ALUMIL ROM INDUSTRY S.A.

SEPARATE FINANCIAL STATEMENTS

Prepared in accordance with
Minister of Public Finance Order 2844/2016

31 DECEMBER 2020

CONTENTS

ANNUAL REPORT
OF THE ADMINISTRATOR
REGARDING THE FINANCIAL YEAR 2020

Name of issuer: S.C. ALUMIL ROM INDUSTRY S.A.
Registered office: Bucharest, Soseaua Bucuresti Ploiesti no. 42-44, Sector 1
Telephone number: 021 424 34 56, fax: 021 423 39 32
Sole Registration Code with the Trade Registry Office: RO10042631
Trade Register number: J40/8540/1997
Share capital called up and paid in: RON 6,250,000.

Legal framework for the preparation of the annual financial statements

S.C. ALUMIL ROM INDUSTRY S.A., with the registered office in Bucharest, Soseaua Bucuresti Ploiesti no. 42-44, Complex Baneasa Business & Technology Park, Sector 1, is a joint-stock company operating in accordance with the provisions of the Company Law 31/1991, as republished with subsequent changes.

The share capital of the Company is a private capital in full.

Starting 2012, the Company prepares separate annual financial statements in accordance with the International Financial Reporting Standards as approved by the OMFP no. 2844/2016 with subsequent changes and completions.

1. Analysis of the company activity

1.1 Description of the company's main activity

a) Company presentation

ALUMIL ROM INDUSTRY S.A. is a subsidiary of the company **ALUMIL ALUMINIUM INDUSTRY S.A. Greece,** an industrial group at European level operating in the Aluminum extrusion industry.

ALUMIL ALUMINIUM INDUSTRY S.A. is one of the European leaders in Aluminum extrusion, owning production sites with state-of-the-art technologies, being one of the top factories of Aluminum profiles for constructions, covering all types of applications known in this field.

b) Company subsidiaries

ALUMİL EGE ALÜMİNYUM SANAYİ VE TİCARET ANONİM SİRKETİ, having head office in Turkey, FatihMah., 1188 Sokak, No.13/B Gaziemir /IZMIR, was established and registered in Turkey with the Gaziemir Tax Office on 16 September 2015 under number 0680907038 and with the Izmir Chamber of Commerce under number: 183607 as a joint stock company, Turkish legal entity, having an unlimited operation duration and operating according to the Turkish Commercial Code. The company was established by SC ALUMIL ROM INDUSTRY SA, as sole shareholder. The company's share capital at the date of establishment was of 50,000 Turkish Lira, divided into 50 shares of 1,000 Turkish Lira each. On 16 November 2015, SC ALUMIL ROM INDUTRY SA has assigned 60% of the shares in ALUMİL EGE ALÜMİNYUM SANAYİ VE TİCARET S.A., to the company ALUMIL INTERNATIONAL AG Switzerland, the shareholding structure following the assignment is as follows: 20 shares SC ALUMIL ROM INDUSTRY SA namely 40% of the share capital, the equivalent of 20,000 Turkish Lira and 30 shares the ALUMIL INTERNATIONAL AG Switzerland company, namely 60% of the share capital, the equivalent of 30,000 Turkish Lira. In December 2015, the share capital increase was decided for the ALUMİL EGE ALÜMİNYUM SANAYİ VE TİCARET ANONİM SİRKETİ, to the total value of 950,000 Turkish Lira, representing 950 shares having a nominal value of 1,000 Turkish Lira each, of which ALUMIL ROM INDUSTRY S.A. holds 40%, namely 380 shares at the nominal value of 1,000 Turkish Lira each.

1. Analysis of the company activity (continued)

In April 2016, the share capital increase was decided for the ALUMİL EGE ALÜMİNYUM SANAYİ VE TİCARET ANONİM SİRKETİ, to the total value of 1,900,000 Turkish Lira, representing 1,900 shares having a nominal value of 1,000 Turkish Lira each, of which ALUMIL ROM INDUSTRY S.A. holds 40%, namely 760 shares having a nominal value of 1,000 Turkish Lira each. In October 2019, the share capital increase was decided for the ALUMİL EGE ALÜMİNYUM SANAYİ VE TİCARET ANONİM SİRKETİ, to the total value of 4,900,000 Turkish Lira, representing 4,900 shares having a nominal value of 1,000 Turkish Lira each, of which ALUMIL ROM INDUSTRY S.A. holds 40%, namely 1,960 shares at the nominal value of 1,000 Turkish Lira each.

