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Aluminium Industry

# OVERCOMING OBSTACLES

Non-revised biannual report of the Impol Group and Impol 2000, d. d., in the first half of 2020



Aluminium is  
in our **DNA**

## INTRODUCTORY NOTES

This Report on the Operations of the Impol Group and Impol 2000, d. d. in the first half of 2020 has been prepared pursuant to the Market in Financial Instruments Act, the Rules of a Stock Exchange, the Information Recommendations for Listed Companies, and other applicable legislation. The data and the operating explanations have been prepared on the basis of non-revised consolidated financial statements of the Impol Group and non-revised consolidated financial statements of Impol 2000, d. d. for the first half of 2020, pursuant to the Companies Act and to IAS 34 – Interim Financial Reporting. Pursuant to the IFRS, the subsidiaries are included into group financial statements in accordance with the full consolidation method, while associate companies are included into group financial statements in accordance with the equity method.

The Report on the Operations in the first half of 2020 is published on [the website of Impol, d. o. o.](http://www.impol.com) (<http://www.impol.com>) and on SEOnet.

The Management Board of the company considered the Report on the Operations of the Impol Group and Impol 2000, d. d. in the first half of 2020 during its session on 24 September 2020.

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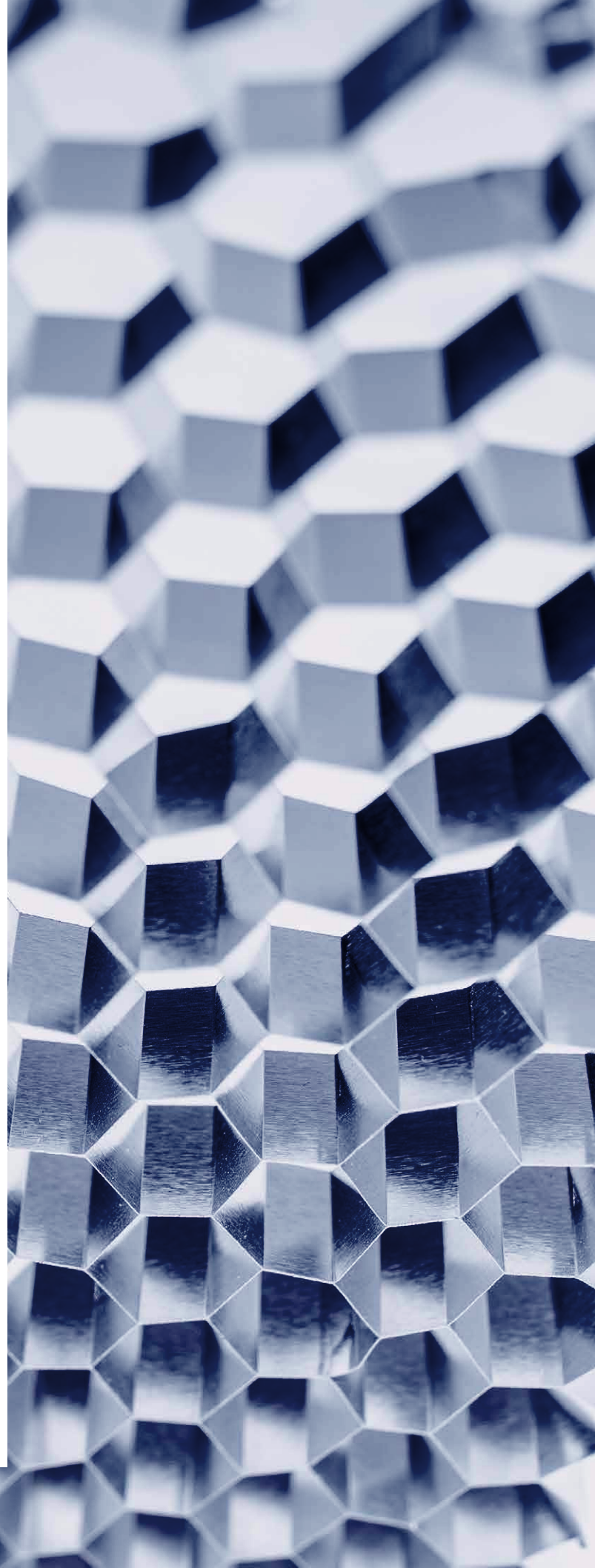
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OPERATIONS  
OF THE IMPOL  
GROUP IN THE  
FIRST HALF OF  
2020

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# FIRST HALF OF 2020

Table 1: Key indicators

	Measurement unit	01.-06. 2017	01.-06. 2018	01.-06. 2019	01.-06. 2020
<b>Sales volume trend</b>					
Sales volume of AI semi-finished products	in 000 tons	121.4	123.2	128.4	111.7
<b>Financial data</b>					
Net sales revenues	in EUR million	344	368.1	378.1	305.9
Export share	%	95.0	95.0	95.0	93.5
EBITDA <sup>1</sup>	in EUR million	39.3	29.6	32.3	19.8
EBIT	in EUR million	31.6	21.6	22.8	9.0
EBITDA margin	%	11.40	8.00	8.60	6.50
Net profit and loss	in EUR million	20.8	19.8	18.5	5.9
Investments	in EUR million	18.5	40.9	14.2	11.0
<b>Statement of financial position as of 30/ 6. 2020</b>					
Total assets	in EUR million	437.6	525.0	542.7	533.7
Capital	in EUR million	174.8	207.1	240.2	246.9
Net debt <sup>2</sup>	in EUR million	147	181.2	182.1	169.8
Net debt/EBITDA <sup>3</sup>		2.3	3.42	2.82	4.5
Equity share in financing	%	40.0	40.0	44.3	46.3
<b>Employees</b>					
Number of employees as of 30/ 6.		2,243	2,320	2,399	2,409

<sup>1</sup> EBITDA = operating profit and loss + depreciation

<sup>2</sup> Net debt = financial obligations – cash and cash equivalents – short-term financial investments

<sup>3</sup> The indicator takes into account the EBITDA for the last 12 months (from 01/ 07/ 2019 to 30/ 06/ 2020)

Figure 1: EBITDA margin

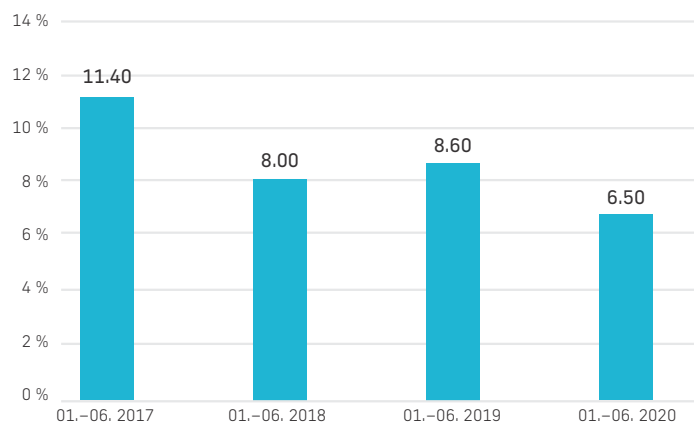
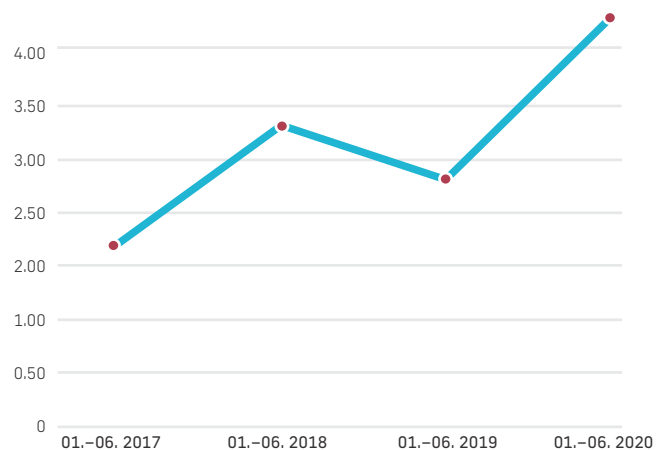


Figure 2: Net debt/EBITDA



## Characteristics of operations of the Impol Group in the first half of 2020

### SALES

Compared to the first half of 2019, net sales revenues have decreased by 19.1%; in addition, the sales volume has also decreased by 13.0%. The largest impact of the decrease in turnover has been observed in the decrease of sales and sales prices, whereby approximately 5.5% of the lower turnover accounts to the lower price of aluminium in terms of income. This has no impact on the performance but does, however, influence the level of turnover and, on the other hand, the costs of the raw material. Negative trends that have become apparent in the last trimester of 2019 were followed by an increased demand in the first trimester of 2020. However, the COVID-19 disease provoked lower demand, thus also decreasing the sales in the following months.

### EBIT

The decrease in sales and price pressures brought an EBIT which was 60.3% lower than in the same period of 2019.

### EBITDA

In the first half of the year, our EBITDA was by 38.6% lower than in the same period of last year.

### NET PROFIT AND LOSS

Net profit and loss amounting to EUR 5.9 million is lower than the net profit and loss realised last year, mainly due to the decrease in sales and, partially, also due to an increased cost of depreciation which is a consequence of including new investments in our production processes.

### INVESTMENTS

In the first half of the year, we have concluded some of the investments that have been started in 2019, while new investments have been put on hold due to COVID-19. They amounted to EUR 11.0 million.

### NUMBER OF EMPLOYEES

The number of employees increased by 0.4%, which is largely due to the expansion of our finalisation programme. As of 30/06/2020, the Impol Group employed 2,409 people, of which 1,331 in companies in Slovenia, 648 in Serbia, 427 in Croatia, 2 in Hungary and 1 in the USA.

# PRESENTATION OF THE PARENT COMPANY IMPOL, 2000, D. D., AND OF THE IMPOL GROUP

## Parent company

Impol 2000 d. d., with its registered office at Partizanska ulica 38, Slovenska Bistrica, is the holding company of the Impol Group and a large public limited company; therefore, it is bound to prepare a consolidated annual report and have its operations audited, pursuant to the Companies Act. With the issue of bonds at the end of 2015, the company was transformed to a public limited company.

Impol 2000, d. d., a management company, was established in August 1998, and registered in the Register of Companies at the Regional Court in Maribor on 03/ 8. 1998 as a public limited company, pursuant to the decision Srg. 98/01042 bearing the entry number 1/10469/00. The Company is classified under the activity code 70.100, i.e., the management of holding companies. The Company's registration number is 1317342.

On 09/ 11/ 1998, the Company's decision Srg. 98/01486, on increasing the share capital with in-kind contributions, i.e., with the shares of Impol, d. d. Slovenska Bistrica, was registered in the Register of Companies at the Regional Court in Maribor, with the entry number 1/10469/00. On

01/ 10/ 1999, the Company adopted a decision on increasing its share capital. The in-kind contribution of Impol, d. d. i.e. the takeover of the 100-percent share that Impol d. d. had in Impol Servis, d. o. o. was registered in the Register of Companies at the Regional Court in Maribor on 15/ 2/ 2000 with the decision Srg. 1999/03108, and with the entry number 1/10469/00.

**Table 2:** Book value of a share of Impol 2000, d. d. (the holding company of the Impol Group) in EUR

Year	Book value of a share of Impol 2000, d. d. (the holding company)	Book value of a share – consolidated – including the equity of minority shareholders	Book value of a share – consolidated – excluding the equity of minority shareholders
30/ 6/ 2020	60.15	231.41	211.13
2019	58.99	226.93	206.26
2018	57.39	207.94	188.86
2017	55.07	175.74	159.32
2016	53.53	144.38	130.76
2015	51.66	119.58	108.57
2014	49.61	99.88	91.04
2013	47.93	89.61	80.54
2012	45.88	77.78	69.83
2011	40.85	69.21	61.21
2010	36.19	56.46	49.90

After the share capital increase being entered on 15/ 2/ 2000, the company's share capital amounts to EUR 4,451,540. The Company's share capital is divided into 1,066,767 registered pro rata shares.

The book value of a share of Impol 2000, d. d. as of 30/ 6/ 2020 is presented in the table. The overview of the ten largest shareholders of Impol 2000, d. d., as of 30/ 6/ 2020, is shown in the following table.

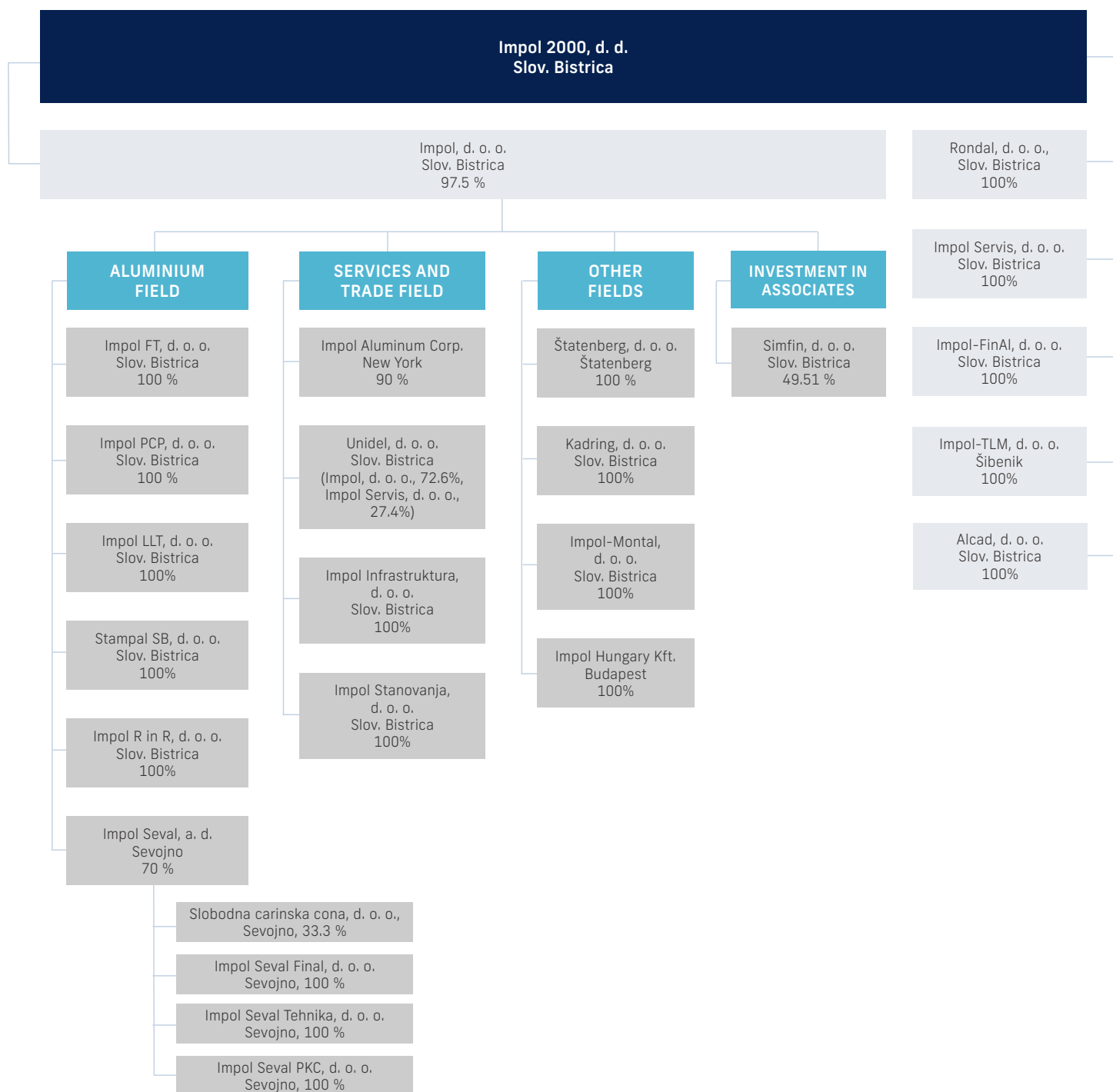
**Table 3:** The largest shareholders of Impol 2000, d. d.

	Shareholder	Number of shares	%
1	Bistral d. o. o.	111,449	10.45
2	Impol-Montal, d. o. o.	80,482	7.54
3	Karona, d. o. o.	72,796	6.82
4	Alu-trg, d. o. o.	58,882	5.52
5	Upimol 2000, d. o. o.	54,787	5.14
6	Alumix, d. o. o.	53,400	5.01
7	Simpal, d. o. o.	53,400	5.01
8	Kranjc Danilo	48,779	4.57
9	Simfin, d. o. o.	19,173	1.80
10	Varimat, d. o. o.	17,206	1.61
	Total – major shareholders	570,354	53.47
	Other shareholders	496,413	46.53
	<b>Total – all shares</b>	<b>1,066,767</b>	<b>100.00</b>
	Total number of shareholders	828	



## Organization chart as of 30/ 6/ 2020

Figure 3: The Impol Group organisation



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

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-FinAl, d. o. o., Impol-TLM, d. o. o., and Alcad, d. o. o. Impol d. o. o. operates with fifteen active subsidiaries, three active dependent subsidiaries, and two active associated companies. In March 2020, the dependent subsidiary Impol Seval President, d. o. o. has been acquired by Impol Seval, a. d., after having previously sold all assets. Among the foreign companies, Impol-TLM, d. o. o. is owned by Impol 2000, d. d. Abroad, the companies IAC, Impol Hungary Kft. and Impol Seval a. d. work under the auspices of Impol, d. o. o., with the latter owning a 100% share of four companies.

## Important business events and achievements of the Impol Group in the first half of 2020

The majority of the first half of the year was marked by COVID-19 and its impact on the business operations of the Impol Group.

We have responded to the crisis by implementing various business measures across all three locations in Slovenia, Serbia and Croatia. In terms of carrying out our business operations, we have adopted several organisational measures with the purpose of efficient risk control, whereby a particular emphasis was placed on employee care. We have adapted our business methods to the circumstances caused by the pandemic, and have managed to maintain the level of business operations which allowed us to carry out our manufacturing processes at the level which did not require the use of any special measures enabled by the legislation in terms of the Coronavirus.

In the first half of the year, we have implemented several projects that we have started developing in 2019. In the field of foundry casting, we have integrated a new degassing device on the melting-casting line located in Impol LLT. In the field of rolling, we have upgraded the new winding axis on the Novastilmec line, and we are currently also continuing the second phase of upgrading the hot-rolling mill within Impol Seval in Serbia. We have built a new production line for the field of finalisation, where we have already acquired several projects for the companies Samsung, BMW and Daimler.

We are also continuing our activities in the framework of the project of building a new melting-casting line within Impol-TLM in Šibenik; the investment is planned to be concluded at the beginning of 2022.

### Process development

Numerous IT investments also take place within the Impol Group, with the group investing in the development of the infrastructure and quality systems, which will enable the optimization of business operations, the increase of production capacities, the expansion of programmes and the compliance with strict quality requirements of buyers.

- We have acquired the ASI performance standard which demonstrates the compliance of our business operations with the aforementioned standard, thus allowing us to expand on our marketing potentials.
- We have also implemented a transport logistics process and increased the quality of services, as well as the cost efficiency of the aforementioned process.
- We are intensively carrying out projects in the field of process digitalisation in order to provide the best possible services to our buyers.

## Important business events after the expiry of the business period

On 17/ 07/ 2020, the General Meeting of shareholders of Impol 2000, d. d. was held, which was attended by shareholders with 588,245 shares with voting rights or 55,39% of shares with voting rights. The General Meeting was informed of the adoption of the Annual Report of the company and with the 2019 Consolidated Annual Report of the Impol Group. The General Meeting decided that from the allocation of the accumulated profit of Impol 2000, d. d. in the amount of EUR 36,599,934.80 the amount of EUR 3,200,301.00 will be used to pay dividends, amounting to a gross amount of EUR 3.00 per share. The remaining portion of the accumulated profit in the amount of EUR 33,399,633.80 remained undistributed. At the beginning of September, dividends were paid to all shareholders who were entered into the register of shareholders one business day before the day of payment. The shareholders granted discharge to the Management Board and to the general directors of Impol 2000, d. d. Due to the expiry of their mandate, the General Meeting nominated members of the Management Board. In the period from 01/ 2021 to 31/ 12/ 2026, the Management Board shall be composed of: Jernej Čokl, Vladimir Leskovar, Janko Žerjav and Andrej Kolmanič.

## Envisaged operations in 2020

At the end of the summer, we have felt a slight increase in demand on our main markets, which still indicates complicating business operations in the second half of the year, whereby we must also consider the fact that August and December are somewhat less intense months.

In our annual report for 2019, we have already anticipated two business scenarios in 2020 after the onset of the pandemic: the more plausible one predicting a 10% drop in sales, and the less plausible one predicting a 25% drop in sales.

Currently, we can predict that the results will fluctuate somewhere between the two scenarios, whereby we can still maintain a relatively high degree of liquidity.

Therefore, we currently estimate that our net profit before taxes could amount to around EUR 10 million, with the EBITDA amounting to EUR 35 million, unless important restrictions due to the Coronavirus should come into effect once more.

## Operations of the Impol Group in the first half of 2020

The financial year 2019 ended on a rather pessimistic note since the scope of orders began to decrease in December, particularly in terms of orders from the automobile industry. Pursuant to this fact, we have adjusted our annual plan for 2020 which started rather well in the first quarter, with the flow of orders exceeding our annual plans. In March, the coronacrisis provoked numerous issues for the economy: failure to supply materials due to disruptions of the supply chain, production shut-downs, decrease in the scope of orders, shorter working hours, etc. In March, the business operations of the Impol Group remained practically undisturbed, while the situation started to worsen in April and May when numerous of our buyers were shutting down their production processes, therefore delaying their orders. Due to the versatility of our sales programme, we successfully managed to navigate through our orders and have also retained all of our employees. The most significant drop in orders came from the automobile industry, while the scopes of the food and pharmaceutical industry remained unchanged, which in turn provoked a concentration of providers on an even smaller market segment, which had a negative effect on sales quantities and, above all, sales margins.

**Table 4:** Key data from Impol operations

	Measurement unit	01.–06. 2017	01.–06. 2018	01.–06. 2019	01.–06. 2020
Consolidated net sales revenue	in EUR million	344	368.2	378.2	305.9
• of which sold products	in EUR million	308.4	334.5	330.2	253.3
Consolidated operating expenses and costs	in EUR million	315.2	350.7	353.1	295.0
• of which depreciation	in EUR million	7.6	8	9.6	10.8
Operating profit or loss	in EUR million	31.6	21.6	22.8	9.0
Financial revenues/expenses difference	in EUR million	-7.2	0.5	-1.8	-1.9
Net profit and loss	in EUR million	20.8	19.8	18.5	5.9
Capital	in EUR million	174.8	206.6	240.2	246.9
Assets	in EUR million	437.6	520.4	542.7	533.7
Value added per employee:	in EUR	59,782	55,519	57,229	45,250
EBIT margin	in %	11.4	5.9	6.1	3.0
Return on sales revenue – margin	in %	6.10	5.40	4.89	1.92
Return on assets (ROA) <sup>4</sup>	in %	9.50	8.00	6.90	2.20
Return on equity (ROE) <sup>5</sup>	in %	23.80	21.10	16.70	4.80

<sup>4</sup> Calculated to the annual level.

<sup>5</sup> Calculated to the annual level.

# ANALYSIS OF THE PERFORMANCE OF THE IMPOL GROUP AND IMPOL 2000, D. D.

## Impol Group Performance

### Notes on the Statement of Financial Position of the Impol Group

In the first half of 2020, the Impol Group generated net sales revenues of EUR 305.9 million, which is 19.0% less than in the first half of 2019, whereas sales decreased in volume by 13%.

The revenues generated in the domestic market account for 6.5% in the structure of sales revenues, while exports account for 93.5%. Most of the revenues generated by the Impol Group in foreign markets are achieved in the markets of the European Union. Compared to the year before, other operating revenues have increased due to reimbursed pension and disability insurance contributions related to COVID-19.

Operating expenses of the Impol Group amounting to EUR 295.0 million are by 16.4% lower than in a comparable period of 2019. The costs of goods, material and services decreased by 18.4% in comparison to the first half of 2019 and account for 84.8% in the structure.

The most important category of operating expenses is the cost of material which amounted to EUR 176.5 million in the first half of 2020. Their proportion in total operating expenses equals 59.8%. 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 7.99% of total operating expenses amounted to EUR 23.6 million in the first half of 2020 and decreased by 16.3% compared to the same period last year.

