Short-term financial liabilities	Short-term operating liabilities	Total
Impol, d. o. o.	186,975	68,377,830	2,171,386	70,736,191
Impol FT, d. o. o.	0	0	25,222	25,222
Impol Infrastruktura, d. o. o.	0	0	4,419	4,419
Impol LLT, d. o. o.	0	0	80,675	80,675
Alcad, d. o. o.	0	0	140,999	140,999
Kadring, d. o. o.	0	0	60,413	60,413
Rondal, d. o. o.	0	0	693,349	693,349
Impol Servis, d. o. o.	0	0	24,378	24,378
Unidel, d. o. o.	0	0	6,771	6,771
Total	**186,975**	**68,377,830**	**3,207,612**	**71,772,417**

Table 191: Liabilities to associates in EUR as of 31/12/2023 in EUR

	Short-term operating liabilities	Total
Simfin, d. o. o.	90,299	90,299
Total	**90,299**	**90,299**

Table 192: Revenues generated with companies in the Group in 2023 in EUR

	Net revenues from the sale of services	Net sales revenues from the sale of goods and materials	Other operating revenues	**Total operating revenues**	Financial revenues from participating interests	Financial revenues from loans granted	**Total financial revenues**
Impol, d. o. o.	13,764,538	-9,337	3,216	**13,758,417**	15,000,000	0	**15,000,000**
Impol FT, d. o. o.	3,543	0		**3,543**	0	0	**0**
Impol PCP, d. o. o.	108,788	0		**108,788**	0	0	**0**
Impol R in R, d. o. o.	452	0		**452**	0	0	**0**
Impol LLT, d. o. o.	2,777	0		**2,777**	0	0	**0**
Impol-TLM, d. o. o.	1,104	0		**1,104**	0	0	**0**
Impol-FinAl, d. o. o.	664	0		**664**	350,000	0	**350,000**
Stampal SB, d. o. o.	1,405,598	0		**1,405,598**	0	0	**0**
Alcad, d. o. o.	15,783	0		**15,783**	0	0	**0**
Kadring, d. o. o.	108	0		**108**	0	0	**0**
Rondal, d. o. o.	-491,576	0		**-491,576**	900,000	0	**900,000**
Impol Servis, d. o. o.	271	0		**271**	0	0	**0**
Štatenberg, d. o. o.	0	0		**0**	0	790	**790**
Total	**14,812,050**	**-9,337**	**3,216**	**14,805,929**	**16,250,000**	**790**	**16,250,790**

Table 193: Expenses generated with companies in the Group in 2023 in EUR

	Cost of merchandise and materials sold	Costs of services	Costs of material	Other operating expenses	Depreciation relating to the right to use	**Total operating expenses**	Financial expenses from interests	Financial liabilities from rights to use	**Total financial expenses**
Impol, d. o. o.	22,754,766	98,449	31,304	7,500	60,521	**22,952,540**	610,824	8,300	**619,124**
Impol FT, d. o. o.	0	1,203	0	0	0	**1,203**	0	0	**0**
Impol R in R, d. o. o.	0	242	0	0	0	**242**	0	0	**0**
Impol Infrastruktura, d. o. o.	0	43,429	43	0	0	**43,472**	0	0	**0**
Impol-TLM, d. o. o.	0	1,201	0	0	0	**1,201**	0	0	**0**
Impol-FinAl, d. o. o.	0	1,303	0	0	0	**1,303**	0	0	**0**
Alcad, d. o. o.	0	62,344	0	0	0	**62,344**	0	0	**0**
Kadring, d. o. o.	0	77,849	17,383	0	0	**95,232**	0	0	**0**
Impol Servis, d. o. o.	0	33,374	1,075	0	0	**34,449**	0	0	**0**
Unidel, d. o. o.	0	17,420	28,840	0	0	**46,260**	0	0	**0**
Total	**22,754,766**	**336,814**	**78,645**	**7,500**	**60,521**	**23,238,246**	**610,824**	**8,300**	**619,124**

Table 194: Expenses generated with associated companies in 2023 in EUR

	Costs of services	Total operating expenses
Simfin, d. o. o.	467,045	467,045
Total	**467,045**	**467,045**

Remuneration of members of the Board of Directors and Supervisory Board in 2023

Table 195: Remuneration of members of the Board of Directors and Supervisory Board in EUR

Position	Fixed portion of remuneration	Variable part of remuneration	Remuneration for management and other bonuses	Reimbursement of expenses	Insurance premiums	Other payments	**Total remuneration**
The Board of Directors and Executive Directors	403,777	266,318	1,401,676	4,464	1,390	1,134	**2,078,759**

The table shows remuneration for 2023.

The Company had no matured receivables from members of the Board of Directors and employees on individual contracts.

EVENTS AFTER THE REPORTING DATE

Due to general price increases, the minimum wage rose. Inflation in Slovenia impacted the raise of minimum wage, which increased from EUR 1,203.36 to EUR 1,253.90, representing a 4.2% increase. The payment system of the entire Impol Group was adjusted accordingly.

In the period from the end of 2023 until the date of approval of the financial statements, no other events occurred that would in any way affect the presented financial statements of Impol 2000, d. d., for the financial year 2023.

SIGNATURE OF THE ANNUAL REPORT FOR 2023 AND ITS COMPONENTS

The President and members of the Board of Directors and the Executive Directors of Impol 2000, d. d. are familiar with the content of all components of the Annual Report of Impol 2000, d. d. for 2023 and with the entire Annual Report of Impol 2000, d. d. for 2023. We agree with the content and confirm it with our signature.

Jernej Čokl
(Board of Directors President)

Vladimir Leskovar
(Board of Directors Vice President)

Janko Žerjav
(Board of Directors Member)

Andrej Kolmanič
(Board of Directors Member)

Dejan Košir
(Board of Directors Member)

Andrej Kolmanič
(Chief Executive Officer)

Irena Šela
(Executive Director of Finance)

08 MANAGEMENT TEAM

"Great things in business are never done by one person, they're done by a team of people."

Steve Jobs

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Board of
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Vladimir Leskovar

Board of
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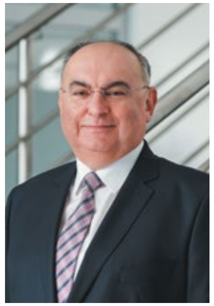

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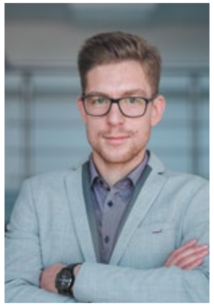

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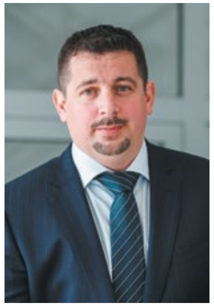

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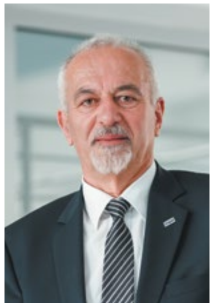

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