ALUMIL MISR FOR ALUMINIUM AND ACCESORIES INDUSTRY JSC, having head office in Egypt, Cairo, was established and registered in Egypt on 20 March 2016, according to the joint-stock company set up certificate number 1375/20.03.2016 issued by the General Investment and Free Area Authority as a joint stock company for a duration of 25 years. The Company's issued capital at the set up date was of 1,000,000 Egyptian Lira, divided into 1000 shares of 1,000 Egyptian Lira each. The share capital structure at the set up date is the following: Alumil International AG Switzerland 59%, Alumil Rom Industry SA Romania 40% and Alumil MISR for Trading Egypt 1%. In November 2016, the first share capital increase was decided for the ALUMIL MISR FOR ALUMINIUM AND ACCESORIES INDUSTRY JSC, to the total value of 16,000,000 Egyptian Lira, representing 16,000 shares having a nominal value of 1,000 Egyptian Lira each, of which Alumil Rom Industry holds 40%, namely 6,400 shares at the nominal value of 1,000 Egyptian Lira each. In December 2016, a new share capital increase was decided for the ALUMIL MISR FOR ALUMINIUM AND ACCESORIES INDUSTRY JSC and, therefore, the company's capital reached 30,000,000 Egyptian Lira, representing 30,000 shares having a nominal value of 1,000 Egyptian Lira each, of which Alumil Rom Industry holds 40%, namely 12,000 shares at the nominal value of 1,000 Egyptian Lira each.
In February 2019, the third share capital increase was decided for the ALUMIL MISR FOR ALUMINIUM AND ACCESORIES INDUSTRY JSC, with a total value of 20,600,000 Egyptian Lira, out of which the contribution of the Company is Egyptian Lira 8,240,000. The increase will be done in stages, so as of 31.12.2019 the share capital of the company amounted to Egyptian Lira 33,000,000 representing 33,000 shares having a nominal value of 1,000 Egyptian Lira each, of which Alumil Rom Industry holds 40%, namely 13,200 shares at the nominal value of 1,000 Egyptian Lira each.
In July 2020, the fourth share capital increase was done for the ALUMIL MISR FOR ALUMINIUM AND ACCESORIES INDUSTRY JSC, with the total value of Egyptian Lira 3,000,000, of which Alumil Rom Industry contribution is Egyptian Lira 1,200,000. The increase is done in stages, so as of 31.12.2020 the share capital of the company amounted to Egyptian Lira 36,000,000 representing 36,000 shares having a nominal value of 1,000 Egyptian Lira each, of which Alumil Rom Industry holds 40%, namely 14,400 shares at the nominal value of 1,000 Egyptian Lira each.

c) Main activities

Alumil Rom Industry S.A. manufactures and trades a large range of Aluminum profiles systems (sliding, opening and partitioning systems) and accessories related to these systems, machine tools and specific tools used for aluminum joinery, interior doors and decorative Aluminum panels. The main activities of Alumil Rom Industry S.A. are the production of aluminum profiles, more specifically, processing of profiles through the provision of thermal breaks and electrostatic painting, as well as the trade of a large range of profiles, accessories, composite panels (J-Bond), polycarbonate films etc.

Processing activity

S.C. ALUMIL ROM INDUSTRY S.A. conducted, starting 18.05.2011 the project "Eco efficient and innovative investment in a modern Aluminum processing facility", co-financed by the **European Regional Development Fund** under the financing contract signed with the Ministry of Economy, Trade and Business Environment, as the Managing Authority for the Operational Sectorial Program "Increase of Economic Competitiveness". The project objective was to increase the productivity of the company by creating a modern, eco-efficient Aluminum profiles production and processing facility.
The project, implemented in Filipestii de Padure, Minieri village no. 149, Prahova County, was completed in July 2013 and resulted in the building of a production hall of 8,835 square meters and the purchase of 11 state-of-the-art pieces of equipment, creating over 45 new jobs.

1. Analysis of the company activity (continued)

Therefore, S.C. ALUMIL ROM INDUSTRY S.A. has put into operation new modern equipment for:

- horizontal painting with two automatic painting booths capable of painting Aluminum profiles in all RAL colors. ALUMIL ROM INDUSTRY S.A. paints about 1,450 kinds of Aluminum profiles in about 200 RAL colors;
- wood-effect painting with a technology based on a pre-printed film for decorating profiles, Aluminum panels and Aluminum accessories, using the sublimation method;
- thermal break production with a capacity of 150 profiles /hour

The installation also includes equipment for applying self-adhesive tape on Aluminum profiles in order to protect painted surfaces.

A small part of the production process is represented by the bending of profiles, an operation carried out only on client request.

The processing (painting) line is composed of:

- Chemical treatment line (baths) for filiform corrosion resistance with a waste water treatment plant;
- Frame preparation line;
- Electrostatic painting installation;
- Polymerization oven;
- Wood-effect painting installation;
- Thermal break production line;
- Profile assembly line.