Costs of labour amounting to EUR 32.7 million are by 5.75% lower than in the first half of 2019. The variable component of remuneration decreased due to the influence of coronacrisis on business operations.

The write-offs amounting to EUR 10.8 million have increased by 11.2% compared to the first half of 2019, which is mostly a consequence of an increase in depreciation at the expense of including new investments and applying depreciation related to the right to use assets.

Other operating expenses in the first half of 2020 amounted to EUR 1.2 million, which is by 30.4% more than in the same period of last year. The biggest proportion of other operating expenses is the cost associated with the environmental taxes (concession for water, land use fee, etc.).

In the first half of 2020, the Impol Group generated a positive operating result in the amount of EUR 9.0 million (EBIT) and cash flow from operations in the amount of EUR 19.8 million (EBITDA), whereas in the first half of 2019 EBIT amounted to EUR 22.8 million and EBITDA amounted to EUR 32.3 million. The decrease in profit and loss is a result of a decrease in sales and, to a certain degree, sales prices.

In the first half of 2020, the Impol Group generated a negative financing result in the amount of EUR -1.9 million (same period in 2019 – EUR -1.8 million).

Financial expenses referring mainly to liabilities to banks and interests of issued bonds amount to EUR 2.7 million in the first half of the year (first half of 2019 – EUR 2.1 million). Financial expenses from operating liabilities amount to EUR 0.9 million (EUR 0.8 million in the same period last year) and are a consequence of foreign exchange rates differences.

In the first half of 2020, the Impol Group generated a net operating result in the amount of EUR 5.9 million, which means 68% less than in the same period in 2019 (EUR 18.5 million).

### Notes on the Statement of Financial Position of the Impol Group

As of 30/ 6/ 2020, the assets of the Impol Group equalled EUR 533.7 million, which is 3.0% more than total assets of the Group at the end of 2019.

Due to investments in the first half of 2020, long-term assets have increased by EUR 0.3 million in comparison to the end of 2019.

As of 30/ 6/ 2020, short-term assets amount to EUR 293.1 million, which means 4.5% more than on the last day in 2019. Inventories decreased by EUR 14.0 million, operating receivables by EUR 12.2 million, and we also recorded a growth in investments in cash.

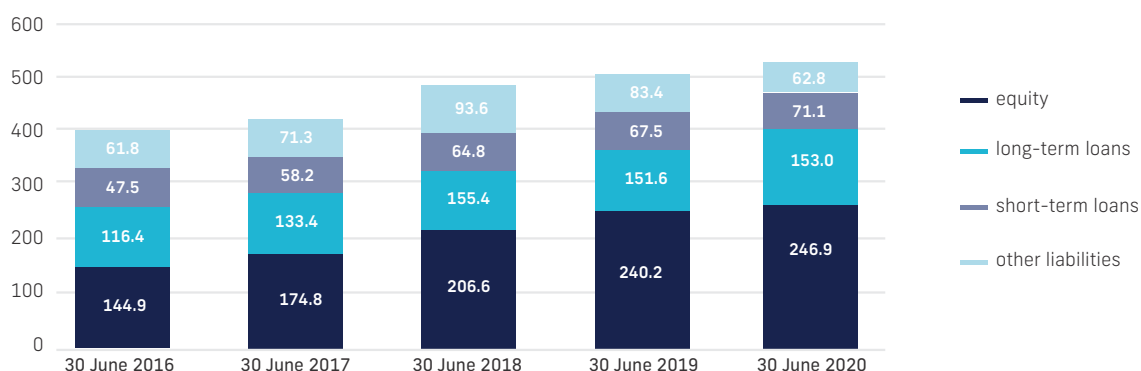
As of 30/ 6/ 2020, the entire liabilities to sources of assets of the Impol Group amounted to EUR 533.7 million and increased by EUR 15.6 million in the first half of 2020 compared to 31/ 12/ 2019/ The Group increased its short-term liabilities by EUR 33.0 million, whereby the short-term financial liabilities decreased by EUR 21.4 million and the short-term operating liabilities decreased by EUR 11.6 million.

The long-term liabilities of the Impol Group have increased by EUR 42.7 million.

The net debt of the Impol Group as of 30/ 6/ 2020, calculated as the difference between financial liabilities and monetary assets and short-term financial investments, amounts to EUR 169.8 million and is higher by EUR 6.8 million compared to the last day of 2019. It is worth noting in this regard that, until the end of the year, we also have to pay EUR 53.0 million of long-term loans that fall due in 2020, and we do not plan a significant increase in debt.

Total capital of the Impol Group increased in the first half of 2020 by EUR 4.7 million in comparison with 31/ 12/ 2019, and in comparison with 30/ 6/ 2019, by EUR 6.6 million.

**Figure 4:** Structure of liabilities from sources of assets in EUR million



## Performance of Impol 2000, d. d.

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

In the first half of 2020, the Impol 2000, d. d. (hereinafter: the Company) generated net sales revenues of EUR 14.3 million from the sales of products, services and merchandise, which is 4.5% more than in the same period in 2019. In the domestic market, the Company generated net revenues arising from the sales of products, services and merchandise of more than EUR 13.3 million, which is 2.9% more than in the first half of 2019. In foreign markets, it generated net revenues of EUR 0.97 million, which is 33.6% more than in the first half of 2019. Compared to the same period of last year, other operating revenues have increased significantly due to reimbursed pension and disability insurance contributions related to COVID-19. In the first half of 2020, operating expenses decreased by 0.1% compared to the first half of 2019, and stood at EUR 12.79 million. Costs of goods and material sold account for 68.2% of total operating expenses and are followed by labour costs equalling 29.5%, and costs of services with 1.4%. In the first half of 2020, the Company has realised an operating profit of EUR 1.6 million.

The operating cash flow (EBITDA) in the amount of EUR 1.8 million was positive. In the first half of 2020, the Company generated EUR 0.296 million of financial revenues due to revenues from loans granted to other companies in the group. Financial expenses in this period amounted to EUR 0.397 million and are, compared to the first half of 2019, lower by 30.5%, which is also a consequence of financial liabilities decreasing due to bonds being issued. In the first half of 2020, the Company has created a net profit after tax amounting to EUR 1.232 million.



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

As of 30/ 6/ 2020, the assets of the Company equalled EUR 147 million, which is 10.9% more than at the end of 2019. In the first half of 2020, long-term assets increased by 10.0% compared to the situation as at 31/ 12/ 2019, which is a consequence of the increase of long-term financial investments which mainly consist of loans granted to associates. Short-term assets increased by 18.3% compared to 31/ 12/ 2019, since the monetary assets in the account of the Company are significantly higher than at the end of the year, whereby the scope of our short-term operating receivables also increased.

As of 30/ 6/ 2020, the total liabilities stood at EUR 81.9 million and were 18.6% higher than the liabilities as at 31/ 12/ 2019. The reason for this is a higher level of financial obligations related to loans to companies within the Group.

The capital of the Company amounting to EUR 64.2 million was 2.0% or EUR 1.2 million higher than in 2019. Net debt as of 30/ 6/ 2020, calculated as the difference between financial liabilities and monetary assets and short-term financial investments, amounts to EUR 67.2 million and is higher by EUR 20.5 million compared to the last day of 2019.

## Sales

### Trends of the external operating environment

The Coronavirus had a negative impact on the entire industry dealing with the production of aluminium products due to limited supply of materials, production stoppages in companies, decrease in demand, governmental measures, or issues in terms of supply of labour. The latter issue caused liquidity difficulties to companies. In these circumstances, the Impol Group successfully overcame the market trials. We managed to continue smoothly with our production operations, provided a sufficient scope of input material, managed our logistical issues, and retained our employees, thus making sure that all processes ran smoothly.

In Europe, there are approximately 600 factories working in the field of aluminium processing, creating one million jobs. The position of European producers is intensifying in comparison to other global actors. The first consequence of the trade war between the USA and China was the closure of supply lines for Chinese suppliers entering the USA market, which provoked an increased concentration of providers on the European market. Compared to their Chinese competitors, the European manufacturers are at a disadvantage (costs of energy products, environmental levies, value of input raw materials, costs of labour force, etc.). In the past five years, the export of Chinese suppliers into the European Union has doubled in volume. Pursuant to numerous initiatives, the European Commission has started developing certain activities in order to better protect the European manufacturers.

There is also an ongoing anti-dumping investigation against the European manufacturers, initiated by the USA, which could further compromise business operations on this market. One of the most important directions of the aluminium industry is sustainable development. This is the leading branch when it comes to transitioning towards a circular economy which minimises negative environmental impacts. End users are becoming increasingly environmentally aware, and at the same time, sustainable orientation can also represent one of the competitive advantages of a company. For this purpose, the Impol Group has intensively approached the process of obtaining the ASI Performance Standard this year, thus demonstrating its orientation towards sustainable development and socially responsible processes of manufacturing aluminium products.

### Operation trends of the Impol Group in the sales area

The first quarter of 2020 was relatively optimistic since the scope of demand was in line with the annual plan and even exceeded it in certain segments. The introduction of Coronavirus in Europe, however, was followed by numerous negative economical consequences which could also not be avoided by the Impol Group.

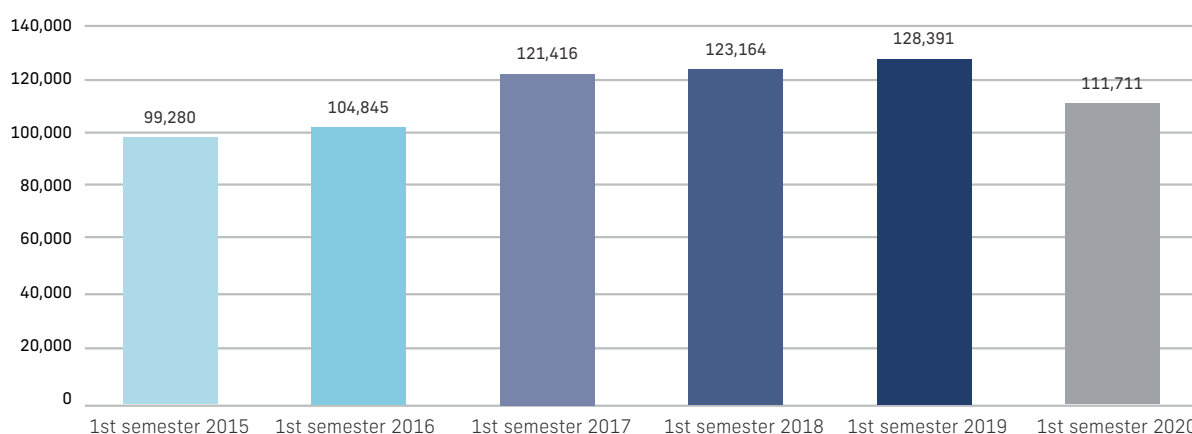
The sales trends were different according to divisions and sales segments:

- Rolling division: In the first quarter, the trend in the flow of orders was positive, which also continued in March. In April, the situation started worsening and has reached the bottom in May and June, when the flow of orders in certain programmes decreased by as much as one third. The demand for foils remains the most stable, with the prevailing customers being the food and the pharmaceutical industry. In certain segments (such as discs), we even had to deal with a temporary suspension of supplies since our suppliers were not conducting their business operations. The circumstances were planned to improve until the end of the summer.
- Extruding division: Due to a higher market share in the automobile industry, the Extruding division was the division most affected by the coronacrisis. In April and in May, the supplies amounted to less than 50%. Numerous customers have halted their production processes or halved their realisation. In the summer months, the automobile industry seemed to have slowly been getting back on its feet.
- Vendors: Since the market slowly started grinding to a halt, the business operations from January to March were being carried out as planned and the sales in April were also at a satisfying level, while the decline of marketing activities was already felt in May and in June.

**Table 5:** Sales in tons by semesters

	1st semester 2015	1st semester 2016	1st semester 2017	1st semester 2018	1st semester 2019	1st semester 2020
Sales volume in tons	99,280	104,845	121,416	123,164	128,391	111,711

**Figure 5:** Sales in tons

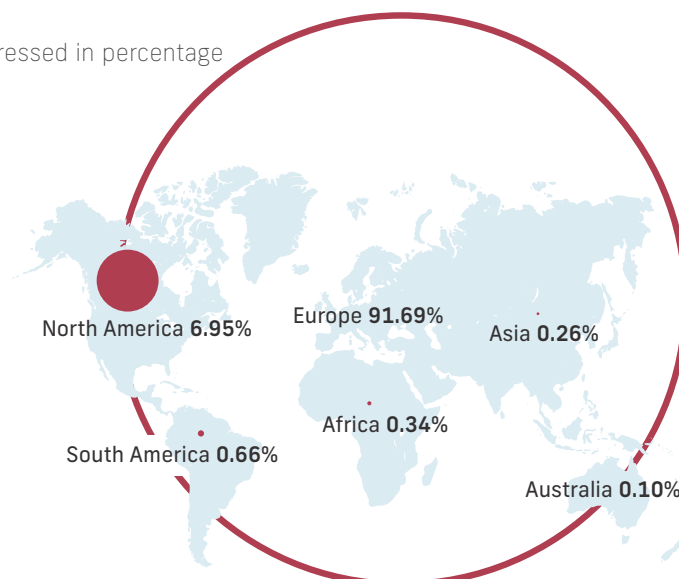


The negative impacts of the novel Coronavirus were also felt by the Impol Group. The sales volume in the first half of the year decreased by 13%.

## Sales dispersion

Impol's strategic advantage is the dispersion of sales by markets, industries and buyers. The latter is particularly efficient in times of crisis, such as the emergence of the novel Coronavirus. When examining the results of sale and comparing them to our competitors, we found that the negative consequences that we have suffered due to the crisis are significantly milder. We also plan to continue with this kind of sales policy in the future. In the first half of the year we exported 94.6% of products. Europe still remains the most important market, whereby the largest share of products is exported to Germany (31%), followed by Italy (13%), Croatia (6%) and the USA (6%). The shares of export to other countries are lower than 5%. In the first half of 2020, Impol's products were exported to 51 different countries around the world.

**Figure 6:** Sales by region expressed in percentage

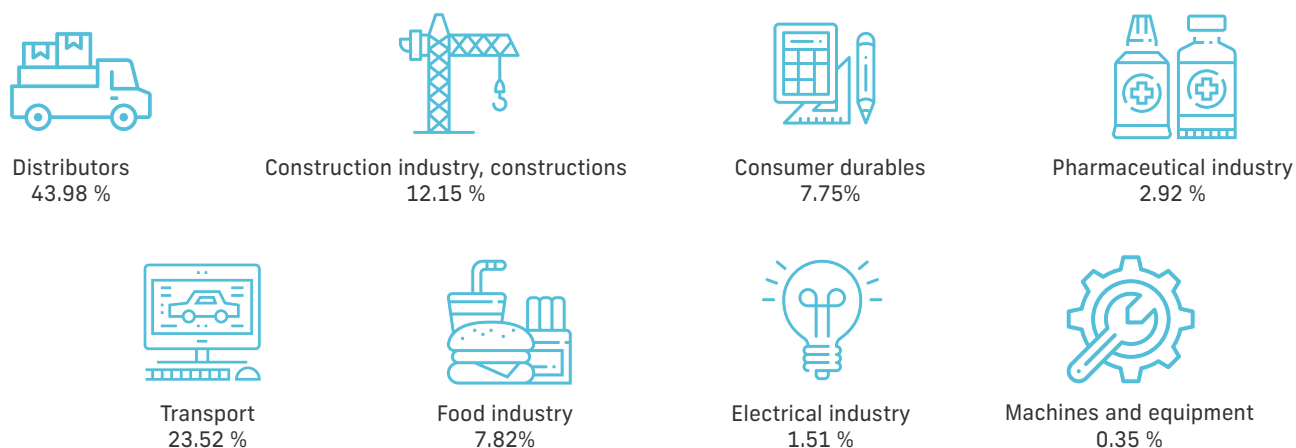


**Table 6:** 15 largest markets of the Impol Group

Country	Sales share
Germany	31.21 %
Italy	12.72 %
Croatia	6.21 %
USA	6.09 %
Slovenia	5.41 %
Czech Republic	4.80 %
Austria	4.66 %
France	4.13 %
Spain	3.92 %
Netherlands	3.73 %
Serbia	2.21 %
Poland	2.01 %
Denmark	1.65 %
Hungary	1.57 %
Switzerland	1.51 %
Norway	1.45 %
Russia	1.38 %
Great Britain	0.96 %
Other	4.39 %
<b>Sum total</b>	<b>100.00 %</b>

More than a half of Impol's products are bought by end customers, with 44% of the products being bought by distributors. The largest share among the end users is represented by transport (24%), followed by construction (12%), the food industry (8%) and consumer durables (8%).

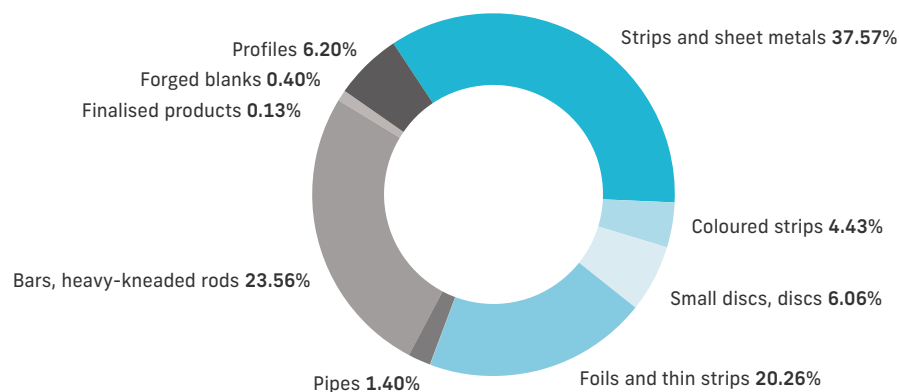
**Figure 7:** Sales share by industries



## Sales by programmes

Impol's sales programme is divided into two sales segments – rolling and pressing.

Figure 8: Shares of sales by product programmes



## Purchasing

### Trends in purchasing

2020 was marked by numerous factors. The stabilisation of the economy, mainly of the automobile industry, has been followed by the outbreak of COVID-19 which first started in China; a pandemic was declared in March. Due to the aforementioned reasons, the prices of aluminium on the LME were slowly declining, and have reached the lowest point in years in April and May, when the world, including Europe, found itself in lockdown. The levels that we have seen during the great financial crisis of 2008 and 2009, when the prices fell below EUR 1,000 per tonne, were not attained; however, the question still remains of how quickly global economy and the prices of stock exchange raw materials will be able to recover. The first signs of recovery are already coming from China, where the country is using important infrastructural projects to subsidize the economy: the prices of aluminium on the Shanghai Stock Exchange, for example, have already reached their highest point in the last three years. With the beginning of the third quarter, causes for optimism are also cautiously being announced in Europe.

**Figure 9:** Changes in the prices of aluminium for the period from January to June 2020, in EUR



In 2020, the Impol Group is decreasing the sourcing of some of the formats, mainly RFS, since this has an influence on the amount of purchase premiums which is extremely important this year, due to the pressure that our customers are putting on lower sales prices. Like every year, this year we are also increasing our sourcing of secondary aluminium, which additionally contributes to a decrease in the cost of input raw materials, thus also contributing to a decreased carbon footprint pursuant to the guidelines of sustainable development. The MB premium of primary aluminium was on the rise in the first quarter, and then started declining steeply with the occurrence of the coronavirus crisis. The difference between the DP and the DU MB premium for primary aluminium was minimal, which had never happened before. The same goes for the rod premium which somewhat recovered in the first quarter of 2020 after declining at the end of 2019, but then fell at its lowest level in the second quarter of the year.

In the first half of the year, our biggest challenge was the consolidation of contractually agreed raw materials and the decreased sales and production plans which were the consequences of a decrease in the volume of orders due to the coronavirus crisis and, also, of the decrease in the volume of supplies, on the basis of our annual plan. An important task of the purchasing department is to provide appropriate supply if needs increase or decrease. We are also constantly developing new and existing purchasing sources: in addition to improving the quality and lowering the costs of input raw materials, they also contribute to attaining the sustainable development objectives, thus enabling a higher competitive advantage.



## Risks

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

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

**Table 7:** Types of risks and their management through the application of special measures (business risks)

Business risks	Risk description and measures
<b>Legislative and regulatory risks</b>	<ul style="list-style-type: none"> <li>• 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</li> </ul>
<b>Market and price risks</b>	<p>Sales:</p> <ul style="list-style-type: none"> <li>• Market prices do not follow the changes in purchase prices or they only adjust to the them with a lag long for several months, which is why contracts are concluded by determining sales premiums so that the changes in purchase premiums are translated in the sales premiums.</li> <li>• Customer service – delays resulting from production stoppages, inadequately organised logistics cause excessive costs and delays, which is why Impol uses internal organisational measures to constantly train in providing high-quality, complete compliance with all of its liabilities.</li> <li>• Measuring the level of customer satisfaction.</li> <li>• Monitoring the competition.</li> </ul> <p>Purchasing</p> <ul style="list-style-type: none"> <li>• Aluminium – 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. This is why contracts are concluded for longer, at least one year delivery periods.</li> <li>• Energy products – unexpected increase in prices, shortage of readily available sources, which is why the majority of energy is bought for a period of at least two years in advance.</li> </ul> <ul style="list-style-type: none"> <li>• The 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.</li> <li>• Increase in fixed costs and the resulting need to increase the volume of sales and the threat of an increase in losses.</li> <li>• Being late in mastering the technical-technological aspects of new investments, new markets, neglecting the costs resulting from the above.</li> <li>• Cash flow being too weak to ensure the return of invested assets.</li> <li>• 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.</li> </ul>
<b>Investments</b>	<p>When planning the required added value per employee, Impol starts from the finding that the said value must, in addition to meeting the requirements arising from short-term operations and the dividend-related expectations of the shareholders, also meet the need of investing no less than EUR 10,000 in order to preserve the existing position of employment and that at least a total of EUR 1 million must be earmarked for all types of investments for each new position of employment taking into account the expected growth in the number of new positions of employment. 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 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 Management Board 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.</p> <ul style="list-style-type: none"> <li>• Lack of mobility and the associated costs that are higher than it would be justified.</li> <li>• Inadequate assurance of knowledge retention.</li> <li>• Risk associated with the acquisition of key personnel.</li> <li>• Civil claims for damages.</li> </ul>
<b>Human resources</b>	<p>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 to have future co-workers, by the development of key staff and by a directed governance policies including goals. In order to ensure 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.</p>
<b>Research and development</b>	<p>The risk presented by the inefficiency of the development processes and the provision of new products was approached through the reinvention of the research and development process, with a special emphasis being put on the development of products, in order to become the developmental supplier of our buyers; furthermore, we also introduced the systems of applicative and technological development.</p>
<b>Environmental protection</b>	<p>Discharges of hazardous substances. We control this area by constantly controlling emissions and using devices preventing or reducing the risks of emissions.</p>

**Table 8:** Types of risks and their management through the application of special measures (financial risks)

Risk area	Risk description and measures
<b>Liquidity risks</b>	<ul style="list-style-type: none"> <li>Liquidity risk is the risk of incurring loss owing to short-term insolvency.</li> <li>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.</li> <li>Successful business performance facilitates sustainable solvency and capital increase.</li> </ul>
<b>Risk of a change in the prices of aluminium raw materials</b>	<ul style="list-style-type: none"> <li>Aluminium is a raw material listed on the stock market and its price is subject to constant change. Customers seek to purchase products based on the prearranged price basis for aluminium. Hedging – forwards and futures contracts.</li> </ul>
<b>Risks of changes in foreign exchange rates</b>	<ul style="list-style-type: none"> <li>The threat of loss caused by unfavourable exchange rate fluctuations – this mainly applies to USD. Hedging by means of appropriate derivative financial instruments and the option of purchasing basic raw materials in the local currency.</li> </ul>
<b>Interest rate risk</b>	<ul style="list-style-type: none"> <li>Risk associated with changes in the terms and conditions of financing and borrowing. Monitoring of the ECB's and FED's policies, hedging by using appropriate derivative financial instruments – interest rate swaps, shifting from a fixed to a floating interest rate.</li> <li>At the end of the year, the Impol Group had long-term loans tied to EURIBOR reference interest rate. The Impol Group has 50% of long-term financial liabilities with a fixed interest rate. While the EURIBOR rate still remains historically low, it never reaches negative values in the process of financing due to contractual provisions or agreements.</li> </ul>
<b>Credit risk</b>	<ul style="list-style-type: none"> <li>Risk of generating losses due to customers' failure to pay.</li> <li>The credit risk is controlled through the credit control process which encompasses internal credit rating of the buyers, carried out within the Group, through the selected credit insurance company. Most of the buyers of the Group are insured, especially more important buyers. 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 only performed 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.</li> </ul>
<b>Risk of claims for damages and lawsuit risk</b>	<ul style="list-style-type: none"> <li>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. General liability and product liability insurance (mainly for the segment of the manufacture of products intended for the means of transport industry).</li> </ul>
<b>Risk of damage to property</b>	<ul style="list-style-type: none"> <li>Threat of damage to property resulting from destructive natural forces, machinery break-down, fire, etc. Conclusion of property insurance, machinery breakdown insurance, business interruption insurance, fire insurance and other specific insurance.</li> </ul>

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,
4. External events or acts.

This is why Impol constantly improves or adapts its organisational structure (in 2015, the governance system was changed from a two-tier to a one-tier system) and also continuously improves the entire IT system in order to ensure that business events are monitored in real time.

**Table 9:** Types of risks and their management through the application of special measures (operational risks)

Operational risks	Risk description and measures
<b>Risks in production</b>	<ul style="list-style-type: none"> <li>• Failure to control production processes (poorly reproducible processes, which generates unhappy customers), oversupplies which can provoke an increase in exchange risks, cost-related risks, price-related risks, or solvency risks.</li> <li>• Equipment reliability – insurance costs, deductibles.</li> <li>• Bottlenecks – disruptive inventories, disrupted flow with logistical difficulties, failures to meet delivery deadline.</li> <li>• Production planning process.</li> </ul> <p>We successfully control these risks by constantly improving our planning process, planning the entire supply chain, monitoring technological and development trends, and guaranteeing appropriate production capacities.</p>
<b>Risks of information technology</b>	<p>Failure to manage internal controls.</p> <ul style="list-style-type: none"> <li>• Multiple processing of the same data.</li> <li>• 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.</li> </ul> <p>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.</p>
<b>Risks associated with employees</b>	<p>Special attention is also paid to the renovation of the ERP system.</p> <ul style="list-style-type: none"> <li>• Occurrence of accidents and injuries, unplanned absence.</li> <li>• Measures in the field of risk assessment at the workplace, continuous education and training in the working environment, a system of replacement.</li> </ul>

## EXECUTIVE DIRECTORS' LIABILITY DECLARATION

The Executive Directors are responsible for preparing an Interim Report of the Impol Group that provides a true and fair view of the financial situation of the Impol Group and Impol 2000, d. d., and thus declare the following:

- we are responsible for the adoption of the appropriate measures for securing property, constant monitoring of other operating risks and adopting and implementing measures for their minimization;
- the financial report of the Impol Group and Impol 2000, d. d. for the first half of 2020 is drawn up in accordance with the International Financial Reporting Standards and that the report gives a true and fair view of the assets and liabilities, financial situation, profit and loss statement and the comprehensive income of Impol 2000, d. d. and other companies, included in the consolidation, as a whole;
- the financial report of the Impol Group and Impol 2000, d. d. for the first half of 2020 gives a fair view of the development and results of the Company's business operations and its financial situation, including the description of essential types of risks to which Impol 2000, d. d. and other companies, included in the consolidation, are exposed as a whole;
- the financial report of the Impol Group and Impol 2000, d. d. for the first half of 2020 gives a fair view of significant transactions with associated persons and is drawn up in accordance with the International Financial Reporting Standards.

Andrej Kolmanič  
(Chief Executive Officer)



Irena Šela  
(Chief Financial and IT  
Officer)



Slovenska Bistrica, 16/ 9/ 2020

## DECLARATION OF THE MANAGEMENT BOARD

The Management Board confirms the interim consolidated financial statements and the financial statements of Impol 2000, d. d. for the period from 1/ 1/ 2020 to 30/ 6/ 2020 and for the applied accounting policies. This Interim Report was adopted by the Company's Management Board at its session held on 24/ 9/ 2020/

Jernej Čokl  
(Chairman of the  
Management Board)



Vladimir Leskovar  
(Deputy Chairman  
of the Management Board)



Janko Žerjav  
(Member of the  
Management Board)



Milan Cerar  
(Member of the  
Management Board)



Bojan Gril  
(Member of the  
Management Board)

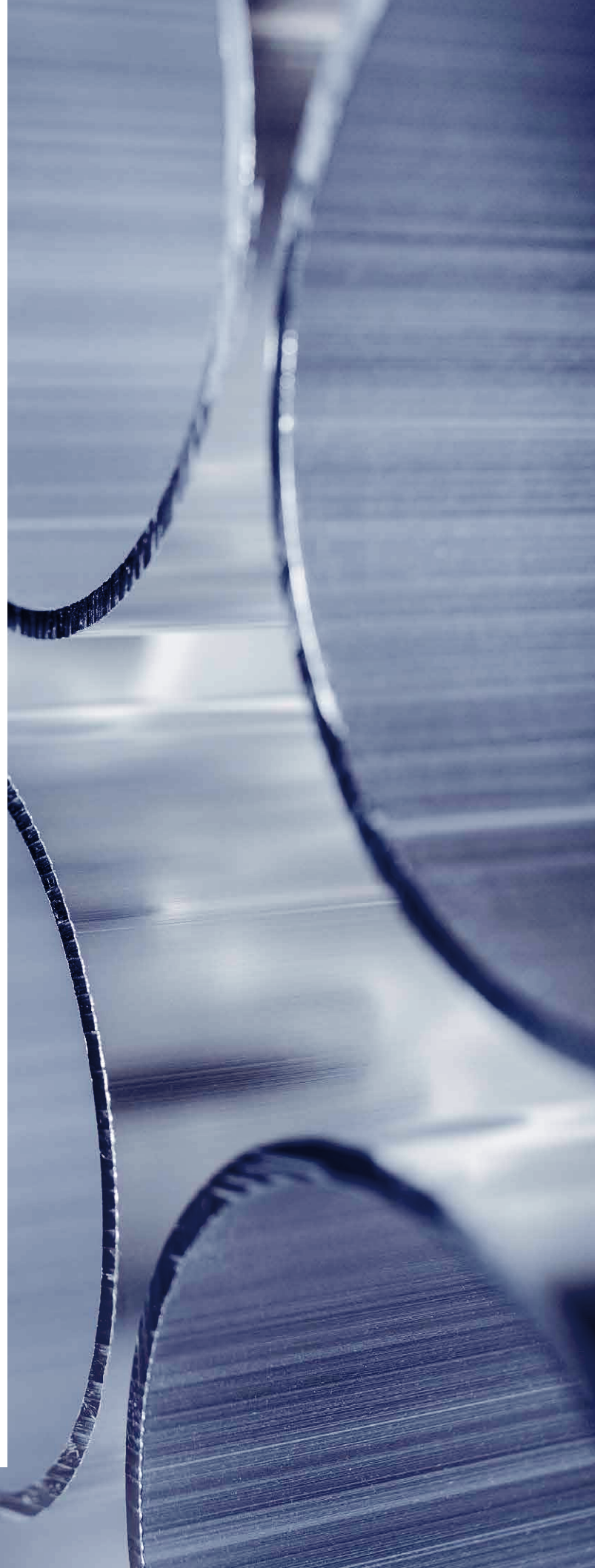


Slovenska Bistrica, 24/ 9/ 2020

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FINANCIAL REPORT  
ON THE  
OPERATIONS  
OF THE IMPOL  
GROUP IN THE FIRST  
HALF OF 2020

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# CONSOLIDATED FINANCIAL STATEMENTS OF THE IMPOL GROUP

Accounting policies and notes form an integral part of the financial statements presented below and should be read in conjunction with them.

## Consolidated income statement

Table 10: Consolidated profit and loss statement in EUR

	Item	Note	01.-06. 2020	01.-06. 2019
<b>1/</b>	<b>Net sales revenues</b>	<b>1</b>	<b>305,940,241</b>	<b>378,109,726</b>
	a) Net sales revenues in the domestic market		19,962,546	19,811,437
	b) Net sales revenues in the foreign market		285,977,695	358,298,289
<b>2/</b>	<b>Change in the value of product inventories and unfinished production</b>		<b>-4,134,996</b>	<b>-3,771,393</b>
<b>3/</b>	<b>Capitalised own products and services</b>		<b>22,254</b>	<b>36,350</b>
<b>4/</b>	<b>Other operating revenues (including operating revenues from revaluation)</b>		<b>2,245,155</b>	<b>1,449,514</b>
<b>5/</b>	<b>Costs of goods, materials and services</b>	<b>2</b>	<b>250,239,879</b>	<b>306,815,176</b>
	a) Costs of goods and materials sold, and costs of the materials used		226,663,990	278,643,104
	b) Costs of services		23,575,889	28,172,072
<b>6/</b>	<b>Labour costs</b>	<b>2</b>	<b>32,748,917</b>	<b>34,748,224</b>
	a) Costs of wages and salaries		24,241,957	26,533,123
	b) Social security costs (pension insurance costs are shown separately)		4,196,074	4,583,050
	c) Other labour costs		4,310,886	3,632,051
<b>7/</b>	<b>Write-offs</b>	<b>2</b>	<b>10,782,055</b>	<b>9,694,765</b>
	a) Depreciation		10,777,387	9,563,479
	b) Revaluation operating expenses of intangible assets and tangible fixed assets		3,877	40,972
	c) Revaluation operating expenses of current assets		791	90,314
<b>8/</b>	<b>Other operating expenses</b>	<b>2</b>	<b>1,251,943</b>	<b>1,798,677</b>
<b>9/</b>	<b>Financial revenues from participating interests</b>	<b>3</b>	<b>0</b>	<b>25,031</b>
	a) Financial revenues from participating interests in associate companies		0	15,954
	b) Financial revenues from participating interests in other companies		0	9,077
<b>10/</b>	<b>Financial revenues from loans granted</b>	<b>3</b>	<b>4,934</b>	<b>4,223</b>
	a) Financial revenues from loans granted to others		4,934	4,223
<b>11/</b>	<b>Financial revenues from operating receivables</b>	<b>3</b>	<b>1,802,193</b>	<b>1,046,798</b>
	a) Financial revenues from operating receivables due from others		1,802,193	1,046,798
<b>12/</b>	<b>Financial expenses from financial liabilities</b>	<b>3</b>	<b>2,773,386</b>	<b>2,083,364</b>
	a) b) Financial expenses from loans received from associated companies		1,527	2,060
	b) Financial expenses from loans received from banks		1,731,013	1,520,568
	c) Financial expenses from issued bonds		189,479	376,877
	C) Financial expenses from other financial liabilities		834,002	160,440
	d) Financial expenses from leases		17,365	23,419
<b>13/</b>	<b>Financial expenses from operating liabilities</b>	<b>3</b>	<b>928,557</b>	<b>837,414</b>
	a) Financial expenses from trade creditors and bills of exchange		223	1,585
	b) Financial expenses from other operating liabilities		928,334	835,829
<b>14/</b>	<b>Income tax</b>	<b>4</b>	<b>1,330,970</b>	<b>2,413,883</b>

15/	Deferred taxes	-37,850	2,252
16	<b>Net profit or loss for the accounting period</b>	<b>5,861,924</b>	<b>18,506,494</b>
	Of which profit/loss attributable to non-controlling interest	81	1,326,090
	Profit/loss attributable to controlling interest	5,861,843	17,180,404
	Continuing operations result	5,861,924	18,506,494
	Discontinued operations result	0	0

## Second comprehensive consolidated income statement

Table 11: Group statement of other comprehensive income in EUR

	Note	01.-06. 2020	01.-06. 2019
<b>Net profit or loss for the accounting period</b>		<b>5,861,924</b>	<b>18,506,494</b>
Changes in reserves from fair value measurement of assets through another comprehensive income (+/-)	4	-11,936	-186,079
Gains and losses arising from the translation of financial statements of foreign operations (impact of changes in exchange rates) (+/-)	4	-266,266	208,510
<b>Total comprehensive income for the accounting period</b>		<b>5,583,722</b>	<b>18,528,925</b>
• of which total comprehensive income of non-controlling interest		-70,566	1,410,486
• of which total comprehensive income of controlling interest		5,654,288	17,118,439

## Consolidated balance sheet

Table 12: Consolidated balance sheet in EUR

		Note	30/ 6/ 2020	31/ 12/ 2019
<b>A.</b>	<b>LONG-TERM ASSETS</b>		<b>237,225,324</b>	<b>236,955,738</b>
<b>I.</b>	<b>Intangible assets and long-term deferred costs and accrued revenue</b>	<b>5</b>	<b>3,822,209</b>	<b>3,495,060</b>
1/	Long-term property rights		2,104,016	1,713,587
2/	Goodwill		1,261,518	1,261,518
3/	Long-term deferred development costs		456,675	519,955
<b>II.</b>	<b>Tangible fixed assets</b>	<b>6</b>	<b>227,283,039</b>	<b>227,117,390</b>
1/	Land and buildings		65,622,351	60,799,566
a)	Land		15,964,616	15,858,477
b)	Buildings		49,657,735	44,941,089
2/	Production equipment and machinery		113,586,748	112,341,534
3/	Other machinery and equipment		7,846,296	7,401,678
4/	Tangible fixed assets being acquired		40,227,644	46,574,612
a)	Tangible fixed assets under construction and manufacture		35,871,230	43,611,780
b)	Advances to acquire tangible fixed assets		4,356,414	2,962,832
<b>III.</b>	<b>Assets under lease</b>	<b>7</b>	<b>1,553,313</b>	<b>1,765,233</b>
1/	Assets under lease from other companies		1,553,313	1,765,233
<b>IV.</b>	<b>Investment property</b>	<b>8</b>	<b>1,692,839</b>	<b>1,713,502</b>
<b>V.</b>	<b>Long-term financial investments</b>	<b>9</b>	<b>1,172,411</b>	<b>1,146,780</b>
1/	Long-term financial investments, excluding loans		917,130	916,737
a)	Shares and participating interests in subsidiaries		604,760	604,765
b)	Other shares and participating interests		312,370	311,972
2/	Long-term loans		255,281	230,043
a)	Long-term loans to others		255,281	230,043
<b>VI.</b>	<b>Long-term operating receivables</b>		<b>0</b>	<b>0</b>
<b>VII.</b>	<b>Deferred tax assets</b>		<b>1,701,513</b>	<b>1,717,773</b>
<b>B.</b>	<b>SHORT-TERM ASSETS</b>		<b>293,115,750</b>	<b>280,515,737</b>
<b>I.</b>	<b>Assets (disposal groups) available for sale</b>		<b>39,171</b>	<b>39,171</b>
<b>II.</b>	<b>Inventories</b>	<b>10</b>	<b>149,621,391</b>	<b>163,688,339</b>
1/	Raw material and material		107,998,893	117,009,283
2/	Work in process		22,103,597	24,968,136
3/	Products and merchandise		18,475,385	21,604,680
4/	Advances for inventories		1,043,516	106,240
<b>III.</b>	<b>Short-term financial investments</b>	<b>11</b>	<b>5,501,297</b>	<b>2,586,431</b>
1/	Short-term financial investments, excluding loans		1,981,297	2,016,265
a)	Other short-term financial investments		1,981,297	2,016,265
2/	Short-term loans		3,520,000	570,166
a)	Short-term loans to others		3,520,000	570,166
<b>IV.</b>	<b>Short-term operating receivables</b>	<b>12</b>	<b>89,182,184</b>	<b>76,962,321</b>
1/	Short-term operating receivables from customers		77,714,180	66,329,288
2/	Short-term operating receivables from others		11,468,004	10,633,033
<b>V.</b>	<b>Monetary assets</b>	<b>13</b>	<b>48,771,707</b>	<b>37,239,475</b>
<b>C.</b>	<b>SHORT-TERM ACCRUED COST AND DEFERRED REVENUE</b>	<b>13</b>	<b>3,345,328</b>	<b>583,534</b>
	<b>TOTAL ASSETS</b>		<b>533,686,402</b>	<b>518,055,009</b>

		Note	30/ 6/ 2020	31/ 12/ 2019
<b>A.</b>	<b>CAPITAL</b>	<b>14</b>	<b>246,865,826</b>	<b>242,082,787</b>
<b>I.</b>	<b>Minority equity</b>		<b>21,635,834</b>	<b>22,052,503</b>
<b>II.</b>	<b>Called-up capital</b>		<b>4,451,540</b>	<b>4,451,540</b>
1/	Share capital		4,451,540	4,451,540
<b>III.</b>	<b>Capital reserves</b>		<b>10,751,254</b>	<b>10,751,254</b>
<b>IV.</b>	<b>Revenue reserves</b>		<b>7,958,351</b>	<b>7,958,351</b>
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
<b>V.</b>	<b>Revaluation reserves</b>		<b>0</b>	<b>0</b>
<b>VI.</b>	<b>Reserves resulting from valuation at fair value</b>		<b>-871,693</b>	<b>-860,051</b>
<b>VII.</b>	<b>Capital revaluation adjustment</b>		<b>149,298</b>	<b>345,211</b>
<b>VIII.</b>	<b>Retained net profit or loss</b>		<b>196,929,399</b>	<b>175,384,468</b>
<b>IX.</b>	<b>Net profit or loss for the financial year</b>		<b>5,861,843</b>	<b>21,999,511</b>
<b>B.</b>	<b>PROVISIONS AND LONG-TERM ACCRUED EXPENSES AND DEFERRED REVENUES</b>	<b>15</b>	<b>5,126,681</b>	<b>4,327,010</b>
1/	Provisions for pensions and similar obligations		3,732,240	3,759,353
2/	Other provisions		863,918	1,745
3/	Long-term accrued costs and deferred revenues		530,523	565,912
<b>C.</b>	<b>LONG-TERM LIABILITIES</b>	<b>16</b>	<b>155,073,742</b>	<b>112,309,297</b>
<b>I.</b>	<b>Long-term financial liabilities</b>		<b>152,974,520</b>	<b>110,248,666</b>
1/	Long-term financial liabilities to banks		152,127,199	109,454,896
2/	Other long-term financial liabilities		79,846	79,846
3/	Long-term financial liabilities from leases		767,475	713,924
4/	Long-term financial liabilities from leases to other companies		767,475	713,924
<b>II.</b>	<b>Long-term operating liabilities</b>		<b>190,222</b>	<b>106,449</b>
1/	Other long-term operating liabilities		190,222	106,449
<b>III.</b>	<b>Deferred tax liabilities</b>		<b>1,909,000</b>	<b>1,954,182</b>
<b>D.</b>	<b>SHORT-TERM LIABILITIES</b>	<b>17</b>	<b>124,601,215</b>	<b>157,669,907</b>
<b>I.</b>	<b>Liabilities included in groups for disposal</b>		<b>0</b>	<b>0</b>
<b>II.</b>	<b>Short-term financial liabilities</b>		<b>71,071,550</b>	<b>92,499,953</b>
1/	Short-term financial liabilities to banks		53,324,970	74,274,699
2/	Short-term financial liabilities based on bonds		10,000,000	10,000,000
3/	Other short-term financial liabilities		7,482,837	7,682,004
4/	Short-term financial liabilities from leases		263,743	543,250
a)	Short-term financial liabilities from leases to other companies		263,743	543,250
<b>III.</b>	<b>Short-term operating liabilities</b>		<b>53,529,665</b>	<b>65,169,954</b>
1/	Short-term operating liabilities to suppliers		43,256,610	54,773,382
2/	Short-term operating liabilities from advance payments		1,734,557	1,364,961
3/	Other short-term operating liabilities		8,538,498	9,031,611
<b>D.</b>	<b>SHORT-TERM ACCRUED COSTS AND DEFERRED REVENUES</b>	<b>17</b>	<b>2,018,938</b>	<b>1,666,008</b>
	<b>TOTAL LIABILITIES TO SOURCES OF ASSETS</b>		<b>533,686,402</b>	<b>518,055,009</b>

## Consolidated statement of changes in equity

Table 13: Consolidated statement of changes in equity for the first half of 2020 in EUR

	Called-up capital	Capital of the non-controlling share	Capital reserves	Revenue reserves				Reserves resulting from valuation at fair value	Capital revaluation adjustment	Transferred net profit/loss	Net profit/loss of the financial year	Total equity
	I	II	III	IV				V	VI	VII	VIII	IX
	Share capital			Reserves for own shares and own business shares	Own shares and own business shares (deductible)	Statutory reserves	Other revenue reserves					
	I	II	III	IV/1	IV/2	IV/3	IV/4	V	VI	VII	VIII	IX
<b>A.1. Situation at the end of the previous reporting period, 31/ 12/ 2019</b>	<b>4,451,540</b>	<b>22,052,503</b>	<b>10,751,254</b>	<b>506,406</b>	<b>-506,406</b>	<b>2,225,770</b>	<b>5,732,581</b>	<b>-860,051</b>	<b>345,211</b>	<b>175,384,468</b>	<b>21,999,511</b>	<b>242,082,787</b>
a) Retroactive conversions	0	-11,476	0	0	0	0	0	0	0	-454,580	0	-466,056*
<b>A.2. Initial balance of the reporting period as of 01/ 1/ 2020</b>	<b>4,451,540</b>	<b>22,041,027</b>	<b>10,751,254</b>	<b>506,406</b>	<b>-506,406</b>	<b>2,225,770</b>	<b>5,732,581</b>	<b>-860,051</b>	<b>345,211</b>	<b>174,929,888</b>	<b>21,999,511</b>	<b>241,616,732</b>
<b>B.1. Changes in equity – transactions with owners</b>	<b>0</b>	<b>-334,627</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-334,627</b>
Disbursement of dividends	0	-334,627	0	0	0	0	0	0	0	0	0	-334,627
<b>B.2. Total comprehensive income for the reporting period</b>	<b>0</b>	<b>-70,566</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-11,642</b>	<b>-195,913</b>	<b>0</b>	<b>5,861,843</b>	<b>5,583,722</b>
Entry of net profit/loss in the financial year	0	81	0	0	0	0	0	0	0	0	5,861,843	5,861,924
Change in reserves resulting from valuation of financial investments at fair value	0	-294	0	0	0	0	0	-11,642	0	0	0	-11,936
Gains and losses arising from the translation of financial statements of foreign operations (+ / -)	0	-70,353	0	0	0	0	0	0	-195,913	0	0	-266,266
<b>B.3. Changes in equity</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>21,999,511</b>	<b>-21,999,511</b>	<b>0</b>
Allocation of the remaining portion of the net profit to other equity components	0	0	0	0	0	0	0	0	0	21,999,511	-21,999,511	0
<b>C. Closing balance of the financial year as of 30/ 6/ 2020</b>	<b>4,451,540</b>	<b>21,635,834</b>	<b>10,751,254</b>	<b>506,406</b>	<b>-506,406</b>	<b>2,225,770</b>	<b>5,732,581</b>	<b>-871,693</b>	<b>149,298</b>	<b>196,929,399</b>	<b>5,861,843</b>	<b>246,865,826</b>

\*This is the allocation of the environmental levy for air pollution with carbon dioxide emissions in 2018 in Impol, d. o. o. which cannot be reimbursed.