The production and storage facilities are equipped with:

- fresh water installation and demineralized and fresh water tanks;
- deionized water installation;
- treatment plant (reduction-oxidation, neutralization, flocculation, settling, press filter);
- own wastewater and rainwater sewer network;
- own central heating plant (fuel: natural gas);
- air compressors;
- hydrophore installation;
- transformer station 10 /0.4 KV.

Moreover, the production area is equipped with a workshop for Aluminum cutting-off machine-tool, electronic platform scales - 2000 kg, portable metal analyzer (METALSCAN) and forklift.

d) Products

Alumil Rom Industry offers a wide range of Aluminum profiles and accessories and tools used for Aluminum profiles processing.

The main product categories of Alumil Rom Industry are:

- Aluminum profiles
- Accessories for Aluminum profiles
- Outdoor Aluminum systems (fences, railings, pergolas)
- J-Bond / Outdoor decorative panels
- Polycarbonates
- WPC composite materials

The Aluminum profiles are grouped in the following categories of systems:

I. Opening windows/doors systems

a) Without thermal break: COMFORT M940, COMFORT M9400, COMFORT M15000
b) With thermal break: SMARTIA M9660, SMARTIA M11000, SMARTIA S67, SUPREME S77, SUPREME SD77, SUPREME S91, SUPREME SD95

(All amounts are expressed in RON, unless otherwise stated)

1. Analysis of the company activity (continued)

II. Sliding window systems

a) Sliding windows without thermal break: COMFORT M900, COMFORT M9000, SMARTIA M12500, SMARTIA M14500
b) Sliding windows with thermal break: SMARTIA S350, SMARTIA S560, SMARTIA S560LT, SUPREME S650, SUPREME S700

III. Curtain wall systems

SMARTIA M1, SMARTIA M7, SMARTIA M6, SMARTIA M50, SMARTIA M65

IV. Special systems

The special systems are mainly systems for interior partitioning (P100 and P200 Office), sun protection (M5600 Solar Protection), skylights (Skylight M9850, M10800 Skylight Alutherm), systems for protection against insects, pergola systems

e) Quality management and certifications

For the activities carried out in Romania, **ALUMIL ROM INDUSTRY** has implemented and is maintaining an integrated quality, environmental, occupational health and safety management system, according to the requirements of the following standards: SR EN ISO 9001: 2015, SR EN ISO 14001: 2015 and SR ISO 45001:2018, integrated management system which is designed for the continuous improvement of performance, taking into consideration the needs of the Company and of all interested parties. The certification of the quality, environment and occupational health and safety management systems was performed by SRAC CERT, Romanian certification body with the largest recognition of the brand and certificates as a result of the partnership with IQNet (The International Certification Network) and of the accreditation by RENAR – body having signed the EA-MLA (European agreement on recognizing certification).

In 2009, Alumil Rom Industry has obtained the license to use the QUALICOAT SEASIDE labels, certificate that is renewed every year by the Aluminum Association of Greece Certification Committee, also a painting and production processes certification body.
Having obtained the QUALICOAT SEASIDE labels licenses proves that ALUMIL ROM INDUSTRY meets the requirements for carrying out the production processes and it has the necessary equipment, the coverage materials required through specifications and regulations obtaining finished products of an adequate quality.

All the requirements in the QUALICOAT specifications must be met for a quality label to be granted and maintained.

1.1.1 General evaluation items for 2020

	Consolidated ratios	**MU**	**2020**	**2019**
a)	Net profit	RON	3,672,503	2,426,170
b)	Turnover	RON	72,915,369	67,241,033
c)	Exportation	RON	2,673,946	2,195,729
d)	Cash and cash equivalents	RON	7,162,375	7,260,855

(All amounts are expressed in RON, unless otherwise stated)

1. Analysis of the company activity (continued)

1.1.2 Storage capacity

ALUMIL ROM INDUSTRY S.A. has a storage total area of 26,661 square meters. The statement of the Company of the storage capacities is shown below:

	Location	Surface (sq. m.)	Surface of land (sq. m.)	Total (sq. m.)	Type
1	Baia Mare	381	-	381	Rented
2	Brasov	450	-	450	Rented
3	Bucharest	1,109	-	1,109	Rented
4	Cluj	1,086	-	1,086	Rented
5	Galati	620	-	620	Owned
6	Iasi	969	-	969	Rented
7	Pitesti	320	-	320	Rented
8	Slatina	500	-	500	Rented
9	Tg Mures	460	-	460	Rented
10	Timisoara	288	192	480	Rented
11	Filipestii de Padure	8,135	41,868	50,003	Owned
12	Filipestii de Padure	9,262	9,840	19,102	Owned
13	Filipestii de Padure	3,081	8,915	11,996	Owned
	Total	**26,661**	**60,815**	**87,476**	

1.1.3 New products introduced in 2020

Alumil Rom Industry in continuously concerned about the client satisfaction, and as a response to the ever changing needs, it is focusing on developing new technical solutions to improve the quality, comfort and safety. The systems are designed, developed and tested in the Alumil Group Research & Development Department in Greece and then certified by an internationally recognized certification institutions, such as IFT ROSENHEIM of Germany.

In recent years, Alumil Rom Industry in Romania has introduced a series of new premium systems:

1. SUPREME Range:

S77Phos – roto-tipping minimalist system with hidden sash, allowing the minimization of visible aluminum areas, without influencing the maximum size of the windows;

SF85 – the latest generation folding doors system, allowing the realization large typologies with the maximum size of 1.5x4 meters, integrating standard and semi-structural typologies and free corner solutions;

SD77 and SD95 – system dedicated to access doors with exceptional features for security, tightness and thermic insulation, allowing the creation of doors with Structural and Semi-structural typologies;

1. Analysis of the company activity (continued)

S650 e-motion – electrically operated sliding system;

S650 Eclipse – minimalist sliding system fully integrated into the floor, allowing the possibility of applying the same finish over the lower guideway.

2. SMARTIA Range:

S67Phos – roto-tipping minimalist system with hidden sash, allowing the minimization of visible aluminum areas, without influencing the maximum size of the windows;

S67 Urban – roto-tipping system with a design characteristic of the architectural industrial trend, replacing successfully the steel profiles specific to this architectural trend

MD67 – access doors system that permits the realization of all the typologies existing in the market, having excellent technical characteristics for the price segment to which it addresses;

In 2020 we continued promoting the systems mentioned above and added new groups of products to the portfolio:

1. **PG120F** – fixed aluminum pergola system;
2. **PG120P and PG160P** – bioclimatic pergola system with rotating blades and the possibility of equipping of shading systems, ZIP screens, sliding glass etc.;
3. **M8200 GLASS RAILINGS** – Premium railings system, which can incorporate glass of 25.52 mm, 21.52 mm, 17.52 mm, 13.52 mm and 10.52 mm;
4. **SUPREME SD115** – pivoting doors system, with remarkable features regarding the thermic performance and anti-theft security;
5. **FC50** – a sophisticate system intended for the realization of fencing and Aluminum fences, ensuring a minimalistic design in accordance with architectural requirements;
6. **S560LT** – carpentry system lift & slide intended for the realization of large lifting slides, under the condition of lower rolling profile of small dimensions and of narrow interlocking profiles;
7. **M630** – minimalist gliding system, which is embedded in the ceiling and walls, offering generous glazed surfaces and minimum visible surfaces of the profiles.

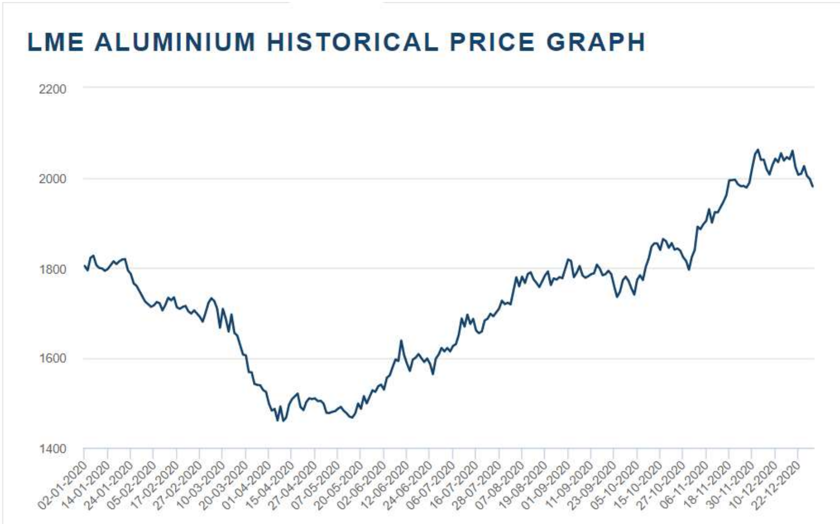
1.1.4 Evaluation of the supply activity

The main supplier of Alumil Rom Industry S.A. is Alumil Aluminium Industry S.A. Greece for both processed and unprocessed profiles. The Company's competitive advantages consist in offering quality products, with a design and functionality of the highest level and the fact that it has access to favorable purchase prices because of the relationship with the parent company from Greece.