Table 14: Consolidated statement of changes in equity for the first half of 2019 in EUR

	Called-up capital	Capital of the non-controlling share	Capital reserves	Revenue reserves				Reserves resulting from valuation at fair value	Capital revaluation adjustment	Transferred 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			Reserves for own shares and own business shares	Own shares and own business shares (deductible)	Statutory reserves	Other revenue reserves					
	I	II	III	IV/1	IV/2	IV/3	IV/4	V	VI	VII	VIII	IX
<b>A.1. Situation at the end of the previous reporting period, 31/ 12/ 2018</b>	4,451,540	20,354,714	10,751,254	506,406	-506,406	2,225,770	5,732,581	-797,851	-1,453	145,466,231	33,638,893	221,821,679
<b>A.2. Initial balance of the reporting period as of 01/ 1/ 2019</b>	4,451,540	20,354,714	10,751,254	506,406	-506,406	2,225,770	5,732,581	-797,851	-1,453	145,466,231	33,638,893	221,821,679
<b>B.1. Changes in equity – transactions with owners</b>	0	-113,581	0	0	0	0	0	0	0	0	0	-113,581
Disbursement of dividends to others	0	-113,581	0	0	0	0	0	0	0	0	0	-113,581
<b>B.2. Total comprehensive income for the reporting period</b>	0	1,410,486	0	0	0	0	0	-181,498	119,532	0	17,180,404	18,528,925
Entry of net profit/loss in the financial year	0	1,326,090	0	0	0	0	0	0	0	0	17,180,404	18,506,494
<b>Change in reserves resulting from valuation of financial investments at fair value</b>	0	-4,581	0	0	0	0	0	-181,498	0	0	0	-186,079
Gains and losses arising from the translation of financial statements of foreign operations (+ / -)	0	88,977	0	0	0	0	0	0	119,532	0	0	208,509
<b>B.3. Changes in equity</b>	0	0	0	0	0	0	0	0	0	33,638,893	-33,638,893	0
Allocation of the remaining portion of the net profit to other capital components	0	0	0	0	0	0	0	0	0	33,638,893	-33,638,893	0
<b>C Closing balance of the financial year as of 30/ 6/ 2019</b>	4,451,540	21,651,619	10,751,254	506,406	-506,406	2,225,770	5,732,581	-979,349	118,079	179,105,124	17,180,404	240,237,022

## Consolidated cash flow statement

Table 15: Group cash flow statement in EUR

Item	Note	01.-06. 2020	01.-06. 2019
<b>A. Cash flows from operating activities</b>			
a) Profit & Loss Statement items		19,316,776	30,036,042
Operating revenues (except for revaluation) and financial revenues from operating receivables	1	309,804,642	380,386,711
Operating revenue excluding depreciation (except from revaluation) and financial expenses from operating liabilities	2	-289,194,747	-347,934,534
Income tax and other taxes not included in operating expenses	4	-1,293,119	-2,416,135
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		-11,652,512	-31,278,024
Opening minus closing operating receivables	12	-12,220,653	-28,832,930
Opening minus closing deferred costs and accrued revenues		-2,761,797	-1,484,772
Opening minus closing deferred tax receivables	5	16,260	-35,760
Opening minus closing inventory	10	14,066,948	13,704,127
Closing minus opening operating debts	17	-12,023,058	-15,578,343
Closing minus opening accrued costs and deferred revenues and provisions		1,314,969	937,818
Closing minus opening deferred tax liabilities		-45,181	11,836
c) Net cash from operating activities or net outflows from operating activities (a + b)		7,664,264	-2,241,982
<b>B. Cash flows from investing activities</b>			
a) Cash receipts from investing activities		1,096,275	2,733,544
Cash receipts from interest and participation in profit of others relating to investing activities	3	4,932	4,223
Cash receipts from the disposal of tangible fixed assets	1	27,814	147,550
Cash receipts from the disposal of long-term financial investments	3	3,984	2,267
Cash receipts from the disposal of short-term financial investments	3	1,059,545	2,579,504
Cash disbursements from investing activities		-16,226,951	-21,422,660
Cash disbursements for the acquisition of intangible assets	5	-751,838	-1,591,456
Cash disbursements for the acquisition of tangible fixed assets	6	-11,342,982	-12,323,504
Cash disbursements for the acquisition of investment property		-39,156	0
Cash disbursements for the acquisition of long-term financial investments	9	-29,792	-11,076
Cash disbursements for the acquisition of short-term financial investments	11	-4,063,183	-7,496,624
c) Net cash from investment activities or net outflows from investment activities (a + b)		-15,130,676	-19,931,098
<b>C. Cash flows from financing activities</b>			
a) Cash receipts from financing activities		65,515,347	54,360,459
Cash receipts from the increase of long-term financial liabilities	16	48,287,418	35,138,581
Cash receipts from the increase of short-term financial liabilities	17	17,227,929	19,221,878
b) Cash disbursements from financing activities		-46,516,703	-49,071,537
Cash disbursements for given interests from financing activities	3	-1,978,574	-1,690,193
Cash repayments of long-term financial liabilities	16	-1,487,569	-666,667
Cash repayments of short-term financial liabilities	17	-42,715,933	-46,704,745
Cash repayments of dividends and other profit shares paid	14	-334,627	-9,932
c) Net cash from financing activities or net outflows from financing activities (a + b)		18,998,643	5,288,922
<b>D. Monetary assets at the end of the period</b>		<b>48,771,707</b>	<b>30,018,372</b>
x) Net cash flow in the period		11,532,231	-14,642,176
y) Monetary assets at the beginning of the period		37,239,475	44,660,549



# 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. 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 registered pro rata shares that are not traded in the organized security market. The shares are owned by 828 shareholders.

The non-revised consolidated financial statements for the period that ended on 30 June 2020 are presented hereafter. The consolidated financial statements include the company Impol 2000, d. d. and its subsidiaries and participations in associates.

## Statement of compliance with the IFRS

The Management Board confirmed the financial statements and the consolidated financial statements on 24/ 9/ 2020/ The financial statements of Impol 2000, d. d. and the consolidated financial statements of the 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). The interim report is drawn up in accordance with requirements of MRS 34-Interim financial reporting. In drawing up the financial statements for the period between January and June 2020, the same accounting policies were taken into account as in drawing up the financial statements for 2019.

The Impol Group predicts that the introduction of new standards which entered into force on 01/ 1/ 2020 will not have an important impact on its consolidated financial statements.

At the balance sheet date, regarding the standard-setting process in the European Union and the financial reporting guidelines of the company Impol 2000, d. d. and the Impol Group, there are no differences between the IFRS used and the IFRS adopted by the European Union. The interim financial statements of the Impol Group are not revised.

## Basis and estimates for preparing financial statements

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

The consolidated financial statements are presented in EUR (without cents), and EUR is also the functional currency of the Group. Since the original data we use to present the disclosures hereinafter are rounded up to two decimal points, it can happen (in certain cases of detailed disclosures) that, due to rounding-up, the sum is in discrepancy with the actually presented sum of main items of financial statements for no more than +/- EUR 1.

## Transactions in foreign currency

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:

**Table 16:** Applied exchange rates for converting balance sheet items

Currency	Exchange rate as of 30/ 6/ 2020
USD	1.1198
HUF	356.5800
RSD	117.8300
HRK	7.5708

Revenue and expenditure of foreign companies are converted into EUR according to average annual exchange rates of the semester. For converting balance sheet items from national currencies into EUR, the following exchange rates were used:

**Table 17:** Exchange rates for converting profit or loss

Currency	Average biannual exchange rate, 2020
USD	1.1040
HUF	348.7800
RSD	117.7283
HRK	7.5460

Currency differences are recognised either as profit or loss or other comprehensive income, and are, in this case, reported under the item exchange differences in equity. 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 equity 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.

## Segment reporting

Because of the very similar nature of product groups, their production procedure and distribution, the company 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 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 18:** Operating revenue in EUR

	Operating revenue generated with companies		01.-06. 2020	01.-06. 2019
	associated	others		
Net sales revenues	33,700	305,906,541	305,940,241	378,109,726
Change in the value of product inventories and unfinished production	0	-4,134,996	-4,134,996	-3,771,393
Capitalised own products and services	0	22,254	22,254	36,350
Other operating revenues	0	2,245,155	2,245,155	1,449,514
<b>TOTAL</b>	<b>33,700</b>	<b>304,038,954</b>	<b>304,072,654</b>	<b>375,824,197</b>

**Table 19:** Other operating revenues in EUR

	Operating income, created with other companies	01.-06. 2020	01.-06. 2019
Revenues from the reversal of provisions	162,369	162,369	154,156
Other revenues associated with business effects (subsidiaries, grants, compensations, premiums, etc.)*	2,038,073	2,038,073	1,091,285
Revaluation operating revenue	44,712	44,712	204,073
<b>TOTAL</b>	<b>2,245,155</b>	<b>2,245,155</b>	<b>1,449,514</b>

\*Arising from exempted contributions for pension and disability insurance for employees arising from the measures intended to moderate the consequences of COVID-19: the Impol Group in Slovenia received a total of EUR 1,769,911, half of which were recognised as other operating revenues in the result for 01.-06.2020.

**Table 20:** Other operating revenues in EUR

	Operating income, created with other companies	01.-06. 2020	01.-06. 2019
From disposal of tangible fixed assets	18,706	18,706	115,899
From operating receivables	24,266	24,266	25,653
From operating liabilities	1,740	1,740	62,521
<b>TOTAL</b>	<b>44,712</b>	<b>44,712</b>	<b>204,073</b>

Net sales revenue from the sale of aluminium products (per division and per state) is specified in detail under section Sales.

**Table 21:** Net sales revenue by business segment in EUR

	01.-06. 2020	01.-06. 2019
Revenue from sales in Slovenia	16,700,720	15,895,354
• Associates	32,701	39,369
• Other companies	16,668,019	15,855,986
Revenues from sales in EU	239,046,929	291,548,442
• Other companies	239,046,929	291,548,442
Revenue from sales in other European countries	25,068,049	19,610,416
• Associates	999	0
• Other companies	25,067,050	19,610,416
Revenue from sales on other markets	25,124,543	51,055,514
• Other companies	25,124,543	51,055,514
<b>TOTAL</b>	<b>305,940,241</b>	<b>378,109,726</b>

## 2. Operating expenses

**Table 22:** Analysis of costs and expenses in EUR

	Manufacturing costs	Cost of sales	Costs of general activities	Total 01.-06. 2020	Total purchase in the first half of 2020 from:		Total 01.-06. 2019
					Associate companies	Other companies	
Costs of merchandise and materials sold	0	50,113,014	0	50,113,014	0	50,113,014	41,550,546
Costs of material	173,040,597	3,319,931	190,448	176,550,976	0	176,550,976	237,092,558
Costs of services	11,257,031	6,409,930	5,908,928	23,575,889	817,554	22,758,334	28,172,072
Labour costs	20,273,050	983,456	11,492,412	32,748,917	0	32,748,917	34,748,224
Depreciation	9,268,871	83,129	1,425,387	10,777,388	0	10,777,388	9,563,479
Revaluation operating expenses	6	612	4,049	4,667	0	4,667	131,286
Other operating expenses	520,367	0	731,575	1,251,943	0	1,251,943	1,798,677
<b>TOTAL</b>	<b>214,359,923</b>	<b>60,910,071</b>	<b>19,752,800</b>	<b>295,022,794</b>	<b>817,554</b>	<b>294,205,239</b>	<b>353,056,842</b>

Other operating expenses represent expenditure on environmental protection, donations and costs that are re-invoiced.

### Revaluation operating expenses

**Table 23:** Revaluation operating expenses in EUR

	01.-06. 2020	01.-06. 2019
Revaluating operating expenses from tangible fixed assets	3,877	40,972
Revaluation operating revenues from operating receivables	791	90,314
<b>TOTAL</b>	<b>4,667</b>	<b>131,286</b>

## Labour costs

Table 24: Itemization of labour costs in EUR

	01.–06. 2020	01.–06. 2019
Costs of wages and salaries	24,241,957	26,533,123
Costs of pension insurance	2,325,164	2,390,717
Costs of other social security contributions	1,870,910	2,192,333
Other labour costs	4,310,886	3,632,051
<b>TOTAL:</b>	<b>32,748,917</b>	<b>34,748,224</b>

## 3. Financial revenue and expenses

Table 25: Financial revenue from financial investments in EUR

	Total 01.–06. 2020	Of which Other companies	Total 01.–06. 2019
Financial revenues from participating interests – Profit-sharing, dividends	0	0	25,031
Financial revenue from loans - interests	4,934	4,934	4,223
Financial revenues from operating receivables - interests	54,471	54,471	9,818
Financial revenues from operating receivables – foreign exchange differences	704,764	704,764	1,036,791
Financial revenue from forwards	1,042,959	1,042,959	189
<b>TOTAL:</b>	<b>1,807,128</b>	<b>1,807,128</b>	<b>1,076,052</b>

Table 26: Financial expenses from financial investments in EUR

	Total 01.–06. 2020	Of which up to		Total 01.–06. 2019
		Associate com- panies	Other companies	
Financial expenses from (excluding bank loans) – interests	24,850	1,527	23,323	39,633
Financial expenses from (excluding bank loans) – foreign exchange differences	725,263	0	725,263	0
Financial expenses from leases – interests (financial lease)	1,498	0	1,498	2,954
Financial expenses from financial liabilities – interest rate swaps	85,416	0	85,416	119,912
Financial expenses from loans received from banks – interests	1,656,220	0	1,656,220	1,519,219
Financial expenses from loans received from banks – foreign exchange differences	74,793	0	74,793	1,349
Financial expenses from bonds – interests	189,479	0	189,479	376,877
Financial expenses from leases – interests (operative lease)	15,867	0	15,867	23,419
Financial expenses from operating liabilities – interests	47,802	0	47,802	1,786
Financial expenses from operating liabilities – foreign exchange differences	878,032	0	878,032	833,722
Financial expenses from forwards	2,723	0	2,723	1,906
<b>TOTAL:</b>	<b>3,701,943</b>	<b>1,527</b>	<b>3,700,416</b>	<b>2,920,778</b>

\* Interests arising from right to use assets are a consequence of the implementation of the IFRS 16 – Loans.

## 4. Income tax

**Table 27:** Income tax in EUR

	01.-06. 2020	01.-06. 2019
Revenues determined in accordance with accounting regulations	554,937,195	637,334,047
Revenue adjustment for tax purposes – decrease	257,617	1,020,265
Revenue adjustment for tax purposes – increase	2,182	2,443
Revenue recognised for tax purposes	554,681,760	636,316,225
Expenses determined under accounting regulations	547,219,124	615,662,048
Expense adjustment for tax purposes – decrease	177,485	146,706
Expense adjustment for tax purposes – increase	284,980	1,532
Expenses recognised for tax purposes	547,326,619	615,516,874
<b>DIFFERENCE BETWEEN DEDUCTIBLE REVENUE AND EXPENSES</b>	<b>7,355,142</b>	<b>20,799,351</b>
Change of the tax base when amending tax base when amending accounting policies, error corrections and revaluations	-90,883	62,842
Increase in tax base for predetermined tax relief	55,710	70,717
<b>TAX BASE/LOSS</b>	<b>7,319,969</b>	<b>20,932,910</b>
Decrease in tax base and tax relief (up to the maximum amount of the tax base)	1,517,048	2,633,780
<b>TAX BASE</b>	<b>5,802,921</b>	<b>18,299,130</b>
<b>TAX</b>	<b>1,330,970</b>	<b>2,413,883</b>

Note: this is the sum of unconsolidated revenue and expenditure items, without deferred taxes, of individual companies of the Impol Group.

Income tax is accounted for pursuant to evaluations and in accordance with laws that apply in individual countries where the Group has its subsidiaries.

### 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 28:** Basic net earnings per share in EUR

	01.-06. 2020	01.-06. 2019
Profit or loss relating to the owners of the controlling entity	5,861,843	17,180,404
Weighted average of the number of regular shares	984,659	984,659
<b>Basic earnings per share (in EUR)</b>	<b>5.95</b>	<b>17.45</b>

**Table 29:** Weighted average of the number of regular shares as of 30/ 6/ 2020 in EUR

	30/ 6/ 2020	30/ 6/ 2019
Regular shares as of 1/ 1/	1,066,767	1,066,767
Effect of own shares*	-82,108	-82,108
<b>Weighted average of the number of regular shares as of 30/ 6/</b>	<b>984,659</b>	<b>984,659</b>

\*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 the other comprehensive income for the period January-June 2020 refer to the change of fair value of hedges (interest swaps) in the amount of EUR -11,936, while the derivatives were intended for hedging the cash flow from loans received.

Exchange rate differences from converting financial statements of foreign companies included consolidation in the amount of EUR -266,266.

## 5. Intangible assets and long-term deferred costs and accrued revenue

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**Table 30:** Trend in intangible assets in the first half of 2020 in EUR

	Long-term property rights	Goodwill	Long-term deferred development costs	Long-term property rights acquired	TOTAL
<b>Cost as of 31/ 12/ 2019</b>	<b>8,727,799</b>	<b>1,261,518</b>	<b>632,796</b>	<b>185,226</b>	<b>10,807,339</b>
Opening balance adjustments	0	0	0	0	0
<b>Cost as of 01/ 1/ 2020</b>	<b>8,727,799</b>	<b>1,261,518</b>	<b>632,796</b>	<b>185,226</b>	<b>10,807,339</b>
Direct increases – acquisitions	197,214	0	0	554,625	751,839
Transfer from construction in progress	189,525	0	0	-189,525	0
Exchange rate differences	-1,885	0	0	-219	-2,104
Decreases – Exclusions, other decreases (-)	87,422	0	0	0	87,422
<b>Cost as of 30/ 6/ 2020</b>	<b>9,025,231</b>	<b>1,261,518</b>	<b>632,796</b>	<b>550,107</b>	<b>11,469,652</b>
<b>Value adjustment as of 31/ 12.2019</b>	<b>7,199,438</b>	<b>0</b>	<b>112,841</b>	<b>0</b>	<b>7,312,279</b>
Opening balance adjustment	0	0	0	0	0
<b>Value adjustment 1/ 1/ 2020</b>	<b>7,199,438</b>	<b>0</b>	<b>112,841</b>	<b>0</b>	<b>7,312,279</b>
Depreciation during the year	273,582	0	63,280	0	336,862
Exchange rate differences	-1,563	0	0	0	-1,563
Decreases – Exclusions, other decreases (-)	135	0	0	0	135
<b>Value adjustment 30/ 6/ 2020</b>	<b>7,471,322</b>	<b>0</b>	<b>176,121</b>	<b>0</b>	<b>7,647,443</b>
<b>Accounting value as of 30/ 6/ 2020</b>	<b>1,553,909</b>	<b>1,261,518</b>	<b>456,675</b>	<b>550,107</b>	<b>3,822,209</b>
<b>Accounting value as of 31/ 12/ 2019</b>	<b>1,528,361</b>	<b>1,261,518</b>	<b>519,955</b>	<b>185,226</b>	<b>3,495,060</b>



**Table 31:** Trend in intangible assets in the first half of 2019 in EUR

	Long-term property rights	Goodwill	Long-term deferred development costs	Long-term deferred development costs acquired	Long-term property rights acquired	TOTAL
<b>Cost as of 31/ 12/ 2018</b>	<b>8,877,307</b>	<b>319,229</b>	<b>0</b>	<b>605,644</b>	<b>400,647</b>	<b>10,202,827</b>
Opening balance adjustments	0	0	0	0	0	0
<b>Cost as of 01/ 1/ 2019</b>	<b>8,877,307</b>	<b>319,229</b>	<b>0</b>	<b>605,644</b>	<b>400,647</b>	<b>10,202,827</b>
Direct increases – acquisitions	0	1,248,759	0	4,480	264,466	1,517,705
Transfer from construction in progress	77,572	0	610,125	-610,125	-77,572	0
Transfer of intangible assets of the companies within the Group at the purchase of controlling share in the company Alcad, d. o. o.	377,399	0	0	0	0	377,399
Exchange rate differences	1,582	0	0	0	265	1,847
Decreases – Exclusions, other decreases (-)	89,029	0	0	0	0	89,029
<b>Cost as of 30/ 6/ 2019</b>	<b>9,244,831</b>	<b>1,567,988</b>	<b>610,125</b>	<b>0</b>	<b>587,806</b>	<b>12,010,749</b>
<b>Value adjustment 31/ 12/ 2018</b>	<b>7,640,666</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>7,640,666</b>
Opening balance adjustment	0	0	0	0	0	0
<b>Value adjustment 1/ 1/ 2019</b>	<b>7,640,666</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>7,640,666</b>
Depreciation during the year	227,678	0	50,695	0	0	278,373
Transfer of intangible assets of the companies within the Group at the purchase of controlling share in the company Alcad, d. o. o.	303,648	0	0	0	0	303,648
Exchange rate differences	1,486	0	0	0	0	1,486
Decreases – Exclusions, other decreases (-)	55,697	0	0	0	0	55,697
<b>Value adjustment 30/ 6/ 2019</b>	<b>8,117,781</b>	<b>0</b>	<b>50,695</b>	<b>0</b>	<b>0</b>	<b>8,168,476</b>
<b>Accounting value as of 30/ 6/ 2019</b>	<b>1,127,050</b>	<b>1,567,988</b>	<b>559,430</b>	<b>0</b>	<b>587,806</b>	<b>3,842,273</b>
<b>Accounting value as of 31/ 12/ 2018</b>	<b>1,236,640</b>	<b>319,229</b>	<b>0</b>	<b>605,644</b>	<b>400,647</b>	<b>2,562,160</b>

The disclosed intangible assets are owned by the Group and are free of debts. More than half of all intangible assets that were used on 30/ 6/ 2020 were fully depreciated.

## Goodwill

Structure of goodwill according to business combinations and purchases of controlled shares that generated it are displayed hereinafter:

**Table 32:** Structure of goodwill in EUR

	30/ 6/ 2020	30/ 6/ 2019
Stampal SB, d. o. o.	319,229	319,229
Alcad, d. o. o.*	942,289	1,248,759

\*The amount of goodwill is calculated on the basis of booked value of the equity of Alcad, d. o. o.

## 6. Tangible fixed assets

Table 33: Trend in tangible fixed assets in the first half of 2020 in EUR

	Land	Buildings	Property being acquired	Total immovable property	Production machinery and equipment	Other devices and equipment	Equipment and other tangible fixed assets being acquired	Advances to acquire tangible fixed assets	Total equipment	Total
<b>Cost as of 31/ 12/ 2019</b>	<b>15,858,477</b>	<b>98,215,774</b>	<b>8,253,013</b>	<b>122,327,263</b>	<b>330,549,360</b>	<b>27,334,685</b>	<b>35,358,765</b>	<b>2,962,832</b>	<b>396,205,642</b>	<b>518,532,905</b>
Opening balance adjustments	0	0	0	0	0	0	0	0	0	0
<b>Cost as of 01/ 1/ 2020</b>	<b>15,858,477</b>	<b>98,215,774</b>	<b>8,253,013</b>	<b>122,327,263</b>	<b>330,549,360</b>	<b>27,334,685</b>	<b>35,358,765</b>	<b>2,962,832</b>	<b>396,205,642</b>	<b>518,532,905</b>
Direct increases – acquisitions	0	0	1,358,566	1,358,566	0	0	8,198,712	2,866,613	<b>11,065,325</b>	<b>12,423,891</b>
Transfer from construction in progress	285,350	6,117,779	-6,403,129	0	9,638,147	1,582,493	-11,220,640	0	0	0
Transfer between Group companies – acquisition	0	0	49,950	49,950	0	0	384,641	0	<b>384,641</b>	<b>434,591</b>
Transfer between Group companies – sale (-)	0	30,422	0	30,422	0	0	0	0	0	<b>30,422</b>
Transfer to investment property (-)	0	39,156	0	39,156	0	0	0	0	0	<b>39,156</b>
Exchange rate differences	-179,211	-180,467	-3,080	-362,758	-792,273	-37,164	-105,569	-10,652	<b>-945,659</b>	<b>-1,308,417</b>
Decreases – sales (-)	0	5,688	0	5,688	0	1,664	0	0	<b>1,664</b>	<b>7,352</b>
Decreases – Exclusions, other decreases (-)	0	0	0	0	28,538	107,771	0	1,462,379	<b>1,598,688</b>	<b>1,598,688</b>
Transfers between categories of tangible fixed assets	0	0	0	0	0	0	0	0	0	0
<b>Cost as of 30/ 6/ 2020</b>	<b>15,964,615</b>	<b>104,077,819</b>	<b>3,255,321</b>	<b>123,297,756</b>	<b>339,366,695</b>	<b>28,770,579</b>	<b>32,615,909</b>	<b>4,356,414</b>	<b>405,109,597</b>	<b>528,407,353</b>
<b>Value adjustment 31/ 12/ 2019</b>	<b>0</b>	<b>53,274,684</b>	<b>0</b>	<b>53,274,684</b>	<b>218,207,826</b>	<b>19,933,006</b>	<b>0</b>	<b>0</b>	<b>238,140,832</b>	<b>291,415,515</b>
Opening balance adjustment	0	0	0	0	0	0	0	0	0	0
<b>Value adjustment 1/ 1/ 2020</b>	<b>0</b>	<b>53,274,684</b>	<b>0</b>	<b>53,274,684</b>	<b>218,207,826</b>	<b>19,933,006</b>	<b>0</b>	<b>0</b>	<b>238,140,832</b>	<b>291,415,515</b>
Depreciation during the year	0	1,214,996	0	1,214,996	7,784,131	1,104,809	0	0	<b>8,888,941</b>	<b>10,103,936</b>
Direct increase	0	0	0	0	0	13,961	0	0	<b>13,961</b>	<b>13,961</b>
Transfer between Group companies – sale (-)	0	21,387	0	21,387	0	0	0	0	0	<b>21,387</b>
Exchange rate differences	0	-45,685	0	-45,685	-183,572	-18,619	0	0	<b>-202,191</b>	<b>-247,877</b>
Decreases – sales (-)	0	2,523	0	2,523	0	1,105	0	0	<b>1,105</b>	<b>3,627</b>
Decreases – Exclusions, other decreases (-)	0	0	0	0	28,438	107,771	0	0	<b>136,209</b>	<b>136,209</b>
<b>Value adjustment 30/ 6/ 2020</b>	<b>0</b>	<b>54,420,084</b>	<b>0</b>	<b>54,420,084</b>	<b>225,779,947</b>	<b>20,924,282</b>	<b>0</b>	<b>0</b>	<b>246,704,229</b>	<b>301,124,314</b>
<b>Accounting value as of 30/ 6/ 2020</b>	<b>15,964,615</b>	<b>49,657,735</b>	<b>3,255,321</b>	<b>68,877,671</b>	<b>113,586,748</b>	<b>7,846,297</b>	<b>32,615,909</b>	<b>4,356,414</b>	<b>158,405,368</b>	<b>227,283,039</b>
<b>Accounting value as of 31/ 12/ 2019</b>	<b>15,858,477</b>	<b>44,941,090</b>	<b>8,253,013</b>	<b>69,052,579</b>	<b>112,341,534</b>	<b>7,401,679</b>	<b>35,358,765</b>	<b>2,962,832</b>	<b>158,064,811</b>	<b>227,117,390</b>

Table 34: Trend in tangible fixed assets in the first half of 2019 in EUR

	Land	Buildings	Property being acquired	Total property	Production machinery and equipment	Financially leased devices and equipment	Other devices and equipment	Total other devices and equipment	Equipment and other tangible fixed assets being acquired	Advances to acquire tangible fixed assets	Total equipment	Total
<b>Cost as of 31/ 12/ 2018</b>	<b>15,151,684</b>	<b>94,873,544</b>	<b>7,979,160</b>	<b>118,004,388</b>	<b>313,912,971</b>	<b>211,489</b>	<b>24,877,496</b>	<b>25,088,985</b>	<b>55,192,302</b>	<b>3,549,009</b>	<b>397,743,267</b>	<b>515,747,655</b>
Opening balance adjustments	0	0	0	0	0	0	0	0	0	0	0	0
<b>Cost as of 01/ 1/ 2019</b>	<b>15,151,684</b>	<b>94,873,545</b>	<b>7,979,160</b>	<b>118,004,389</b>	<b>313,912,971</b>	<b>211,489</b>	<b>24,877,496</b>	<b>25,088,985</b>	<b>55,192,302</b>	<b>3,549,009</b>	<b>397,743,267</b>	<b>515,747,656</b>
Direct increases – acquisitions	0	0	1,875,887	1,875,887	0	0	0	0	6,661,715	2,945,238	<b>9,606,953</b>	<b>11,482,840</b>
Transfer from construction in progress	0	1,939,078	-1,785,288	153,791	23,940,667	0	1,000,427	1,000,427	-25,094,885	0	<b>-153,791</b>	<b>0</b>
Transfer between Group companies – acquisition	0	0	65,746	65,746	0	0	0	0	1,778,258	0	<b>1,778,258</b>	<b>1,844,004</b>
Transfer between Group companies – sale (-)	0	0	0	0	1,322,392	0	0	0	0	0	<b>1,322,392</b>	<b>1,322,392</b>
Transfer of tangible fixed assets of the companies within the Group at the purchase of controlling share in the company Alcad, d. o. o.	17,154	771,842	0	788,996	44,344	0	1,507,931	1,507,931	0	17,752	<b>1,570,027</b>	<b>2,359,023</b>
Exchange rate differences	34,072	97,532	3,935	135,539	338,289	0	22,118	22,118	91,182	11,090	<b>462,680</b>	<b>598,219</b>
Decreases – sales (-)	146	49,224	0	49,370	545,483	0	4,841	4,841	0	0	<b>550,324</b>	<b>599,694</b>
Decreases – Exclusions, other decreases (-)	0	48,566	0	48,566	6,362	0	142,211	142,211	0	632,350	<b>780,922</b>	<b>829,488</b>
<b>Cost as of 30/ 6/ 2019</b>	<b>15,202,764</b>	<b>97,584,207</b>	<b>8,139,440</b>	<b>120,926,411</b>	<b>336,362,035</b>	<b>211,489</b>	<b>27,260,920</b>	<b>27,472,410</b>	<b>38,628,572</b>	<b>5,890,740</b>	<b>408,353,757</b>	<b>529,280,168</b>
<b>Value adjustment 31/ 12/ 2018</b>	<b>0</b>	<b>51,092,954</b>	<b>0</b>	<b>51,092,954</b>	<b>224,498,922</b>	<b>186,665</b>	<b>18,903,215</b>	<b>19,089,880</b>	<b>0</b>	<b>0</b>	<b>243,588,802</b>	<b>294,681,756</b>
Opening balance adjustment	0	0	0	0	0	0	0	0	0	0	0	0
<b>Value adjustment 1/ 1/ 2019</b>	<b>0</b>	<b>51,092,954</b>	<b>0</b>	<b>51,092,954</b>	<b>224,498,922</b>	<b>186,665</b>	<b>18,903,215</b>	<b>19,089,880</b>	<b>0</b>	<b>0</b>	<b>243,588,802</b>	<b>294,681,756</b>
Depreciation during the year	0	1,152,538	0	1,152,538	6,944,663	14,484	943,067	957,552	0	0	<b>7,902,215</b>	<b>9,054,753</b>
Direct increase	0	0	0	0	0	0	14,418	14,418	0	0	<b>14,418</b>	<b>14,418</b>
Transfer between Group companies – sale (-)	0	0	0	0	161,493	0	0	0	0	0	<b>161,493</b>	<b>161,493</b>
Transfer of tangible fixed assets of the companies within the Group at the purchase of controlling share in the company Alcad, d. o. o.	0	417,565	0	417,565	43,663	0	1,093,469	1,093,469	0	0	<b>1,137,132</b>	<b>1,554,697</b>
Exchange rate differences	0	45,468	0	45,468	122,784	0	14,359	14,359	0	0	<b>137,143</b>	<b>182,611</b>
Decreases – sales (-)	0	17,596	0	17,596	545,483	0	4,818	4,818	0	0	<b>550,301</b>	<b>567,897</b>
Decreases – Exclusions, other decreases (-)	0	8,498	0	8,498	6,357	0	141,458	141,458	0	0	<b>147,815</b>	<b>156,313</b>
<b>Value adjustment 30/ 6/ 2019</b>	<b>0</b>	<b>52,682,431</b>	<b>0</b>	<b>52,682,431</b>	<b>230,896,699</b>	<b>201,149</b>	<b>20,822,253</b>	<b>21,023,402</b>	<b>0</b>	<b>0</b>	<b>251,920,101</b>	<b>304,602,532</b>
<b>Accounting value as of 30/ 6/ 2019</b>	<b>15,202,764</b>	<b>44,901,775</b>	<b>8,139,440</b>	<b>68,243,979</b>	<b>105,465,336</b>	<b>10,340</b>	<b>6,438,667</b>	<b>6,449,008</b>	<b>38,628,572</b>	<b>5,890,740</b>	<b>156,433,656</b>	<b>224,677,635</b>
<b>Accounting value as of 31/ 12/ 2018</b>	<b>15,151,684</b>	<b>43,780,589</b>	<b>7,979,160</b>	<b>66,911,433</b>	<b>89,414,049</b>	<b>24,825</b>	<b>5,974,281</b>	<b>5,999,106</b>	<b>55,192,302</b>	<b>3,549,009</b>	<b>154,154,465</b>	<b>221,065,899</b>

The accounting value of pledged tangible fixed assets as of 30/ 6/ 2020 amounts to EUR 57,955,724. More than half of all tangible fixed assets that were used on 30/ 6/ 2020 were fully depreciated.

## 7. Assets under lease

Table 35: Trend in assets under lease in the first half of 2020 in EUR

	Assets under lease for real estate – operative lease	Assets under lease for equipment – operative lease	Total assets under lease – operative lease	Assets under lease for equipment – financial lease	Total assets under lease
<b>Cost as of 31/ 12/ 2019</b>	<b>27,546</b>	<b>1,455,792</b>	<b>1,483,338</b>	<b>1,030,963</b>	<b>2,514,301</b>
Opening balance adjustments	0	0	0	0	0
<b>Cost as of 01/ 1/ 2020</b>	<b>27,546</b>	<b>1,455,792</b>	<b>1,483,338</b>	<b>1,030,963</b>	<b>2,514,301</b>
Direct increase (+)	0	75,060	75,060	0	75,060
Exchange rate differences	0	-13,602	-13,602	0	-13,602
<b>Cost as of 30/ 6/ 2020</b>	<b>27,546</b>	<b>1,517,250</b>	<b>1,544,796</b>	<b>1,030,963</b>	<b>2,575,759</b>
<b>Value adjustment 31/ 12/ 2019</b>	<b>5,463</b>	<b>382,729</b>	<b>388,192</b>	<b>360,876</b>	<b>749,068</b>
Opening balance adjustments	0	0	0	0	0
<b>Value adjustment 1/ 1/ 2020</b>	<b>5,463</b>	<b>382,729</b>	<b>388,192</b>	<b>360,876</b>	<b>749,068</b>
Depreciation (+)	2,761	233,265	236,026	40,744	276,770
Exchange rate differences (+/-)	0	-3,391	-3,391	0	-3,391
<b>Value adjustment 30/ 6/ 2020</b>	<b>8,224</b>	<b>612,602</b>	<b>620,826</b>	<b>401,620</b>	<b>1,022,446</b>
<b>Accounting value as of 30/ 6/ 2020</b>	<b>19,323</b>	<b>904,648</b>	<b>923,970</b>	<b>629,343</b>	<b>1,553,313</b>
<b>Accounting value as of 31/ 12/ 2019</b>	<b>22,083</b>	<b>1,073,063</b>	<b>1,095,146</b>	<b>670,087</b>	<b>1,765,233</b>

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Table 36: Trend in right to use assets (assets under lease) in the first half of 2019 in EUR

	Right to use immovable property – other companies	Total right to use intangible assets	Right to use equipment – other companies	Total right to use equipment	Total right to use
<b>Cost as of 31/ 12/ 2018</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Opening balance adjustments	0	0	0	0	0
<b>Cost as of 01/ 1/ 2019</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Direct increase (+)	27,287	27,287	1,217,218	1,217,218	1,244,506
Exchange rate differences (+/-)	0	0	1,717	1,717	1,717
<b>Cost as of 30/ 6/ 2019</b>	<b>27,287</b>	<b>27,287</b>	<b>1,218,935</b>	<b>1,218,935</b>	<b>1,246,223</b>
<b>Value adjustment 31/ 12/ 2018</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Opening balance adjustments	0	0	0	0	0
<b>Value adjustment 1/ 1/ 2019</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Depreciation (+)	2,729	2,729	166,728	166,728	169,457
Exchange rate differences (+/-)	0	0	192	192	192
<b>Value adjustment 30/ 6/ 2019</b>	<b>2,729</b>	<b>2,729</b>	<b>166,920</b>	<b>166,920</b>	<b>169,649</b>
<b>Accounting value as of 30/ 6/ 2019</b>	<b>24,559</b>	<b>24,559</b>	<b>1,052,015</b>	<b>1,052,015</b>	<b>1,076,574</b>
<b>Accounting value as of 31/ 12/ 2018</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

When transferring to the new IFRS standard 16 – Leases, the Impol Group chose the possibility that, from 1/ 1/ 2019, it will be using the standard retroactively, with a cumulative effect of the beginning of use of the standard and measurement of assets amounting to the calculated lease liabilities, consistently and for all long-term leases.

## 8. Investment property

In the period under observation the investment property only includes buildings held to earn rentals. The accounting value of pledged investment property as of 30/ 6/ 2020 amounts to EUR 1,608,688.

**Table 37:** Trend in investment immovable property in the first half of 2020 in EUR

	Buildings	TOTAL
<b>Cost as of 31/ 12/ 2019</b>	<b>5,449,129</b>	<b>5,449,129</b>
Opening balance adjustments	0	0
<b>Cost as of 01/ 1/ 2020</b>	<b>5,449,129</b>	<b>5,449,129</b>
Direct increase (+)	39,156	39,156
<b>Cost as of 30/ 6/ 2020</b>	<b>5,488,285</b>	<b>5,488,285</b>
<b>Value adjustment 31/ 12/ 2019</b>	<b>3,735,627</b>	<b>3,735,627</b>
Opening balance adjustments	0	0
<b>Value adjustment 1/ 1/ 2020</b>	<b>3,735,627</b>	<b>3,735,627</b>
Depreciation (+)	59,820	59,820
<b>Value adjustment 30/ 6/ 2020</b>	<b>3,795,447</b>	<b>3,795,447</b>
<b>Accounting value as of 30/ 6/ 2020</b>	<b>1,692,838</b>	<b>1,692,838</b>
<b>Accounting value as of 31/ 12/ 2019</b>	<b>1,713,502</b>	<b>1,713,502</b>

**Table 38:** Trend in investment immovable property in the first half of 2019 in EUR

	Buildings	TOTAL
<b>Cost as of 31/ 12/ 2018</b>	<b>5,449,129</b>	<b>5,449,129</b>
Opening balance adjustments	0	0
<b>Cost as of 01/ 1/ 2019</b>	<b>5,449,129</b>	<b>5,449,129</b>
<b>Cost as of 30/ 6/ 2019</b>	<b>5,449,129</b>	<b>5,449,129</b>
<b>Value adjustment 31/ 12/ 2018</b>	<b>3,613,832</b>	<b>3,613,832</b>
Opening balance adjustments	0	0
<b>Value adjustment 1/ 1/ 2019</b>	<b>3,613,832</b>	<b>3,613,832</b>
Depreciation (+)	60,897	60,897
<b>Value adjustment 30/ 6/ 2019</b>	<b>3,674,729</b>	<b>3,674,729</b>
<b>Accounting value as of 30/ 6/ 2019</b>	<b>1,774,400</b>	<b>1,774,400</b>
<b>Accounting value as of 31/ 12/ 2018</b>	<b>1,835,298</b>	<b>1,835,298</b>

## 9. Long-term financial investments

Table 39: Long-term financial investments in EUR

	Purchase value of long-term financial investments as of 30/ 6/ 2020	Of which long-term financial investment in companies:		Total value adjustment (-) as of 30/ 6/ 2020	Value adjustment as of 30/ 6/ 2019		Accounting value	
		Associates	Other companies		Associates	Other companies	30/ 6/ 2020	31/ 12/2019
	=	+	+	=	-	-	=	=
Long-term financial investments (+)	1,342,765	639,407	703,358	170,355	34,648	135,707	1,172,410	1,146,779
<b>TOTAL LONG-TERM FINANCIAL INVESTMENTS</b>	<b>1,342,765</b>	<b>639,407</b>	<b>703,358</b>	<b>170,355</b>	<b>34,648</b>	<b>135,707</b>	<b>1,172,410</b>	<b>1,146,779</b>
Investments in shares and participating interest	951,777	639,407	312,370	34,648	34,648	0	917,130	916,737
<b>TOTAL long-term financial investments excluding loans</b>	<b>951,777</b>	<b>639,407</b>	<b>312,370</b>	<b>34,648</b>	<b>34,648</b>	<b>0</b>	<b>917,130</b>	<b>916,737</b>
Long-term loans granted	290,982	0	290,982	135,707	0	135,707	155,275	143,151
Other long-term funds invested	77,495	0	77,495	0	0	0	77,495	64,381
Long-term deposits	22,511	0	22,511	0	0	0	22,511	22,511
<b>TOTAL long-term loans</b>	<b>390,988</b>	<b>0</b>	<b>390,988</b>	<b>135,707</b>	<b>0</b>	<b>135,707</b>	<b>255,281</b>	<b>230,043</b>
<b>TOTAL LONG-TERM FINANCIAL INVESTMENTS</b>	<b>1,342,765</b>	<b>639,407</b>	<b>703,358</b>	<b>170,355</b>	<b>34,648</b>	<b>135,707</b>	<b>1,172,410</b>	<b>1,146,779</b>

Investments in subsidiaries are excluded from the group's statements.

## 10. Inventories

Table 40: Inventories in EUR

	Purchase value 30/ 6/ 2020	Accounting value 30/ 6/ 2020	Accounting value 31/ 12/ 2019
Raw material and material	107,998,894	107,998,894	117,009,283
Work in progress and services	22,103,597	22,103,597	24,968,136
Products	16,315,958	16,315,958	17,764,591
Merchandise	2,159,426	2,159,426	3,840,088
Advances for inventories to others	1,043,516	1,043,516	106,240
<b>TOTAL</b>	<b>149,621,392</b>	<b>149,621,392</b>	<b>163,688,338</b>

## 11. Short-term financial investments

Table 41: Short-term financial investments in EUR

	Purchase value of short-term financial investments as of 30/ 6/ 2020	Of which short-term financial investments in companies: others	Value adjustment due to impairment	Accounting value 30/ 6/ 2020	Accounting value 31/ 12/ 2019
	=	+	-	=	
Short-term financial investments (+)	5,768,819	5,768,819	267,522	5,501,297	2,586,431
<b>TOTAL</b>	<b>5,768,819</b>	<b>5,768,819</b>	<b>267,522</b>	<b>5,501,297</b>	<b>2,586,431</b>
	Cost as of 30/ 6/ 2020	Of which short-term financial investments in companies: others	Value adjustment due to impairment	Accounting value 30/ 6/ 2020	Accounting value 31/ 12/ 2019
	=	+	-	=	
Receivables acquired for sale	1,981,297	1,981,297	0	1,981,297	2,016,265
<b>TOTAL short-term financial investments excluding loans:</b>	<b>1,981,297</b>	<b>1,981,297</b>	<b>0</b>	<b>1,981,297</b>	<b>2,016,265</b>
Short-term loans granted (including bonds)	287,522	287,522	267,522	20,000	69,237
Short-term deposits	3,500,000	3,500,000	0	3,500,000	500,930
<b>TOTAL short-term loans granted:</b>	<b>3,787,522</b>	<b>3,787,522</b>	<b>267,522</b>	<b>3,520,000</b>	<b>570,167</b>
<b>TOTAL</b>	<b>5,768,819</b>	<b>5,768,819</b>	<b>267,522</b>	<b>5,501,297</b>	<b>2,586,431</b>

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

## 12. Short-term operating receivables

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

Table 42: Short-term operating receivables in EUR

	Short-term operating receivables	Short-term operating receivables from companies:		Value adjustment due to impairment to other companies	30/ 6/ 2020	31/ 12/ 2019
		Associate companies	Other			
	=	+	+	-	=	
Short-term operating receivables from customers	84,980,001	6,229	84,973,771	7,265,820	77,714,180	66,329,288
• of which already matured on 30/ 6/ 2020	19,141,214	198	19,141,016	0	19,141,214	22,528,407
Short-term advances and securities granted	1,053,096	0	1,053,096	0	1,053,096	632,413
Short-term receivables associated with financial revenues	125,510	0	125,510	77,301	48,208	43,616
Short-term receivables from state institutions	7,623,770	0	7,623,770	0	7,623,770	9,184,967
Other short-term operating receivables	2,742,929	0	2,742,929	0	2,742,929	772,038
<b>TOTAL</b>	<b>96,525,306</b>	<b>6,229</b>	<b>96,519,077</b>	<b>7,343,122</b>	<b>89,182,184</b>	<b>76,962,322</b>



	01.–06. 2020	Of which value adjustment for short-term receivables from other companies	2019
<b>Balance as of 01/ 1/ (+)</b>	<b>7,574,998</b>	<b>7,574,998</b>	<b>8,243,171</b>
Exchange rate differences (+/-)	-188,365	-188,365	-74,021
Decrease in value due to settlement of receivables (-)	44,378	44,378	125,431
Decrease in value due to write-offs of receivables (-)	0	0	653,768
Created value adjustments for the period due to the impairment (+)	867	867	164,860
Transfers of formed adjustments of companies in the group upon acquisition	0	0	20,186
<b>Balance as of 30/ 6/</b>	<b>7,343,122</b>	<b>7,343,122</b>	<b>7,574,998</b>
<b>Short-term operating receivables from customers</b>			
- in the domestic market	5,725,086		
- in the foreign market	71,989,094		
<b>Total</b>	<b>77,714,180</b>		

The Group secured most receivables against commercial risks. Receivables from customers are not pledged as given guarantees for the financial liabilities of the Group.

### 13. Monetary assets

**Table 43:** Monetary assets in EUR

	30/ 6/ 2020	31/ 12/ 2019
Monetary assets in hand and immediately cashable securities	2,717,625	579,827
Cash in banks and other financial institutions	46,054,082	36,659,648
<b>Monetary assets</b>	<b>48,771,707</b>	<b>37,239,475</b>

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

### Short-term accrued costs and deferred revenue

**Table 44:** Short-term deferred costs and accrued revenues in EUR

	30/ 6/ 2020	31/ 12/ 2019
Short-term deferred costs or expenses	2,291,814	541,190
Short-term deferred income	995,448	15,303
VAT from advances received	58,067	27,041
<b>SHORT-TERM ACCRUED COST AND DEFERRED REVENUE</b>	<b>3,345,329</b>	<b>583,534</b>

## 14. Capital

Table 45: Equity in EUR

	30/ 6/ 2020	31/ 12/ 2019
<b>Capital</b>	<b>246,865,826</b>	<b>242,082,787</b>
Equity of non-controlling share	21,635,834	22,052,503
Called-up equity	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
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
Reserves resulting from valuation at fair value	-871,693	-860,051
Capital revaluation adjustment	149,298	345,211
Retained net profit or loss	196,929,399	175,384,468
Net profit or loss for the financial year	5,861,843	21,999,511

### Capital revaluation adjustment

The capital revaluation adjustment as of 30/ 6/ 2020 amounts to EUR 149,298 and decreased in the first half of 2020 by EUR 195,913 in comparison to 2019.

### Reserves resulting from valuation at fair value

Table 46: Reserves resulting from valuation at fair value in EUR

	Balance as of 01/ 1/ 2020	Allocation (+/-)	Balance as of 30/ 6/ 2020
Reserves resulting from valuation of long-term financial investments at fair value	-299,552	-11,936	-311,488
Actuarial gains/losses, recognised under reservations for retirement benefits	-628,253	0	-628,253
Adjustment of reserves resulting from valuation of financial investments at fair value for deferred tax liabilities	56,915	0	56,915
<b>TOTAL</b>	<b>-870,890</b>	<b>-11,936</b>	<b>-882,826</b>
Of which reserves resulting from valuation at fair value belonging to non-controlling share	-10,840	-294	-11,134
Reserves resulting from valuation at fair value belonging to owners of the controlling company	-860,051	-11,642	-871,693

Reserves from fair value measurement include changes of value of effective hedges of cash flow (interest rate swaps) in the amount of EUR -11,936.