The price of Aluminum profiles is strongly influenced by the price of Aluminum on the international market, namely on London Metal Exchange. During 2020, the price of Aluminum on London Metal Exchange (LME) had a fluctuating evolution in the range band of USD 1,500-2,000/ton. The year started with quotes around USD 1,850/ton, with an accentuated decline under USD 1,500/ton in the period March-April, under the impact of fears about the evolution of the world economy after the outbreak of the pandemic. In the second half of the year the trend has reversed, the aluminum quotation increasing constantly, reaching at the year end the threshold of USD 2,000/ton.

(All amounts are expressed in RON, unless otherwise stated)

1. Analysis of the company activity (continued)



Source: LME.com

1.1.5 Evaluation of the sale activity

a) Description of the sales evolution and long-term prospects

In 2020, out of the total turnover of RON 72,915,369, the exports to Group companies represented only RON 2,673,946 (2019: RON 2,195,729). As such the turnover realized on domestic market registered an increase of 8.4%, from RON 65,045,304 in 2019 to RON 70,241,423 in 2020.

	2020	2019
Sales (RON)	72,915,369	67,241,033
Variation compared to the previous year	8.4 %	-28.7 %

Source: Alumil management reporting - financial statements

In 2020 about 96.3% of the turnover was achieved on the domestic market, and the difference of 3.7% represented exports to Alumil Industry S.R.L. in Moldova, to the parent company, Alumil Aluminium Industry S.A. in Greece, and to other companies.

b) Description of the competition and the market share

The profile market for thermal insulation glass joinery in Romania is dominated by the profiles made of PVC (~ 75% of the value) and of Aluminum (more than 20%), according to the market studies performed in recent years. The other types of profiles (wood, steel and Aluminum and wood) have insignificant weights in the total purchases, accumulating about 5% of the market.

The domestic market of the aluminum systems for architectural applications is one with a pretty high degree of concentration, the first 5 competitors owning over ¾ both in volume and in value. The remaining 25% are disputed by a number of 15 companies, which have market shares between 1 and 5%.

The above mentioned 5 competitors are as following (in alphabetical order): Alukonigstahl, Alumil Rom Industry, Aluprof, Cortizo and Reynaers.

(All amounts are expressed in RON, unless otherwise stated)

1. Analysis of the company activity (continued)

The Company estimates that during 2020 it has maintained its market leadership by an estimated share of about 30%, varying between 35% on the retail zone and 20% on the large projects zone.

c) The description of any significant reliance on a single customer or group of customers

In recent years, the total number of customers was 2,500-3,000 and they are mainly aluminum and PVC joinery firms. In 2019, the top ten clients accounted for 24.3% of the total sales, and this weight increased in 2020 when the top ten customers accounted for approximately 25.9% of the total sales. Keeping a percentage as small as possible is due to the fact that the Company has permanently tried to avoid a significant reliance on a single customer or group of customers.

1.1.6 Evaluation of the matters concerning the Company's employees

In 2020, the average number of employees was 155, decreasing with 0.6% compared with the year 2019 (156).

If in December 2019 the number of employees was 164, in December 2020 the number of employees was relatively constant, being 162. Maintaining a constant number of employees is due to measures to optimize the activity of certain departments.

The evolution of the average number of employees:

	2020	2019
Average number of employees	155	156
Change percentage during the period	-0.60%	-13.80%

Source: Management reporting – consolidated statements.

1.1.7 Evaluation of the matters related to the impact of the main activity on the environment

ALUMIL ROM INDUSTRY S.A. holds:

- The Environmental Permit no. PH-124 of 7 December 2018, issued by the Prahova National Agency for Environmental Protection, valid for the entire period during which Alumil obtains annual permit. APM Prahova issued the Decision 274 of 3 December 2020 by which the visa is applied for the period 07.12.2020 - 07.12.2021;

- Water management authorization no. 150 of 25 September 2020, valid through 25 September 2022, concerning the water supply and the discharge of waste water, issued by the “Romanian Waters” National Administration, the S.G.A. Prahova unit.

1.1.8 Evaluation of the research and development activity

Most research and development activities are performed at Group level, in the specialized department of the parent company in Greece. The operations in Romania include a Research & Development department and a technical support one for projects carried out with Alumil profiles. These departments operate closely with the research and development department at Group level, the teams working together to develop new series of profiles and improve existing ones to meet customer requirements.