## 15. Provisions and long-term accrued costs and deferred revenues

Table 47: Provisions and long-term accrued expenses and deferred revenues in EUR

	Provisions				Long-term accrued costs and deferred revenues		Total
	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	
<b>Balance as of 31/ 12/ 2019</b>	<b>1,270,194</b>	<b>2,489,158</b>	<b>3,759,353</b>	<b>1,745</b>	<b>489,362</b>	<b>76,550</b>	<b>4,327,010</b>
<b>Balance as of 01/ 1/ 2020</b>	<b>1,270,194</b>	<b>2,489,158</b>	<b>3,759,353</b>	<b>1,745</b>	<b>489,362</b>	<b>76,550</b>	<b>4,327,010</b>
Formation (+)	0	0	0	1,686,190	157,287	0	1,843,476
Other increase (+)	0	0	0	0	0	367	367
Utilisation (-)	5,141	18,116	23,258	824,018	155,108	877	1,003,260
Reversal (-)	0	0	0	0	0	37,058	37,058
Exchange rate differences	-1,385	-2,469	-3,855	0	0	0	-3,855
<b>Balance as of 30/ 6/ 2020</b>	<b>1,263,668</b>	<b>2,468,572</b>	<b>3,732,240</b>	<b>863,918*</b>	<b>491,541</b>	<b>38,982</b>	<b>5,126,681</b>

Received government grants include assets from disposed of contributions of disabled persons and subsidies for improving the working conditions for disabled persons.

\*In addition, this value also includes the exempted payment of contributions for pension and disability insurance for employees arising from the measures intended to moderate the consequences of COVID-19.

## 16. Long-term financial and operating liabilities

Table 48: Short-term financial and operating liabilities in EUR

	Total debt as of 30/ 6/ 2020	The part falling due in the second half of 2020	30/ 6/ 2020	31/ 12/ 2019
	+	-	=	
Long-term financial liabilities to banks	156,188,610	4,061,411	152,127,199	109,454,897
Long-term financial liabilities (excluding liabilities from lease) to other companies	79,846	0	79,846	79,846
Long-term financial liabilities from leases (financial leases to other companies)	44,774	0	44,774	44,767
Long-term financial liabilities from leases (operative leases to other companies)	722,701	0	722,701	669,157
Other long-term operating liabilities	190,221	0	190,221	106,449
<b>TOTAL long-term financial and operating liabilities</b>	<b>157,226,152</b>	<b>4,061,411</b>	<b>153,164,742</b>	<b>110,355,116</b>

For liabilities related to leases, the Impol Group used a single discount rate amounting to 3% for the entire lease portfolio.

## 17. Short-term operating and financial liabilities

Table 49: Short-term financial and operating liabilities in EUR

	30/ 6/ 2020	31/ 12/ 2019
<b>A) Short-term financial and operating liabilities</b>		
Short-term operating liabilities to suppliers on the domestic market to associate companies	172,049	390,988
Short-term operating liabilities to suppliers on the domestic market to other companies	12,110,280	15,512,454
Short-term operating liabilities on foreign markets to suppliers to other companies	30,974,282	38,869,940
Short-term operating liabilities based on advances to other companies	1,734,557	1,364,961
Other short-term operating liabilities to associate companies	512	513
Other short-term operating liabilities to other companies	8,537,986	9,031,098
<b>TOTAL short-term operating liabilities:</b>	<b>53,529,665</b>	<b>65,169,954</b>
Short-term portion of long-term financial liabilities – banks	29,524,970	50,464,479
Short-term part of long-term financial liabilities (excluding liabilities from leases – other companies)	6,616	18,545
Short-term part of long-term financial liabilities – bonds	10,000,000	10,000,000
Short-term part of long-term financial liabilities from leases – other companies	53,950	110,628
Short-term part of long-term financial liabilities from leases – operative lease – other companies	209,794	432,620
Short-term financial liabilities (excluding liabilities from leases) – associated companies	500,000	500,000
Short-term financial liabilities to banks	23,800,000	23,810,221
Short-term financial liabilities (excluding liabilities from leases) – other companies	6,691,489	7,129,553
Short-term financial liabilities from the distribution of profit	284,732	33,906
<b>TOTAL short-term financial liabilities:</b>	<b>71,071,550</b>	<b>92,499,953</b>
<b>TOTAL short-term financial and operating liabilities:</b>	<b>124,601,215</b>	<b>157,669,907</b>
<b>B) Short-term financial and operating liabilities</b>		
Short-term financial liabilities	31,276,221	31,471,079
Short-term part of long-term financial liabilities	39,795,329	61,028,874
<b>Total short-term financial liabilities</b>	<b>71,071,550</b>	<b>92,499,953</b>
Short-term operating liabilities	53,529,665	65,169,954
<b>Total short-term operating liabilities</b>	<b>53,529,665</b>	<b>65,169,954</b>
<b>TOTAL SHORT-TERM FINANCIAL AND OPERATING LIABILITIES</b>	<b>124,601,215</b>	<b>157,669,907</b>
<b>C) Short-term operating liabilities</b>		
Short-term operating liabilities to suppliers – associate companies	172,049	390,988
Short-term operating liabilities to suppliers – others	43,084,561	54,382,394
<b>TOTAL short-term liabilities to suppliers</b>	<b>43,256,610</b>	<b>54,773,382</b>
- of which already matured on the day of balance	6,165,685	24,026,270
Short-term operating liabilities for advances	1,734,557	1,364,961
<b>TOTAL short-term liabilities for advances</b>	<b>1,734,557</b>	<b>1,364,961</b>
Short-term liabilities to employees	5,933,813	7,139,880
Short-term liabilities to government	2,114,596	1,073,746
Short-term liabilities from interest – associated companies	512	513
Short-term liabilities from interest – other companies	217,719	215,619
Other short-term operating liabilities – other companies	271,858	601,853
<b>TOTAL other short-term operating liabilities</b>	<b>8,538,498</b>	<b>9,031,611</b>
<b>TOTAL SHORT-TERM OPERATING LIABILITIES</b>	<b>53,529,665</b>	<b>65,169,954</b>

## Short-term accrued costs and deferred revenues

Table 50: Short-term accrued expenses and deferred revenues in EUR

	30/ 6/ 2020	31/ 12/ 2019
Accrued deferred costs or expenses	813,743	1,471,912
Short-term deferred income	1,071,878	43,507
VAT from advances granted	133,317	150,589
<b>TOTAL SHORT-TERM ACCRUED COSTS AND DEFERRED REVENUES</b>	<b>2,018,938</b>	<b>1,666,008</b>

Short-term deferred costs or expenses include interest costs of issued bonds and deferred income based on accruals and VAT from given advances.

## 18. Contingent liabilities

The Impol Group has issued guarantees in the amount of EUR 5,882,669, 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 currently lawsuits against the Impol Group in the total amount of EUR 543,142 in connection with employment litigations by the employees of the Group for compensation for damages sustained in work injuries and other economic actions in the amount of EUR 119,264. The Group estimates that these claims are unjustified, which is why the Group did not form provisions for these purposes. For employment litigations the Group had eventual obligations secured by an insurance company.

## 19. 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 planning of cash flows allows us to establish the 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 51:** Long-term financial liabilities in EUR

	30/ 6/ 2020	31/ 12/ 2019
Long-term financial liabilities to banks	152,127,199	109,454,897
Long-term financial liabilities (excluding liabilities from leases)	79,846	79,846
Long-term financial liabilities from leases (financial leases to other companies)	44,774	44,767
Long-term financial liabilities from leases (operative leases to other companies)	722,701	669,157
<b>TOTAL long-term financial liabilities</b>	<b>152,974,520</b>	<b>110,248,667</b>

## Maturity of long-term financial liabilities by years

**Table 52:** Maturity of long-term financial liabilities by years in EUR

	30/ 6/ 2020	Long-term financial liabilities, excluding liabilities from leases	Long-term financial liabilities from leases	31/ 12/ 2019
Matured in 2020	X	X	X	39,651,405
Matured in 2021	50,744,132	50,348,949	395,182	32,889,850
Matured in 2022	44,732,279	44,501,324	230,955	25,104,418
Matured in 2023	34,402,188	34,292,222	109,966	10,587,431
Matured in 2024	17,926,110	17,894,739	31,371	2,015,563
Due in 2025 or later	5,169,812	5,169,812	0	X
<b>Total long-term financial liabilities</b>	<b>152,974,520</b>	<b>152,207,046</b>	<b>767,474</b>	<b>110,248,667</b>

## Risk of changes in aluminium prices

The risk of changes in aluminium prices constitutes the greatest risk for the the Impol Group operations alongside the sales market risk. The Impol Group operates in line with the following principle. As soon as a sales agreement is concluded or a sales order is received that is concluded with reference to a specific aluminium raw material price on the LME, aluminium raw materials are secured either physically or by means of forward contracts at the same price as the one mentioned in the sales agreement or order.

The methods for the inclusion of costs and inventory management are established accordingly.

Collateral is usually provided primarily by guaranteeing adequate actual raw material sources. Only the missing or excess amount is subject to forward purchases or sales on forward markets.

It is important to mention that the management of the price risk arising from changes in quoted aluminium prices is affected by completely random changes in aluminium prices on the stock exchange. Those prices nevertheless form the basis for establishing daily purchase and sales prices of aluminium and of Impol's aluminium products.

**Table 53:** Forward balance in the first half of 2020 in EUR

	30/ 6/ 2020	30/ 6/ 2019
Financial revenue from forwards – forward purchases/sales of aluminium	1,042,959	189
Financial expenditure from forwards – forward purchases/sales of aluminium	2,723	1,906

With the activity of forward operations, we have created a forward result of EUR 0.00 (there were no positions due in the first half of 2019).

In the first half of 2020, the activity of forward operations generated the forward balance of EUR 1,040,236.

Fair value of these financial instruments as of 30/ 6/ 2020 amounts to EUR 257,398.

The impact of potential changes of concluded forwards is neutral, since values are neutralised on the physical market.

## Foreign exchange risk

The majority of sales and purchasing is performed in the same currency, therefore changes in foreign exchange rates do not cause any problems.

As of 30/ 6/ 2020, we do not have a balance arising from these instruments.

**Table 54:** Overview of dollar inflows, outflows and open positions at Impol d. o. o. in millions of USD

	2015	2016	2017	2018	30/ 6/ 2019	30/ 6/ 2020
Inflows	18.5	44.0	18.2	55.9	51.2	20.3
Outflows	41.5	52.0	66.5	21.9	26.9	21.6

There are also foreign exchange risks in Serbia related to the EUR/RSD exchange rate and in Croatia related to the EUR/HRK exchange rate.

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 foreign exchange differences.

In the first half of 2020, the Group generated a negative financial result from foreign exchange differences in the amount of EUR 173,268.

**Table 55:** Revenue and expenses from foreign exchange differences in EUR

	30/ 6/ 2020	30/ 6/ 2019
Financial revenues from operating receivables – foreign exchange differences	704,764	1,036,791
<b>TOTAL revenue from foreign exchange differences</b>	<b>704,764</b>	<b>1,036,791</b>
Financial expenses from operating liabilities – foreign exchange differences	878,032	833,722
<b>TOTAL expenses from foreign exchange differences</b>	<b>878,032</b>	<b>833,722</b>



As of 30/ 6/ 2020, companies in Slovenia have open receivables to buyers in the following currencies:

USD	11,052,446
AUD	237,858
GBP	46,854

As of 30/ 6/ 2020, companies in Slovenia have open liabilities to suppliers in the following currencies:

USD	2,520,277
HRK	1,506
GBP	35,811
CAD	9,433

As of 30/ 6/ 2020, companies in Croatia have open receivables to buyers in the following currencies:

EUR	2,013,938
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As of 30/ 6/ 2020, companies in Croatia have open liabilities to suppliers in the following currencies:

EUR	2,024,558
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As of 30/ 6/ 2020, companies in Serbia have open receivables to buyers in the following currencies:

EUR	15,194,242
USD	1,194,705
GBP	27,209

As of 30/ 6/ 2020, companies in Serbia have open liabilities to suppliers in the following currencies:

EUR	24,152,392
USD	63,096

## Interest rate risk

As of 30/ 6/ 2020, the Impol Group has long-term loans, which are mainly related to the EURIBOR reference interest rate, while some of them (21%) are also related to a fixed interest rate. In long-term loans which are related to EURIBOR with their interest rate, the banks calculate the interests amounting to the contractually agreed-upon markup to EURIBOR. As of 30/ 6/ 2020, the EURIBOR values were still negative (3-month EURIBOR = -0.422%, and 6-month EURIBOR = -0.308). Considering the current economic situation in Europe and in the world, it would be unrealistic to expect that the value of EURIBOR will grow, which is why it is also unrealistic to expect that a significant impairment of the business result on the cut-off date could arise due to that fact.

The value of financial liabilities secured with interest rate swaps amount to EUR 53,625,000. In this regard we recognised the changes at fair value of the derivatives under the reserves resulting from valuation at fair value, in the amount of EUR -11,936, whereas the total value of interest swaps as of 30/ 6/ 2019, in the amount of EUR -311,489, is recognised as a liability within the framework of short-term financial liabilities.

## Credit risk

The credit control process encompasses customer credit rating which is carried out regularly by a chosen credit insurance and foreign insurance firms as well as our customer solvency monitoring system. The majority of the Group customers are insured, in particular the large ones. The Group policy is that an individual customer should not exceed 7 % of total sales.

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.

## Carrying and fair values of financial instruments

Classification of financial instruments according to their fair value as of 30/ 6/ 2020/

**Table 56:** Accounting and fair values of financial instruments in EUR

	Accounting value	Fair value	Fair value level
Investments in associate companies	604,760	604,760	3
Other shares and participating interests	312,370	312,370	3
Long-term loans granted	255,281	255,281	3
Short-term financial investments, excluding loans	1,981,297	1,981,297	3
Short-term loans granted	3,520,000	3,520,000	3
Short-term operating receivables	89,182,184	89,182,184	3
Cash and cash equivalents	48,771,707	48,771,707	3
Long-term financial liabilities	152,974,520	152,974,520	3
Long-term operating liabilities	190,222	190,222	3
Short-term financial liabilities (excluding bonds and financial derivatives)	60,760,061	60,760,061	3
Short-term financial liabilities from (listed) bonds	10,000,000	10,310,000	1
Short-term financial liabilities – fair value of financial derivatives	311,489	311,489	2
Short-term operating liabilities	53,529,665	53,529,665	3

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FINANCIAL REPORT  
ON THE  
OPERATIONS OF  
IMPOL 2000, D. D.,  
IN THE FIRST HALF  
OF 2020

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# 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 57:** Profit and loss statement in EUR

Item	Note	01.-06. 2020	01.-06. 2019
1/ Net sales revenues	1	14,271,685	13,654,946
a) Net sales revenues in the domestic market		13,297,200	12,925,723
b) Net sales revenues in the foreign market		974,485	729,223
2/ Other operating revenues (including operating revenues from revaluation)	1	138,293	3,681
3/ Costs of goods, materials and services	2	8,728,419	8,388,482
a) Costs of goods and materials sold, and costs of the materials used		8,106,215	7,573,624
b) Costs of services		622,204	814,858
4/ Labour costs	2	3,770,276	4,113,014
a) Costs of wages and salaries		2,689,767	2,993,014
b) Social security costs (pension insurance costs are shown separately)		469,619	491,742
c) Other labour costs		610,890	628,258
5/ Write-offs	2	180,181	152,551
a) Depreciation		180,181	152,551
6/ Other operating expenses	2	115,042	153,061
7/ Financial revenues from participating interests	3	0	0
8/ Financial revenues from loans granted	3	295,837	278,179
a) Financial revenues from loans granted to companies in the group		295,772	278,155
b) Financial revenues from loans granted to others		65	24
9/ Financial revenues from operating receivables	3	6,435	8,492
a) Financial revenues from operating receivables due from others		6,435	8,492
10/ Financial expenses from the impairment and write-offs of financial investments		0	0
11/ Financial expenses from financial liabilities	3	396,477	570,854
a) Financial expenses from loans received by companies in the group		202,611	187,198
b) Financial expenses from issued bonds		189,479	376,876
c) Financial expenses from leases from companies in the group		3,062	3,813
C) Financial expenses from leases		1,325	2,967
12/ Financial expenses from operating liabilities	3	195	109
a) Financial expenses from other operating liabilities		195	109
13/ Income tax	4	289,116	107,773
14/ Net profit or loss for the accounting period	5	1,232,544	459,454

## Statement of other comprehensive income

Table 58: Statement of other comprehensive income in EUR

	01.-06. 2020	01.-06. 2019
Net profit or loss for the accounting period	1,232,544	459,454
<b>Total comprehensive income for the accounting period</b>	<b>1,232,544</b>	<b>459,454</b>

## Balance sheet

Table 59: Balance sheet in EUR

	Note	30/ 6/ 2020	31/ 12/ 2019
<b>A.</b>	<b>LONG-TERM ASSETS</b>	<b>130,126,821</b>	<b>118,348,611</b>
<b>I.</b>	<b>Intangible assets and long-term deferred costs and accrued revenue</b>	<b>6</b>	<b>397,371</b>
1/	Long-term property rights	397,371	448,943
<b>II.</b>	<b>Tangible fixed assets</b>	<b>7</b>	<b>266,027</b>
1/	Production machinery and equipment	76,969	78,787
2/	Other machinery and equipment	189,058	204,625
<b>III.</b>	<b>Assets under lease</b>	<b>8</b>	<b>270,443</b>
1/	Assets under lease from Group companies	185,122	211,568
a)	Assets under lease from other companies	85,321	130,856
<b>IV.</b>	<b>Investment property</b>	<b>0</b>	<b>0</b>
<b>V.</b>	<b>Long-term financial investments</b>	<b>9</b>	<b>129,169,643</b>
1/	Long-term financial investments, excluding loans	73,033,315	73,033,316
a)	Shares and stocks in companies in the group	73,033,315	73,033,316
2/	Long-term loans	56,136,328	44,217,180
a)	Long-term loans to companies in the group	56,136,328	44,217,180
<b>VI.</b>	<b>Long-term operating receivables</b>	<b>0</b>	<b>0</b>
<b>VII.</b>	<b>Deferred tax assets</b>	<b>23,337</b>	<b>23,336</b>
<b>B.</b>	<b>SHORT-TERM ASSETS</b>	<b>16,774,700</b>	<b>14,184,515</b>
<b>I.</b>	<b>Assets (disposal groups) available for sale</b>	<b>0</b>	<b>0</b>
<b>II.</b>	<b>Inventories</b>	<b>10</b>	<b>25,014</b>
1/	Products and merchandise	25,014	7,485
<b>III.</b>	<b>Short-term financial investments</b>	<b>11</b>	<b>4,820,000</b>
1/	Short-term financial investments, excluding loans	0	0
2/	Short-term loans	4,820,000	9,600,000
a)	Short-term loans to companies in the group	4,800,000	9,600,000
b)	Short-term loans to others	20,000	0
<b>IV.</b>	<b>Short-term operating receivables</b>	<b>12</b>	<b>5,060,900</b>
1/	Short-term operating receivables from companies in the group	2,008,535	1,216,321
2/	Short-term operating receivables from customers	2,961,095	2,340,712
3/	Short-term operating receivables from others	91,270	525,236
<b>V.</b>	<b>Monetary assets</b>	<b>13</b>	<b>6,868,786</b>
<b>C.</b>	<b>SHORT-TERM ACCRUED COST AND DEFERRED REVENUE</b>	<b>13</b>	<b>105,750</b>
	<b>TOTAL ASSETS</b>	<b>147,007,271</b>	<b>132,547,471</b>
<b>A.</b>	<b>CAPITAL</b>	<b>64,165,628</b>	<b>62,933,084</b>

<b>I.</b>	<b>Minority equity</b>		<b>0</b>	<b>0</b>
<b>II.</b>	<b>Called-up capital</b>		<b>4,451,540</b>	<b>4,451,540</b>
1/	Share capital		4,451,540	4,451,540
<b>III.</b>	<b>Capital reserves</b>		<b>10,751,254</b>	<b>10,751,254</b>
<b>IV.</b>	<b>Revenue reserves</b>		<b>7,958,351</b>	<b>7,958,351</b>
1/	Statutory reserves		2,225,770	2,225,770
2/	Other revenue reserves		5,732,581	5,732,581
<b>V.</b>	<b>Revaluation reserves</b>		<b>0</b>	<b>0</b>
<b>VI.</b>	<b>Reserves resulting from valuation at fair value</b>		<b>-28,297</b>	<b>-28,297</b>
<b>VII.</b>	<b>Capital revaluation adjustment</b>		<b>0</b>	<b>0</b>
<b>VIII.</b>	<b>Retained net profit or loss</b>		<b>39,800,236</b>	<b>34,084,444</b>
<b>IX.</b>	<b>Net profit or loss for the financial year</b>		<b>1,232,544</b>	<b>5,715,792</b>
<b>B.</b>	<b>PROVISIONS AND LONG-TERM ACCRUED EXPENSES AND DEFERRED REVENUES</b>		<b>406,768</b>	<b>273,943</b>
1/	Provisions for pensions and similar obligations		273,944	273,943
2/	Other provisions		132,824	0
<b>C.</b>	<b>LONG-TERM LIABILITIES</b>	<b>14</b>	<b>58,336,334</b>	<b>45,217,178</b>
<b>I.</b>	<b>Long-term financial liabilities</b>		<b>58,336,334</b>	<b>45,217,178</b>
1/	Long-term financial liabilities to companies in the group		58,119,148	45,000,000
2/	Long-term financial liabilities from leases		217,186	217,186
a)	Long-term financial liabilities from leases to companies in the group		163,405	163,405
b)	Long-term financial liabilities from leases to other companies		53,781	53,781
<b>II.</b>	<b>Long-term operating liabilities</b>		<b>0</b>	<b>0</b>
<b>III.</b>	<b>Deferred tax liabilities</b>		<b>0</b>	<b>0</b>
<b>D.</b>	<b>SHORT-TERM LIABILITIES</b>	<b>15</b>	<b>23,557,548</b>	<b>23,812,578</b>
<b>I.</b>	<b>Liabilities included in groups for disposal</b>		<b>0</b>	<b>0</b>
<b>II.</b>	<b>Short-term financial liabilities</b>		<b>20,556,233</b>	<b>20,629,237</b>
1/	Short-term financial liabilities to companies in the group		10,500,000	10,500,000
2/	Short-term financial liabilities based on bonds		10,000,000	10,000,000
3/	Other short-term financial liabilities		852	852
4/	Short-term financial liabilities from leases		55,381	128,385
a)	Short-term financial liabilities from leases to companies in the group		25,835	51,285
b)	Short-term financial liabilities from leases to other companies		29,546	77,100
<b>III.</b>	<b>Short-term operating liabilities</b>		<b>3,001,315</b>	<b>3,183,341</b>
1/	Short-term operating liabilities to companies in the group		1,624,285	1,788,064
2/	Short-term operating liabilities to suppliers		121,410	363,950
3/	Short-term operating liabilities from advance payments		63,235	20,307
4/	Other short-term operating liabilities		1,192,385	1,011,020
<b>D.</b>	<b>SHORT-TERM ACCRUED COSTS AND DEFERRED REVENUES</b>	<b>15</b>	<b>540,993</b>	<b>310,688</b>
	<b>TOTAL LIABILITIES TO SOURCES OF ASSETS</b>		<b>147,007,271</b>	<b>132,547,471</b>

## Statement of changes in equity

Table 60: Statement of changes in equity in the first half of 2020 in EUR

	Called-up equity	Capital reserves	Reserves from profit		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
	Share capital		Statutory reserves		Other revenue reserves			
	I	II	III/1	III/2	IV	V	VI	VII
<b>A.1. Balance at the end of the previous financial year as of 31/12/2019</b>	<b>4,451,540</b>	<b>10,751,254</b>	<b>2,225,770</b>	<b>5,732,581</b>	<b>-28,297</b>	<b>34,084,444</b>	<b>5,715,792</b>	<b>62,933,084</b>
a) Retroactive conversions	0	0	0	0	0	0	0	0
b) Retroactive adjustments	0	0	0	0	0	0	0	0
<b>A.2. Initial balance of the reporting period as of 01/1/2020</b>	<b>4,451,540</b>	<b>10,751,254</b>	<b>2,225,770</b>	<b>5,732,581</b>	<b>-28,297</b>	<b>34,084,444</b>	<b>5,715,792</b>	<b>62,933,084</b>
<b>B.1. Changes in equity – transactions with owners</b>						<b>0</b>	<b>0</b>	<b>0</b>
<b>B.2. Total comprehensive income for the reporting period</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,232,544</b>	<b>1,232,544</b>
a) Entry of net profit/loss in the financial year	0	0	0	0	0	0	1,232,544	1,232,544
<b>B.3. Changes in equity</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>5,715,792</b>	<b>-5,715,792</b>	<b>0</b>
a) Allocation of the remaining portion of the net profit to other equity components	0	0	0	0	0	5,715,792	-5,715,792	0
<b>C. Closing balance of the financial year as of 30/6/2020</b>	<b>4,451,540</b>	<b>10,751,254</b>	<b>2,225,770</b>	<b>5,732,581</b>	<b>-28,297</b>	<b>39,800,236</b>	<b>1,232,544</b>	<b>64,165,628</b>