1. Analysis of the company activity (continued)

1.1.9 The evaluation of the ALUMIL ROM INDUSTRY S.A. risk management activity

The Company's exposure to:

i) **Price risk -** Alumil Rom Industry S.A. has in place a flexible commercial policy and is able to adapt to any price fluctuations, especially since the Aluminum price fluctuations at an international level affects all market participants to the same extent. To this effect, it is an advantage that Alumil Rom is part of a group with high power to acquire and process Aluminum on the international market.

ii) **Interest rate risk -** The Company's exposure to the interest rate fluctuation risk mainly relates to the floating interest-bearing loans contracted by the Company. At the end of 2020, the balance of short-term loans contracted by the Company was RON 0 (2019: RON 1,933,000), and of long-term loans was RON 0 (2019: RON 0). Considering the low gearing, the interest rate risk is also low.

iii) **Credit risk -** The Company trades only with recognized, creditworthy third parties. It is the Company's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis, having as a result an insignificant exposure of the Company to bad debts.

iv) **Liquidity /cash-flow risk -** Much of the Company's sales involve cash receipts or credits granted to customers over a period of several days to several weeks. Together with the loans for working capital, these provide for the current liquidity needs of the Company. During 2020 and 2019, the loans for the working capital were underused, the Company being in a position of financing its activities with own funds. Under these conditions the Company faces a very low liquidity risk.

1.1.10 Perspectives concerning the activity of ALUMIL ROM INDUSTRY S.A.

Alumil Rom Industry S.A. produces and offers to potential customers from Romania Aluminum profiles at international standards with excellent mechanical and physical features, while also providing assistance and advice on all technical aspects of the products.

The main objectives of **Alumil Rom Industry S.A.** are to maintain market leadership in the production and sale of Aluminum profiles in Romania and to focus both on providing innovative, internationally certified products and, from a commercial perspective, on commercial network improving and expanding. The objectives for the coming years are to increase the market share and improve profitability. Additionally to Aluminum profiles, the Company offers a wide range of products in the field, such as outdoor decorative panels, polycarbonate sheets, sun protection systems, interior doors, pergolas, decorative panels and accessories, an important objective being to increase the market share on the segments mentioned above. All these objectives are based on the vision of **Alumil Rom Industry S.A.** and of its parent company from Greece to maintain the leadership on the Southeastern Europe markets and to expand on other markets.

To achieve these objectives in the coming years, **Alumil Rom Industry S.A.** will focus on increasing the quality of customer service, on increased promptness in fulfilling orders and reducing delivery times. These strategic elements have been a priority in recent years, and by improving the existing processes in the coming years, we will manage to achieve new results on these lines. An important step in this regard is the investment from Filipestii de Padure, a European-level investment with high efficiency equipment completed in July 2013. A new stage in this respect is rethinking of national distribution network by the creation of regional Hubs which offer an increased flexibility in carrying-out of the activities al regional level. Thus in 2020 the Hubs in in Cluj and Iasi were opened, being fully operational and serving from commercial and logistic point of view the West and East regions.

An important success factor for **Alumil Rom Industry S.A.** is the experience of more than 30 years of parent company from Greece in the Aluminum extrusion field, the research and permanent development of new products and technologies and the dynamic presence on international markets. Alumil is recognized in Europe as one of the leading suppliers of profile systems for all known architectural applications (windows, doors, facades, skylights, interior partitions), designed, developed and tested by the Development and Research Department of the Company and certified by the International Institute IFT Rosenheim in Germany, a leading authority in the field.

(All amounts are expressed in RON, unless otherwise stated)

1. Analysis of the company activity (continued)

1.1.11 Company estate

Land and buildings

In terms of real estate properties in the Alumil Rom Industry S.A. estate, these are pieces of land located inside and outside the built-up area of localities, and also constructions, some of them ensuring the performance of the Company main activity.

Alumil Rom Industry owns a piece of land of 50,000 sq. m. located in Filipestii de Padure acquired in 2008 from the subsidiary S.C. Alumil Extrusion S.R.L. on which the real estate property with the total area of 8,835 sq. m. was commissioned and the land of 19,102 sq. m. purchased in Filipestii de Padure in 2009.

In December 2010 Alumil Rom Industry SA purchased in Filipestii de Padure a hall with a built area of 2,955.86 square meters and the related land of 11,996 sq. m.

In July 2013, the building of the new production and storage hall as part of the project performed through SOP IEC was completed, with an area 8,835 square meters, and located in Filipestii de Padure, Minieri Village, where the production activity is currently performed.

Tools and machinery

The table below details the equipment, installations and other major assets of the Company. The most important movable property of the Company is the dyeing installation put into operation in 2013. Additionally the Company records various other tools and machinery of lower value.

Category	Description	Date of purchase	Purchase value (RON)
Tool	ELECTROSTATIC PAINTING INSTALLATION SOP IEC 154271	25-Jun-2013	2,251,811
Tool	THERMAL BREAK PRODUCTION LINE SOP IEC 154271/18.05.2011	10-Jul-2013	1,485,683
Tool	WOOD-EFFECT ELECTROSTATIC PAINTING INSTALLATION SOP IEC 154271	25-Jun-2013	1,015,542
Tool	FILIPESTI TREATMENT PLANT SOP IEC 154271/18.05.2011	12-Jul-2013	744,703
Tool	AUTOMATIC SYSTEM FOR WATER TREATMENT THROUGH FILTERING AND DEMINERALIZATION	10-Dec-2013	383,690
Tool	AUTOMATIC SYSTEM FOR STORAGE ON SHELVES SOP IEC 154271/18.05.2011	15-Jul-2013	342,886
Tool	SINGLE-BEAM TRAVELLING CRANE 154271/18.05.2011	1-Jun-2013	308,270
Tool	SINGLE-BEAM TRAVELLING CRANE 154271/18.05.2011	1-Jun-2013	308,270
Tool	FOUR-WAY LIFTING TOOL/SERIES 21719 SOP IEC 154271/18.05.2011	17-Jun-2013	221,091
Tool	FOUR-WAY LIFTING TOOL/SERIES 21720 SOP IEC 154271/18.05.2011	17-Jun-2013	221,091
Tool	ELECTRICAL AND PNEUMATIC SYSTEM FOR ELECTROSTATIC PAINTING INSTALLATION SOP IEC 154271	14-Jun-2013	126,464
Tool	LIFTING SYSTEM FOR PALLETS/BASKETS SOP IEC 154271	10-Jul-2013	122,769

In 2020 there were endownments of warehouses and office spaces of RON 26,566, equipment amounting to RON 75,986, motor vehicles amounting to RON 268,595 and IT equipment amounting to RON 170,432 were purchased.

(All amounts are expressed in RON, unless otherwise stated)

2. The market for the securities issued by the Company

2.1. The markets on which the securities issued by the Company are negotiated

The shares of ALUMIL ROM INDUSTRY S.A. are traded on the market managed by the Bucharest Stock Exchange in Category Standard, section Equity Securities and the Shareholders' Register is managed by the Central Depository SA Bucharest.

2.2. Policy regarding the dividends

The table below details the dividends proposed by the Board of Directors for 2020 and 2019.

	2020	2019
Retained earnings	940,456	1,514,286
Retained earnings from first-time adoption of IAS 29	6,458,159	6,458,159
Net profit	3,672,503	2,426,170
Dividends proposes	3,437,500	3.000.000
Level of appropriation of profit/retained earnings	31.04%	28.85%

Source: Company.

* For 2020, the profit appropriation proposition will be subject to the approval of the SGM of 23 April 2021.

3. Management of the Company

3.1. Company administrators

The current composition of the Company Board of Directors is detailed below:

No.	Name	Position	Date of appointment	Date of expiry of the term
1.	Michail Sotiriou	President of the Board	28.04.2018	27.04.2022
2.	Georgios Mylonas	Vice-president of the Board	28.04.2018	27.04.2022
3.	Evangelia Mylona	Member of the Board	28.04.2018	27.04.2022
4.	Marius Ionita	Member of the Board/C.E.O.	28.04.2018	27.04.2022
5.	Georgios Doukidis	Member of the Board	28.04.2018	27.04.2022

a) Any agreement, understanding or family relation between the administrators and another person having influenced their appointment as an administrator:

Mrs. Evangelia Mylona is Mr. Georgios Mylonas' sister, the latter being the President of the Board of Administration of the parent company - ALUMIL ALUMINIUM INDUSTRY S.A. GREECE.

b) Administrators' contribution to the capital of S.C. ALUMIL ROM INDUSTRY S.A.

No.	Name	Position	No. of shares held	% before IPO	% after IPO
1.	Michail Sotiriou	President of the Board	7,485,150	29.94%	23.95%
2.	Georgios Mylonas	Vice-president of the Board	5,000	0.02%	0.02%
3.	Evangelia Mylona	Member of the Board	5,000	0.02%	0.02%
4.	Marius Ionita	Member of the Board/C.E.O.	600	0.00%	0.00%
5.	Georgios Doukidis	Member of the Board	-	-	-

(All amounts are expressed in RON, unless otherwise stated)

3. Management of the Company (continued)

3.2. Members of the executive management of S.C. ALUMIL ROM INDUSTRY S.A.

The daily operations of the Company are performed by the following managers who are employed by the Company:

(a) Ionita Marius – C.E.O.
(b) Duca Vitalie – Commercial Director
(c) Balasca Ciprian – C.F.O.