Table 61: Statement of changes in equity in the first half of 2019 in EUR

	Called-up equity	Capital reserves	Reserves from profit		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
	Share capital		Statutory reserves	Other revenue reserves				
	I	II	III/1	III/2	IV	V	VI	VII
<b>A.1. Balance at the end of the previous financial year as of 31/12/ 2018</b>	<b>4,451,540</b>	<b>10,751,254</b>	<b>2,225,770</b>	<b>5,732,581</b>	<b>-20,573</b>	<b>32,601,891</b>	<b>5,482,937</b>	<b>61,225,400</b>
<b>a) Retroactive conversions</b>								<b>0</b>
<b>b) Retroactive adjustments</b>								<b>0</b>
<b>A.2. Initial balance of the reporting period as of 01/ 1/ 2019</b>	<b>4,451,540</b>	<b>10,751,254</b>	<b>2,225,770</b>	<b>5,732,581</b>	<b>-20,573</b>	<b>32,601,891</b>	<b>5,482,937</b>	<b>61,225,400</b>
<b>B.1. Changes in equity – transactions with owners</b>								<b>0</b>
<b>B.2. Total comprehensive income for the reporting period</b>							<b>459,454</b>	<b>459,454</b>
Entry of net profit or loss for the reporting period							459,454	459,454
<b>B.3. Changes in equity</b>						<b>5,482,937</b>	<b>-5,482,937</b>	<b>0</b>
Allocation of the remaining portion of the net profit for the comparable reporting period to other equity components						5,482,937	-5,482,937	0
<b>C. Closing balance of the financial year as of 30/ 6/ 2019</b>	<b>4,451,540</b>	<b>10,751,254</b>	<b>2,225,770</b>	<b>5,732,581</b>	<b>-20,573</b>	<b>38,084,827</b>	<b>459,454</b>	<b>61,684,853</b>



## Cash flow statement

Table 62: Cash flow statement in EUR

	Note	01.-06. 2020	01.-06. 2019
<b>A.</b>	<b>Cash flows from operating activities</b>		
a)	Profit & Loss Statement items	1,510,911	902,108
	Operating revenues (except for revaluation) and financial revenues from operating receivables	1 14,413,959	13,664,546
	Operating revenue excluding depreciation (except from revaluation) and financial expenses from operating liabilities	2 -12,613,933	-12,654,665
	Income tax and other taxes not included in operating expenses	4 -289,115	-107,773
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	-801,984	1,333,609
	Opening minus closing operating receivables	12 -682,859	422,877
	Opening minus closing deferred costs and accrued revenues	12 -91,406	-86,510
	Opening minus closing inventory	10 -17,529	4,072
	Closing minus opening operating debts	15 -186,294	953,730
	Closing minus opening accrued costs and deferred revenues and provisions	176,104	39,440
c)	Positive or negative cash flow from operating activities (a + b)	708,927	2,235,717
<b>B.</b>	<b>Cash flows from investing activities</b>		
a)	Cash receipts from investing activities	11 4,800,065	300,024
	Cash receipts from interest and participation in profit of others relating to investing activities	11 65	24
	Cash receipts from the disposal of long-term financial investments	4,800,000	300,000
	Cash receipts from the disposal of short-term financial investments	-11,978,390	-2,817,287
b)	Cash disbursements from investing activities	-11,978,390	-2,817,287
	Cash disbursements for the acquisition of intangible assets	6 0	-48,880
	Cash disbursements for the acquisition of tangible fixed assets	7 -39,242	-99,836
	Cash disbursements for the acquisition of long-term financial investments	9 -11,919,148	-2,668,571
	Cash disbursements for the acquisition of short-term financial investments	-20,000	0
c)	Positive or negative cash flow from investing activities (a + b)	-7,178,325	-2,517,263
	Net cash receipts/disbursements from operating activities and investing activities	-6,469,398	
<b>C.</b>	<b>Cash flows from financing activities</b>		
a)	Cash receipts from financing activities	2,734,915	51,501,957
	Cash receipts from the increase of long-term financial liabilities	14 13,119,157	0
	Cash receipts from the increase of short-term financial liabilities	15 -10,384,242	51,501,957
b)	Cash disbursements from financing activities	10,108,508	-45,727,708
	Cash disbursements for given interests from financing activities	3 -202,730	-158,972
	Cash repayments of short-term financial liabilities	15 10,311,238	-45,566,779
	Cash repayments of dividends and other profit shares paid	0	-1,957
c)	Positive or negative cash flow from financing activities (a + b)	12,843,423	5,774,249
<b>D.</b>	<b>Monetary assets at the end of the period</b>	<b>6,868,786</b>	<b>5,817,104</b>
x)	Net cash flow in the period	6,374,025	5,492,703
y)	Monetary assets at the beginning of the period	494,761	324,401

# 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 registered pro rata shares that are not traded in the organized security market. The shares are owned by 828 shareholders.

The financial statements of Impol 2000, d. d. for the first half of 2020 are presented below.

## Statement of compliance with IFRS

The Management Board confirmed the financial statements on 24/ 9/ 2020/

Financial statements of Impol 2000, d. d. were composed in accordance with the International Financial Reporting Standards (IFRS), as adopted by the European Union, and with the notes adopted by the IFRS Interpretations Committee (IFRIC) and by the European Union, and in accordance with the provisions of the Companies Act (ZGD). The interim report is drawn up in accordance with requirements of MRS 34-Interim financial reporting. In drawing up the financial statements for the period between January and June 2020, the same accounting policies were taken into account as in drawing up the financial statements for 2019.

On the balance sheet 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. Interim financial statements of Impol 2000, d. d. are not revised.

## The basis for drawing up financial statements

Financial statements of Impol 2000, d. d. were drawn up on historical cost basis.

## 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.

# NOTES TO INDIVIDUAL ITEMS OF FINANCIAL STATEMENTS

## 1. Operating revenues

### Operating revenues

Table 63: Operating revenue in EUR

	Operating revenue generated with companies		01.–06. 2020	01.–06. 2019
	Group companies	others		
Net sales revenues	5,855,522	8,416,162	14,271,685	13,654,946
Other operating revenues	0	138,293	138,293	3,681
<b>TOTAL</b>	<b>5,855,522</b>	<b>8,554,456</b>	<b>14,409,978</b>	<b>13,658,628</b>

### Other operating revenues

Table 64: Other operating revenues in EUR

	01.–06. 2020	01.–06. 2019
Revenues from the reversal of provisions	2,453	2,572
Other revenues associated with business effects (subsidies, grants, compensations, premiums, etc.)*	135,840	49
Revaluation operating revenue	0	1,060
<b>TOTAL</b>	<b>138,293</b>	<b>3,681</b>

\*of which EUR 132,825 arising from exempted contributions for pension and disability insurance for employees arising from the measures intended to moderate the consequences of COVID-19 (ZIUZEOP).

### Net sales revenues by the type of merchandise or service

Table 65: Net sales revenues by the type of merchandise or service in EUR

	Created with companies		01.–06. 2020	01.–06. 2019
	Group companies	others		
Net revenues from the sale of services	5,855,522	18,886	5,874,408	5,755,098
Net sales revenues from sales of goods and materials	0	8,397,276	8,397,276	7,899,848
<b>TOTAL</b>	<b>5,855,522</b>	<b>8,416,162</b>	<b>14,271,685</b>	<b>13,654,946</b>

### Net sales revenue by local segment

Table 66: Net sales revenues by operating segments in EUR

	01.–06. 2020	01.–06. 2019
Revenue from sales in Slovenia	13,297,200	12,925,723
• Revenue from sales in Slovenia – Group companies	5,855,522	5,735,813
• Revenue from sales in Slovenia – other companies	7,441,678	7,189,910
Revenues from sales in EU	467,648	122,899
• Revenue from sales in EU – other companies	467,648	122,899
Revenue from sales in other European countries	506,837	606,324
• Revenue from sales in other European countries – other companies	506,837	606,324
<b>TOTAL</b>	<b>14,271,685</b>	<b>13,654,946</b>

## 2. Operating expenses

### Costs and expenses

Table 67: Analysis of costs and expenses in EUR

	Costs of sale	Costs of general activities	Total 01.–06. 2020	Created with companies			01.–06. 2019
				Group companies	associate companies	Other companies	
Costs of merchandise and materials sold	8,006,905	0	8,006,905	8,006,905	0	0	7,518,676
Costs of material	0	99,310	99,310	40,748	0	58,562	54,948
Costs of services	198,453	423,751	622,204	99,187	147,611	375,406	814,858
Labour costs	0	3,770,276	3,770,276	0	0	3,770,276	4,113,014
Depreciation	0	180,181	180,181	26,446	0	153,734	152,551
Other operating expenses	0	115,042	115,042	3,570	0	111,472	153,061
<b>TOTAL</b>	<b>8,205,358</b>	<b>4,588,560</b>	<b>12,793,918</b>	<b>8,176,856</b>	<b>147,611</b>	<b>4,469,451</b>	<b>12,807,107</b>

### Labour costs

Table 68: Itemization of labour costs in EUR

	01.–06. 2020	01.–06. 2019
Costs of wages and salaries	2,689,767	2,993,014
Costs of pension insurance	240,378	257,025
Costs of other social security contributions	229,241	234,717
Other labour costs	610,890	628,258
<b>TOTAL</b>	<b>3,770,276</b>	<b>4,113,014</b>

### 3. Financial revenue and expenses

#### Financial revenues from financial investments

Table 69: Financial revenue from financial investments in EUR

	Total	Of which from companies		Total
	01.-06. 2020	Group companies	Other	01.-06. 2019
Financial revenue from loans – interests	295,838	295,772	65	278,179
Financial revenues from operating receivables - interests	6,435	0	6,435	8,492
<b>TOTAL</b>	<b>302,273</b>	<b>295,772</b>	<b>6,500</b>	<b>286,670</b>

#### Financial expenses from financial investments

Table 70: Financial expenses from financial investments in EUR

	Total	Of which from companies		Total
	01.-06. 2020	Group companies	Other	01.-06. 2019
Financial expenses from (excluding bank loans) – interests	202,611	202,611	0	187,198
Financial expenses from issued bonds – interests	189,479	0	189,479	376,877
Financial expenses from leases – interests (operative lease)	4,387	3,062	1,325	6,780
Financial expenses from operating liabilities – interests	166	0	166	85
Financial expenses from operating liabilities – foreign exchange differences	30	0	30	24
<b>TOTAL</b>	<b>396,672</b>	<b>205,672</b>	<b>191,000</b>	<b>570,963</b>

#### Financial expenses from operating liabilities

Table 71: Financial expenses from operating liabilities in EUR

	Total	Total
	01.-06. 2020	01.-06. 2019
Finance expenses from other operating liabilities – interests	166	85
Finance expenses from other operating liabilities – foreign exchange differences	30	24
<b>TOTAL</b>	<b>195</b>	<b>109</b>

## 4. Income tax

Table 72: Income tax in EUR

	01.-06. 2020	01.-06. 2019
Revenues determined in accordance with accounting regulations	14,712,251	13,945,298
<b>Revenue recognised for tax purposes</b>	<b>14,712,251</b>	<b>13,945,298</b>
Expenses determined under accounting regulations	13,190,591	13,378,071
<b>Expenses recognised for tax purposes</b>	<b>13,190,591</b>	<b>13,378,071</b>
DIFFERENCE BETWEEN DEDUCTIBLE REVENUE AND EXPENSES	1,521,660	567,227
TAX BASE/LOSS	1,521,660	567,227
<b>TAX BASE</b>	<b>1,521,660</b>	<b>567,227</b>
TAX in %	19	19
TAX	289,115	107,773

## 5. 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 73: Basic net earnings per share in EUR

	01.-06. 2020	01.-06. 2019
Profit or loss relating to the owners of the controlling entity	1,232,544	459,454
Weighted average of the number of regular shares	1,066,767	1,066,767
<b>Basic earnings per share (in EUR)</b>	<b>1.16</b>	<b>0.43</b>

	2020	2019
Regular shares as of 1/ 1/	1,066,767	1,066,767
Effect of own shares	0	0
<b>Weighted average of the number of regular shares as of 30/ 6/</b>	<b>1,066,767</b>	<b>1,066,767</b>

Because the company does not have any preference shares, nor bonds which could be converted into shares, the adjusted earnings per share equals the basic earnings per share.

## 6. Intangible assets and long-term deferred costs and accrued revenue

Table 74: Trend in intangible assets in the first half of 2020 in EUR

	Long-term property rights	TOTAL
<b>Cost as of 31/ 12/ 2019</b>	<b>624,089</b>	<b>624,089</b>
Opening balance adjustments	0	0
<b>Cost as of 01/ 1/ 2020</b>	<b>624,089</b>	<b>624,089</b>
<b>Cost as of 30/ 6/ 2020</b>	<b>624,089</b>	<b>624,089</b>
<b>Value adjustment 31/ 12/ 2019</b>	<b>175,146</b>	<b>175,146</b>
Opening balance adjustment	0	0
<b>Value adjustment 1/ 1/ 2020</b>	<b>175,146</b>	<b>175,146</b>
Depreciation during the year	51,572	51,572
<b>Value adjustment 30/ 6/ 2020</b>	<b>226,718</b>	<b>226,718</b>
<b>Accounting value as of 30/ 6/ 2020</b>	<b>397,371</b>	<b>397,371</b>
Accounting value as of 31/ 12/ 2019	448,943	448,943

Table 75: Trend in intangible assets in the first half of 2019 in EUR

	Long-term property rights	Long-term property rights acquired	TOTAL
<b>Cost as of 31/ 12/ 2018</b>	<b>445,338</b>	<b>137,871</b>	<b>583,209</b>
Opening balance adjustments	0	0	0
<b>Cost as of 01/ 1/ 2019</b>	<b>445,338</b>	<b>137,871</b>	<b>583,209</b>
Direct increases – acquisitions	0	48,880	48,880
<b>Cost as of 30/ 6/ 2019</b>	<b>445,338</b>	<b>186,750</b>	<b>632,088</b>
<b>Value adjustment 31/ 12/ 2018</b>	<b>81,211</b>	<b>0</b>	<b>81,211</b>
Opening balance adjustment	0	0	0
<b>Value adjustment 1/ 1/ 2019</b>	<b>81,211</b>	<b>0</b>	<b>81,211</b>
Depreciation during the year	42,635	0	42,635
<b>Value adjustment 30/ 6/ 2019</b>	<b>123,846</b>	<b>0</b>	<b>123,846</b>
<b>Accounting value as of 30/ 6/ 2019</b>	<b>321,492</b>	<b>186,750</b>	<b>508,242</b>
<b>Accounting value as of 31/ 12/ 2018</b>	<b>364,127</b>	<b>137,871</b>	<b>501,997</b>

Disclosed intangible assets are the property of Impol 2000, d. d. and encumbrance free.

## 7. Tangible fixed assets

Table 76: Trend in tangible fixed assets in the first half of 2020 in EUR

Description	Production machinery and equipment	Other devices and equipment	Equipment and other tangible fixed assets being acquired	Total
<b>Cost as of 31/ 12/ 2019</b>	<b>739,009</b>	<b>530,092</b>	<b>0</b>	<b>1,269,102</b>
Opening balance adjustments	0	0	0	0
<b>Cost as of 01/ 1/ 2020</b>	<b>739,009</b>	<b>530,092</b>	<b>0</b>	<b>1,269,102</b>
Direct increases – acquisitions	0	0	16,163	16,163
Transfer from construction in progress	0	39,247	-39,247	0
Transfer between Group companies – acquisition	0	0	23,084	23,084
<b>Cost as of 30/ 6/ 2020</b>	<b>739,009</b>	<b>569,340</b>	<b>0</b>	<b>1,308,349</b>
<b>Value adjustment 31/ 12/ 2019</b>	<b>660,222</b>	<b>325,468</b>	<b>0</b>	<b>985,689</b>
Opening balance adjustment	0	0	0	0
<b>Value adjustment 1/ 1/ 2020</b>	<b>660,222</b>	<b>325,468</b>	<b>0</b>	<b>985,689</b>
Depreciation during the year	1,819	54,808	0	56,627
Direct increase	0	6	0	6
<b>Value adjustment 30/ 6/ 2020</b>	<b>662,040</b>	<b>380,281</b>	<b>0</b>	<b>1,042,322</b>
<b>Accounting value as of 30/ 6/ 2020</b>	<b>76,969</b>	<b>189,058</b>	<b>0</b>	<b>266,027</b>
Accounting value as of 31/ 12/ 2019	78,787	204,625	0	283,412

Table 77: Trend in tangible fixed assets in the first half of 2019 in EUR

Description	Production machinery and equipment	Other devices and equipment	Equipment and other tangible fixed assets being acquired	Total
<b>Cost as of 31/ 12/ 2018</b>	<b>726,514</b>	<b>504,934</b>	<b>0</b>	<b>1,231,448</b>
Opening balance adjustments	0	0	0	0
<b>Cost as of 01/ 1/ 2019</b>	<b>726,514</b>	<b>504,934</b>	<b>0</b>	<b>1,231,448</b>
Direct increases – acquisitions	0	0	56,533	56,533
Transfer from construction in progress	18,491	77,592	-96,082	0
Transfer between Group companies – acquisition	0	0	43,306	43,306
Decreases – Exclusions, other decreases (–)	0	2,901	0	2,901
<b>Cost as of 30/ 6/ 2019</b>	<b>745,005</b>	<b>579,625</b>	<b>3,756</b>	<b>1,328,386</b>
<b>Value adjustment 31/ 12/ 2018</b>	<b>657,210</b>	<b>307,473</b>	<b>0</b>	<b>964,683</b>
Opening balance adjustment	0	0	0	0
<b>Value adjustment 1/ 1/ 2019</b>	<b>657,210</b>	<b>307,473</b>	<b>0</b>	<b>964,683</b>
Depreciation during the year	9,617	44,718	0	54,336
Direct increase	0	3	0	3
Decreases – Exclusions, other decreases (–)	0	2,901	0	2,901
<b>Value adjustment 30/ 6/ 2019</b>	<b>666,827</b>	<b>349,294</b>	<b>0</b>	<b>1,016,121</b>
<b>Accounting value as of 30/ 6/ 2019</b>	<b>78,178</b>	<b>230,331</b>	<b>3,756</b>	<b>312,265</b>
<b>Accounting value as of 31/ 12/ 2018</b>	<b>69,304</b>	<b>197,461</b>	<b>0</b>	<b>266,765</b>

All disclosed tangible assets are the property of Impol 2000, d. d. and are encumbrance free.



## 8. Assets under lease

**Table 78:** Trend in assets under lease in the first half of 2020 in EUR

	Assets under lease – real estate – Group companies – operative lease	Assets under lease – equipment – other companies – operative lease	Total assets under lease – operative lease	Assets under lease for equipment – financial lease – other companies	Total assets under lease – financial lease	Total assets under lease
<b>Cost as of 31/ 12/ 2019</b>	<b>264,460</b>	<b>164,698</b>	<b>429,158</b>	<b>97,881</b>	<b>97,881</b>	<b>527,039</b>
Opening balance adjustments	0	0	0	0	0	0
<b>Cost as of 01/ 1/ 2020</b>	<b>264,460</b>	<b>164,698</b>	<b>429,158</b>	<b>97,881</b>	<b>97,881</b>	<b>527,039</b>
<b>Cost as of 30/ 6/ 2020</b>	<b>264,460</b>	<b>164,698</b>	<b>429,158</b>	<b>97,881</b>	<b>97,881</b>	<b>527,039</b>
<b>Value adjustment 31/ 12/ 2019</b>	<b>52,892</b>	<b>61,577</b>	<b>114,469</b>	<b>70,146</b>	<b>70,146</b>	<b>184,615</b>
Opening balance adjustments	0	0	0	0	0	0
<b>Value adjustment 1/ 1/ 2020</b>	<b>52,892</b>	<b>61,577</b>	<b>114,469</b>	<b>70,146</b>	<b>70,146</b>	<b>184,615</b>
Depreciation (+)	26,446	35,748	62,194	9,788	9,788	71,982
<b>Value adjustment 30/ 6/ 2020</b>	<b>79,338</b>	<b>97,324</b>	<b>176,662</b>	<b>79,934</b>	<b>79,934</b>	<b>256,597</b>
<b>Accounting value as of 30/ 6/ 2020</b>	<b>185,122</b>	<b>67,374</b>	<b>252,496</b>	<b>17,946</b>	<b>17,946</b>	<b>270,442</b>
Accounting value as of 31/ 12/ 2019	211,568	103,122	314,690	27,734	27,734	342,424

Impol 2000, d. d., is leasing business premises and certain personal vehicles.

**Table 79:** Trend in assets under lease in the first half of 2019 in EUR

	Assets under lease – real estate – Group companies – operative lease	Total assets under lease – operative lease	Assets under lease – equipment – other companies – operative lease	Total assets under lease – financial lease	Total assets under lease
<b>Cost as of 31/ 12/ 2018</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Opening balance adjustments	0	0	0	0	0
<b>Cost as of 01/ 1/ 2019</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Direct increase (+)</b>	<b>264,460</b>	<b>264,460</b>	<b>125,006</b>	<b>125,006</b>	<b>389,466</b>
<b>Cost as of 30/ 6/ 2019</b>	<b>264,460</b>	<b>264,460</b>	<b>125,006</b>	<b>125,006</b>	<b>389,466</b>
<b>Value adjustment 31/ 12/ 2018</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Opening balance adjustments	0	0	0	0	0
<b>Value adjustment 1/ 1/ 2019</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Depreciation (+)	26,446	26,446	29,134	29,134	55,580
<b>Value adjustment 30/ 6/ 2019</b>	<b>26,446</b>	<b>26,446</b>	<b>29,134</b>	<b>29,134</b>	<b>55,580</b>
<b>Accounting value as of 30/ 6/ 2019</b>	<b>238,014</b>	<b>238,014</b>	<b>95,872</b>	<b>95,872</b>	<b>333,886</b>
<b>Accounting value as of 31/ 12/ 2018</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

Upon transferring to the new IFRS 16 – Lease standard within the Impol 2000, d. d., we have reached the decision 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.

## 9. Long-term financial investments

Table 80: Long-term financial investments in EUR

	Cost as of 30/ 6/ 2020	Of which short-term financial investments in companies:		Value adjustment as of 30/ 6/ 2020		Accounting value	
		Group companies	associate companies	Total value adjustment 30/ 6/ 2020		30/ 6/ 2020	31/ 12/ 2019
	=	+	+	-		=	
Investments in shares and participating interest	73,067,963	73,033,315	34,648	34,648	73,033,315	73,033,315	
Long-term loans granted	56,136,328	56,136,328	0	0	56,136,328	44,217,180	
<b>TOTAL LONG-TERM FINANCIAL INVESTMENTS</b>	<b>129,204,291</b>	<b>129,169,643</b>	<b>34,648</b>	<b>34,648</b>	<b>129,169,643</b>	<b>117,250,495</b>	

The financial investment in the equity of Impol, d. o. o. (97,5387% ownership share) in the amount of EUR 24,750,000 was pledged in the form of a given guarantee, reserved for liabilities of Impol, d. o. o. to banks.

### Trend in investments in subsidiaries and associates

Table 81: Trend in investments in subsidiaries and associates

Description of the long-term financial investment	Shareholding (%)	Purchase value		Cost adjustment due to the impairment		Accounting value	
		Purchase value 1/ 1/ 2020	Purchase value 30/ 6/ 2020	Value adjustment 1/ 1/ 2020	Value adjustment 30/ 6/ 2020	30/ 6/ 2020	1/ 1/ 2020
	+	=	-	=	=	=	=
Impol, d. o. o.	Subsidiary (97,54)	67,588,863	67,588,863	0	0	67,588,863	67,588,863
Impol Servis, d. o. o.	Subsidiary (100)	245,037	245,037	0	0	245,037	245,037
Rondal, d. o. o.	Subsidiary (100)	100,000	100,000	0	0	100,000	100,000
Impol-FinAl, d. o. o.	Subsidiary (100)	1,000,000	1,000,000	0	0	1,000,000	1,000,000
Impol-TLM, d. o. o.	Subsidiary (100)	1,872,415	1,872,415	0	0	1,872,415	1,872,415
Alcad, d. o. o.	Subsidiary (100)	2,227,000	2,227,000	0	0	2,227,000	2,227,000
Impol Brazil Aluminium	Associate company (50)	34,647	34,647	34,648	34,648	0	0
<b>TOTAL</b>		<b>73,067,963</b>	<b>73,067,963</b>	<b>34,648</b>	<b>34,648</b>	<b>73,033,315</b>	<b>73,033,315</b>

All long-term financial investments (except loans) are distributed to the group "Financial assets available for sale" 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.

## Trend in long-term loans granted

Table 82: Trend in long-term loans granted in EUR

<b>Balance of debts as of 01/ 1/ 2020</b>	<b>44,217,180</b>
New loans (+)	11,919,148
Refunds (-)	0
<b>Balance of loans granted as of 30/ 6/ 2020</b>	<b>56,136,328</b>

The loans are calculated at the established interest rate, increased by one percentage point due to maturity. All loans are secured with bills of exchange. These loans have all been granted to Group companies.

## 10. Merchandise inventories

Table 83: Merchandise inventories in EUR

	Purchase value 1/ 1/ 2020	Changes (+/-)	Value adjustment due to the impairment of inventories (-)	Accounting value as of 30/ 6/ 2020	Accounting value as of 31/ 12/ 2019
Merchandise	7,485	17,529	0	25,014	7,485
<b>TOTAL</b>	<b>7,485</b>	<b>17,529</b>	<b>0</b>	<b>25,014</b>	<b>7,485</b>

## 11. Short-term financial investments

Table 84: Short-term financial investments in EUR

	Purchase value of short-term finan- cial investments as of 30/ 6/ 2020	Of which short-term financial invest- ments in companies:		Accounting value 30/ 6/ 2020	Accounting value 31/ 12/ 2019
		Group companies	other companies		
	=	+		=	
Short-term portion of long-term loans granted	4,800,000	4,800,000	0	4,800,000	9,600,000
Short-term loans granted (including bonds)	20,000	0	20,000	20,000	0
<b>TOTAL</b>	<b>4,820,000</b>	<b>4,800,000</b>	<b>20,000</b>	<b>4,820,000</b>	<b>9,600,000</b>

## Trend in short-term loans granted

**Table 85:** Trend in short-term loans granted in EUR

<b>Balance of debts as of 01/ 1/ 2020</b>	<b>9,600,000</b>
New loans (+)	20,000
Refunds (-)	4,800,000
<b>Balance of loans granted as of 30/ 6/ 2020</b>	<b>4,820,000</b>

All loans granted are calculated at the established interest rate, increased by 1 percentage point (due to maturity). Among its short-term loans, Impol 2000, d. d. also recognises long-term loans granted, a part of which falls due in 2020. All loans are secured with bills of exchange.

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## 12. Short-term operating receivables

In Slovenia, company's receivables are secured through COFACE PKZ zavarovalnica, d. d. Ljubljana in the amount of EUR 1,362,243 in accordance with the balance as of 30/ 6/ 2020/

**Table 86:** Short-term operating receivables in EUR

	Short-term operating receivables	Short-term operating receivables from companies:		Value adjustment due to impairment	30/ 6/ 2020	31/ 12/ 2019
	=	Group companies	Other	-	=	
Short-term operating receivables from customers	4,134,006	1,150,488	2,983,518	22,423	4,111,583	2,994,758
• of which already matured on 30/ 6/ 2020	314,570	0	314,570	0	314,570	152,736
Short-term advances and securities granted	100	0	100	0	100	1,031
Short-term receivables associated with financial revenues	888,235	858,047	30,188	0	888,235	589,558
Short-term receivables from state institutions	42,263	0	42,263	0	42,263	478,605
Other short-term operating receivables	18,719	0	18,719	0	18,719	18,316
<b>TOTAL</b>	<b>5,083,323</b>	<b>2,008,535</b>	<b>3,074,788</b>	<b>22,423</b>	<b>5,060,900</b>	<b>4,082,269</b>

## Value adjustment of current operating receivables due to impairment

**Table 87:** Trend in value adjustment of short-term operating receivables due to the impairment in EUR

	01.-06. 2020	2019
Balance as of 01/ 1/ 2020	22,423	31,951
Decrease in value due to settlement of receivables (-)	0	9,528
<b>Balance as of 30/ 6/ 2020</b>	<b>22,423</b>	<b>22,423</b>

On 30/ 6/ 2020, the Company had no disclosed receivables from the members of the Management Board, Executive Directors or internal owners.

## 13. Monetary assets

**Table 88:** Monetary assets in EUR

	30/ 6/ 2020	31/ 12/ 2019
Monetary assets in hand and immediately cashable securities	129	135
Cash in banks and other financial institutions	6,868,657	494,626
<b>Monetary assets</b>	<b>6,868,786</b>	<b>494,761</b>

The company has no short-term deposits of under three months.

## Short-term accrued costs and deferred revenue

**Table 89:** Short-term deferred costs and accrued revenues in EUR

	30/ 6/ 2020	31/ 12/ 2019
Short-term deferred costs or expenses	92,759	14,242
VAT from advances received	12,992	103
<b>SHORT-TERM ACCRUED COST AND DEFERRED REVENUE</b>	<b>105,751</b>	<b>14,344</b>

Short-term deferred costs or expenses mainly refer to the deferred costs of holiday allowance for 2020.

## 14. Long-term financial liabilities

**Table 90:** Short-term financial and operating liabilities in EUR

	30/ 6/ 2020	31/ 12/ 2019
Long-term financial liabilities to Group companies (excluding the liabilities from financial lease)	58,119,148	45,000,000
Long-term financial liabilities related to lease of assets – financial lease – to others	9,344	9,336
Long-term financial liabilities related to lease of assets – operative lease – Group companies	163,404	163,404
Long-term financial liabilities related to lease of assets – operative lease – other companies	44,437	44,437
<b>TOTAL long-term financial and operating liabilities</b>	<b>58,336,334</b>	<b>45,217,178</b>

**Table 91:** Maturity of long-term financial and operating liabilities

	30/ 6/ 2020	31/ 12/ 2019
Matured in 2020	X	80,203
Matured in 2021	89,839	80,868
Matured in 2022	71,239	56,107
Matured in 2023	56,108	45,000,000
Matured in 2024	58,119,148	0
Due in 2025 or later	0	X
<b>Total long-term financial and operating liabilities</b>	<b>58,336,334</b>	<b>45,217,178</b>

## Issued bonds

In 2015, Impol 2000, d. d. for the first time issued five-year bonds in the amount of EUR 50 million in order to finance the cycle of investments for the subsequent long-term growth and development. The annual interest rate is 3.8% (fixed). Coupons are paid on an annual basis. The final maturity date is 19/ 10/ 2020/ Bonds have been traded on the Ljubljana Stock Exchange.

Liabilities for issued bonds relate to the bonds listed as IM01. The controlling company issued the bonds in the total nominal value of EUR 50,000,000. The total issue of bonds comprises 50,000 denominations of EUR 1,000.

**Table 92:** Depreciation schedule for the issued bonds in EUR

No.	Date of maturity of liability	Payment of coupon in EUR (interest)	Payment of principal value in EUR	Total payment in EUR
1	19/ 10/ 2016*	1,900,000	10,000,000	11,900,000
2	19/ 10/ 2017*	1,520,000	10,000,000	11,520,000
3	19/ 10/ 2018*	1,140,000	10,000,000	11,140,000
4	19/ 10/ 2019*	760,000	10,000,000	10,760,000
5	19/ 10/ 2020	380,000	10,000,000	10,380,000
	<b>TOTAL</b>	<b>5,700,000</b>	<b>50,000,000</b>	<b>55,700,000</b>

\* paid upon maturity.

## 15. Short-term liabilities

**Table 93:** Short-term financial liabilities in EUR (without leases and liabilities from the distribution of profit)

	Debt as of 1/ 1/ 2020	New loans in current year (+)	Loans paid in current year (-)	Short-term debt as on 30/ 6/ 2020	Short-term debt as on 31/ 12/ 2019
Short-term financial liabilities based on bonds	10,000,000	0	0	10,000,000	10,000,000
Short-term financial liabilities to Group companies (excluding liabilities from financial lease)	10,500,000	10,500,000	10,500,000	10,500,000	10,500,000
<b>TOTAL:</b>	<b>20,500,000</b>	<b>10,500,000</b>	<b>10,500,000</b>	<b>20,500,000</b>	<b>20,500,000</b>

**Table 94:** Short-term financial and operating liabilities in EUR

	30/ 6/ 2020	31/ 12/ 2019
Short-term operating liabilities to suppliers on the domestic market to Group companies	1,517,942	344,722
Short-term operating liabilities to suppliers on the domestic market to associate companies	27,612	115,633
Short-term operating liabilities to suppliers on the domestic market to other companies	77,999	237,818
Short-term operating liabilities on foreign markets to suppliers to other companies	15,800	10,500
Short-term operating liabilities based on advance payments to Group companies	0	1,341,267
Short-term operating liabilities based on advances to other companies	63,235	20,307
Other short-term operating liabilities to Group companies	106,342	102,074
Other short-term operating liabilities to others	1,192,385	1,011,020
<b>TOTAL short-term operating liabilities:</b>	<b>3,001,315</b>	<b>3,183,341</b>
Short-term part of long-term financial liabilities – bonds	10,000,000	10,000,000
Short-term part of long-term financial liabilities from leases – financial lease – other companies	10,103	21,493
Short-term part of long-term financial liabilities from leases – operative lease – Group companies	25,834	51,285
Short-term part of long-term financial liabilities from leases – operative lease – other companies	19,443	55,606
Short-term financial liabilities (other than lease liabilities) – Group companies	10,500,000	10,500,000
Short-term financial liabilities from the distribution of profit	852	852
<b>TOTAL short-term financial liabilities:</b>	<b>20,556,233</b>	<b>20,629,237</b>
<b>TOTAL short-term financial and operating liabilities:</b>	<b>23,557,548</b>	<b>23,812,578</b>

Short-term financial liabilities comprise liabilities from the received loans with the maturity of less than one year. They include liabilities in the amount of EUR 10,000,000 from bonds, which represents the short-term part of the liabilities, falling due in 2020.

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.

All short-term financial liabilities, other than the short-term portion of bonds, are secured.

**Table 95:** Short-term operating liabilities in EUR

	30/ 6/ 2020	31/ 12/ 2019
Short-term operating liabilities to suppliers – Group companies	1,517,942	344,722
Short-term operating liabilities to suppliers – associate companies	27,612	115,633
Short-term operating liabilities to suppliers – others	93,799	248,318
<b>TOTAL short-term liabilities to suppliers</b>	<b>1,639,352</b>	<b>708,673</b>
• - of which already matured on the day of balance	1,322,234	501,105
Short-term operating liabilities for advances	63,235	1,361,574
<b>TOTAL short-term liabilities for advances</b>	<b>63,235</b>	<b>1,361,574</b>
Short-term liabilities to employees	652,609	934,250
Short-term liabilities to government	502,065	30,466
Short-term liabilities from interest – Group companies	106,342	102,074
Other short-term operating liabilities – other companies	37,711	46,304
<b>TOTAL other short-term operating liabilities</b>	<b>1,298,727</b>	<b>1,113,094</b>
<b>TOTAL SHORT-TERM OPERATING LIABILITIES</b>	<b>3,001,315</b>	<b>3,183,341</b>

**Table 96:** Short-term accrued expenses and deferred revenue in EUR

	30/ 6/ 2020	31/ 12/ 2019
Accrued deferred costs or expenses	500,157	283,405
Short-term deferred income	30,188	27,283
VAT from advances granted	10,649	-
<b>TOTAL SHORT-TERM ACCRUED COSTS AND DEFERRED REVENUES</b>	<b>540,993</b>	<b>310,688</b>

Accrued deferred costs or expenses refer to calculated interest from issued bonds, resulting from the day of the last payment of the coupon and principal (i.e. from 19/ 10/ 2019) up to including 30/ 6/ 2020, and to calculated costs of unexpended leave.

## 16. Financial instruments and financial risks

Impol 2000, d. d. faces the following risks in its business process, in particular:

**Table 97:** 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.	Moderate
Risk related to change in interest rate	Risk related to the change of financing and loan-raising conditions.	Monitoring of the ECB's and FED's policies, security with appropriate financial instruments – interest rate swaps, transition from the fixed to a floating interest rate.	Low
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 allow the company to determine liquid asset requirements. Potential cash shortages are covered by bank credit lines and other forms of financing, whereas the potential short-term surpluses are invested in liquid short-term financial investments.

### Interest rate risk

Since Impol 2000, d. d. currently has no loans related to a changing interest rate, it is not exposed to direct risks related to change in interest rate. Due to the realisation that the offers for swapping the interest rates are cost ineffective and due to the projections that the interest rate will not increase, new insurances of interest rates would probably not be concluded in case of such exposure.

If the interbank reference interest rate EURIBOR is negative (less than 0%), banks charge contractual interests at the EURIBOR reference interest rate of 0%, increased by the spread.

### Credit risk

Credit control process encompasses customer credit rating which is carried out regularly by Coface and 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 2020, our receivables from buyers are slightly higher than in the same period of last year (30/ 6/ 2019), while the share of receivables due from customers has decreased.

## Carrying and fair values of financial instruments

Classification of financial instruments according to their fair value as of 30/ 6/ 2020 is presented in the table.

**Table 98:** Accounting and fair values of financial instruments in EUR

	Accounting value	Fair value	Fair value level
Long-term investments in subsidiaries	73,033,315	73,033,315	3
Long-term loans granted to Group companies	56,136,328	56,136,328	3
Short-term loans granted to Group companies	4,800,000	4,800,000	3
Short-term loans granted to other companies	20,000	20,000	3
Short-term operating receivables	5,060,900	5,060,900	3
Cash and cash equivalents	6,868,786	6,868,786	3
Long-term financial liabilities (excluding liabilities from bonds)	217,185	217,185	3
Long-term financial liabilities to companies in the group	58,119,148	58,119,148	3
Short-term financial liabilities (excluding liabilities from bonds)	10,556,233	10,556,233	3
Short-term financial liabilities from listed bonds	10,000,000	10,310,000	1
Short-term operating liabilities	3,001,315	3,001,315	3

## 17. Contingent liabilities

As of 30/ 6/ 2020, Impol d. o. o. has granted EUR 29,326,271 of guarantees to its subsidiary Impol, d. o. o., arising from the long-term loans received from banks, whereby the guarantee amounting to EUR 24,750,000 is collateralised through a 97.5% ownership share within Impol, d. o. o.

For Impol-TLM, d. o. o. from Croatia and Impol Seval from Serbia, suppliers are provided with a payment guarantee amounting to EUR 7,553,001.

## 18. Transactions with associates

**Table 99:** Receivables of Impol 2000, d. d. from Group companies as of 30/ 6/ 2020 in EUR

	Long-term financial investments	Long-term loans granted	Short-term loans granted	Short-term operating receivables	Total
Impol, d. o. o.	67,588,863	0	0	1,127,451	<b>68,901,436</b>
Impol FT, d. o. o.	0	0	0	136	<b>136</b>
Impol PCP, d. o. o.	0	0	0	275	<b>275</b>
Impol R in R, d. o. o.	0	0	0	136	<b>136</b>
Impol Infrastruktura, d. o. o.	0	0	0	67	<b>67</b>
Impol LLT, d. o. o.	0	0	0	68	<b>68</b>
Impol-TLM, d. o. o.	1,872,414	56,085,328	4,800,000	856,330	<b>63,614,072</b>
Impol-FinAI, d. o. o.	1,000,000	0	0	0	<b>1,000,000</b>
Stampal SB, d. o. o.	0	0	0	16,968	<b>16,968</b>
Alcad, d. o. o.	2,227,000	0	0	0	<b>2,227,000</b>
Kadring, d. o. o.	0	0	0	67	<b>67</b>
Rondal, d. o. o.	100,000	0	0	5,320	<b>105,320</b>
Impol Servis, d. o. o.	245,037	0	0	0	<b>245,037</b>
Štatenberg, d. o. o.	0	51,000	0	1,718	<b>52,718</b>
<b>Total</b>	<b>73,033,314</b>	<b>56,136,328</b>	<b>4,800,000</b>	<b>2,008,535</b>	<b>136,163,299</b>

**Table 100:** Liabilities of Impol 2000, d. d. to Group companies as of 30/ 6/ 2020 in EUR

	Long-term financial liabilities	Short-term financial liabilities	Short-term operating liabilities	Total
Impol, d. o. o.	58,282,553	10,025,834	1,607,547	<b>69,915,934</b>
Impol Infrastruktura, d. o. o.	0	0	3,255	<b>3,255</b>
Kadring, d. o. o.	0	0	10,038	<b>10,038</b>
Rondal, d. o. o.	0	500,000	592	<b>500,592</b>
Impol Servis, d. o. o.	0	0	255	<b>255</b>
Unidel, d. o. o.	0	0	2,598	<b>2,598</b>
<b>Total</b>	<b>58,282,553</b>	<b>10,525,834</b>	<b>1,624,284</b>	<b>70,432,671</b>

**Table 101:** Liabilities of Impol 2000, d. d. to associated companies as of 30/ 6/ 2020 in EUR

	Short-term operating liabilities	Total
Simfin, d. o. o.	27,612	27,612
<b>Total</b>	<b>27,612</b>	<b>27,612</b>

**Table 102:** Revenue of Impol 2000, d. d. with Group companies as of 01/ 1 to 30/ 6/ 2020 in EUR

	Net revenues from the sale of services	TOTAL OPERATING REVENUES	Financial revenues from loans granted	TOTAL FINANCIAL REVENUES FROM INVESTMENTS
Impol, d. o. o.	5,739,096	5,739,096	0	0
Impol FT, d. o. o.	859	859	0	0
Impol PCP, d. o. o.	902	902	0	0
Impol R in R, d. o. o.	299	299	0	0
Impol Infrastruktura, d. o. o.	93	93	0	0
Impol LLT, d. o. o.	56	56	0	0
Impol-TLM, d. o. o.	0	0	295,532	295,532
Impol-FinAl, d. o. o.	831	831	0	0
Stampal SB, d. o. o.	83,451	83,451	0	0
Alcad, d. o. o.	3,098	3,098	0	0
Kadring, d. o. o.	55	55	0	0
Rondal, d. o. o.	26,388	26,388	0	0
Impol Servis, d. o. o.	132	132	0	0
Štatenberg, d. o. o.	0	0	240	240
Unidel, d. o. o.	263	263	0	0
<b>Total</b>	<b>5,855,522</b>	<b>5,855,522</b>	<b>295,772</b>	<b>295,772</b>

**Table 103:** Expenditures of Impol 2000, d. d. with Group companies from 01/ 1 to 30/ 6/ 2020 in EUR

	Costs of merchandise and materials sold	Costs of services	Costs of material	Other operating expenses	Depreciation from leases	TOTAL OPERATING EXPENSES	Financial expenses from interests	Financial expenses from leases	TOTAL FINANCIAL EXPENSES FROM INVESTMENTS
Impol, d. o. o.	8,006,904	18,983	7,618	3,516	26,446	<b>8,063,468</b>	200,735	3,062	<b>203,797</b>
Impol FT, d. o. o.	0	386	0	54	0	<b>440</b>	0	0	<b>0</b>
Impol Infrastruktura, d. o. o.	0	16,616	0	0	0	<b>16,616</b>	0	0	<b>0</b>
Impol-TLM, d. o. o.	0	592	0	0	0	<b>592</b>	0	0	<b>0</b>
Alcad, d. o. o.	0	17,549	0	0	0	<b>17,549</b>	0	0	<b>0</b>
Kadring, d. o. o.	0	39,844	4,885	0	0	<b>44,729</b>	0	0	<b>0</b>
Rondal, d. o. o.	0	0	0	0	0	<b>0</b>	1,876	0	<b>1,876</b>
Impol Servis, d. o. o.	0	842	725	0	0	<b>1,567</b>	0	0	<b>0</b>
Unidel, d. o. o.	0	4,373	27,521	0	0	<b>31,894</b>	0	0	<b>0</b>
<b>Total</b>	<b>8,006,904</b>	<b>99,187</b>	<b>40,748</b>	<b>3,570</b>	<b>26,446</b>	<b>8,176,856</b>	<b>202,611</b>	<b>3,062</b>	<b>205,672</b>

**Table 104:** Expenditures of Impol 2000, d. d. with associated companies as of 01/ 1 to 30/ 6/ 2020 in EUR

	Costs of services	TOTAL OPERATING EXPENSES
Simfin, d. o. o.	147,611	<b>147,611</b>
<b>Total</b>	<b>147,611</b>	<b>147,611</b>

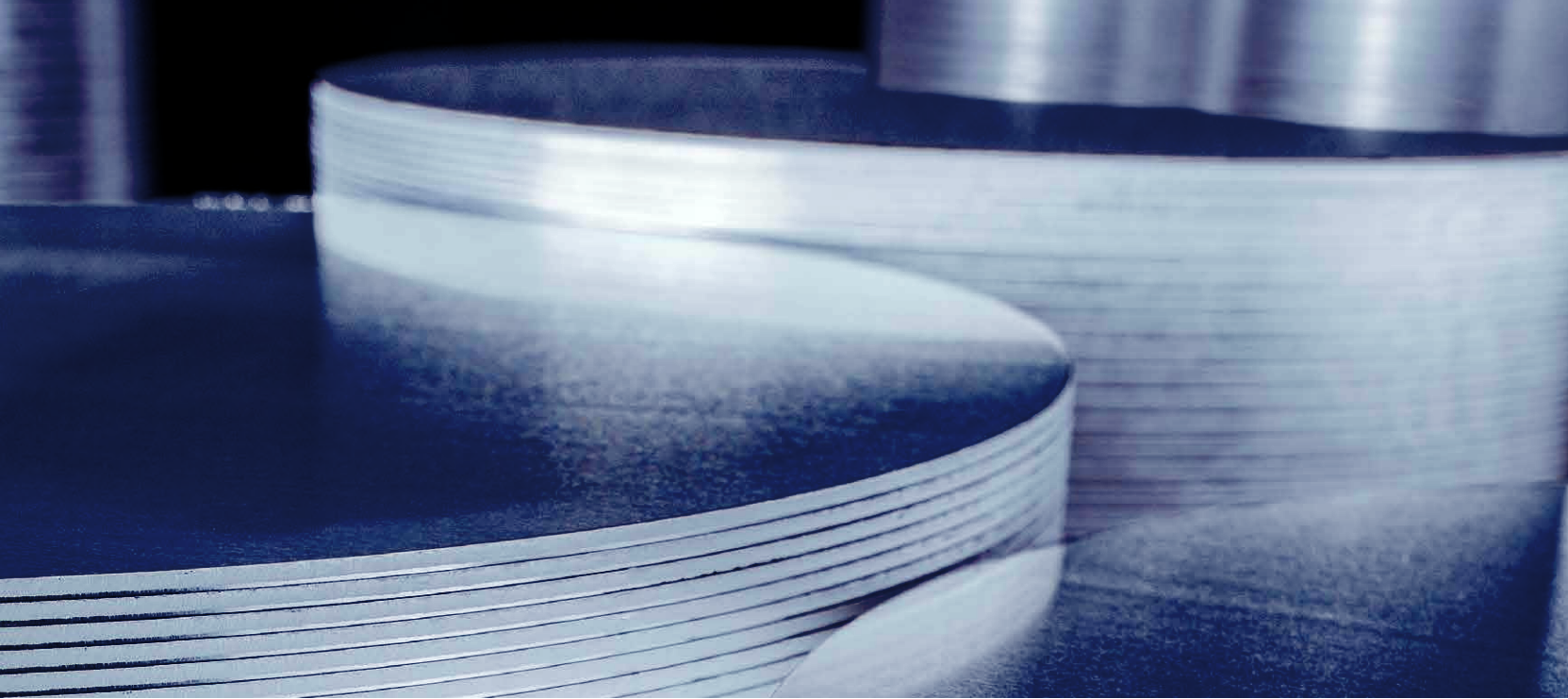
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