Contribution of the executive management to the capital of the company

No.	Name	Position	No. of shares held
1.	Ciprian Balasca	C.F.O.	1,000
2.	Marius Ionita	C.E.O.	600
3.	Vitalie Duca	Commercial Director	600

3.3 Information on the relations with affiliates, subsidiaries and associates

The relations with related companies and daughter companies are detailed below:

Name of entity	Nature of operation with the Company	Country of origin
Alumil EGE SA	Shareholder – Alumil Rom Industry (40.00%)	Turkey
Alumil MISR for Aluminium and Industry SA	Shareholder – Alumil Rom Industry (40.00%)	Egypt
Alumil Aluminium Industry SA	Parent and main supplier of semi-finished goods	Greece
Alumil Industry SRL	Subsidiary of the parent, Alumil Mylonas (70.00%)	Moldova
Alumil Zagreb DOO	Subsidiary of the Company – BH Aluminium DOO Bosnia (100%)	Serbia
BH Aluminium DOO	Subsidiary of the Company – ALPRO Vlasenica AD (100%)	Bosnia
BMP Hellas SA	Subsidiary of the Company – LMG European Twchnologies LTD Cipru (70.074%)	Greece

The individuals referred to at points 3.1.a, 3.1.b and 3.2. are also affiliates.

3.4. The Company internal control includes the following main components:

- A clear definition of responsibilities;
- Work procedures;
- Code of conduct;
- Internal dissemination of relevant information;
- Analysis of main risks and procedures for managing these risks;
- Appropriate control activities for each process;
- Outsourced contract for internal audit.

Control aims at the application of the internal rules and procedures, at all hierarchical and functional levels: approval, authorization, verification, operating performances evaluation, asset securing, and task separation.

3. Management of the Company (continued)

Internal accounting and financial control is a major item of internal control and its main formalizing items relate to:

- The existence of an accounting policy manual, as well as of procedures to apply the related controls;
- Knowledge of the accounting and fiscal legislation's evolution;
- The performance of specific controls on sensitive matters;
- The identification and appropriate treatment of deviations;
- Adapting the software to the entity's needs;
- Ensuring the accuracy and exhaustiveness of the accounting records;
- Complying with the quality characteristics of the information included in the financial statements.

3.5 SGM competence and shareholders' rights

The SGM's competence and shareholders' rights are in accordance with national law.

4. Information regarding Going Concern Plan in the context of COVID-19

In the context of the worldwide fast propagation of COVID-19 virus, of the estimations regarding the increase of the number of infected persons at national level and of the establishment of emergency state by the President of Romania, Alumil revised at the beginning of March 2020 its Going Concern Plan with regards to the identification of risks that COVID-19 could bring in the activity of the Company.
The main concerns of the management team during this period are related in the first place to:

- The safety of entire Alumil team, of the families of employees, clients and collaborators of the Company.
- Ensuring the continuity of activity in all departments, without interruptions, as much as possible under the given conditions.

The measures to prevent the spread of COVID-19 have been applied gradually within the Company, being introduced since the second half of Febuary 2020, being intensified in the first part of March.
The main risks identified concern temporary difficulties in the supply of the Company, in intra-community deliveries, in the optimal assurance of direct and indirect productive personnel of the Company and in the unpredictability of the legal regulations with temporary impact on the economic activity at la national level.
In order to diminish the negative effects on the Company's activity of the potential risks, the following measures have been implemented:

- Ensuring protection and prevention means to maintain the health status of the staff
- Purchase of thermometers for daily checking of the factory personnel from Filipestii de Padure, in order to detect people with potential symptoms of infection with Covid-19
- Start of the tele-working programme for the personnel from the headquarters in Bucharest
- Intensive information campaigns with the purpose of awareness of hygiene rules that must be implemented and complied with in order to prevent contracting the virus, by the entire staff
- Stopping travel abroad for business purposes for all the personnel of the Company
- Stopping organization and participation in activities implying meetings of people outside the company (symposiums, trainings etc.)
- Implementing measures to inform all staff about any symptoms of the disease
- Increased safety stock for certain raw materials and consumables for production
- Ensuring an efficient communication with suppliers from the supply chain in order to ensure measures to prevent malfunctions in the supply chain, related both to the actual supply activity and to any problems of cross-border transport and transit
- Teleconferences and frequent and efficient communication with managers and personnel from the distribution network in order to ensure a fast information flux and a prompt operative decisions.

Until the date of issuing the present information, the trading activity of the Company was not affected by the spread of COVID-19, and the management of the Company is engaged in full and without exceptions implementation of the best management practices and policies so as to ensure the continuity of the economic activity both in the interest of investors and in strict compliance with any measures ordered by the competent authorities.

(All amounts are expressed in RON, unless otherwise stated)

5. Financial and accounting statement

Assets and liabilities during 2020 - 2019

RON

Balance sheet items	**2020**	**2019**
Non-current assets	**37,663,549**	**32,931,303**
Intangible assets	102,296	104,590
Tangible assets	22,491,188	22,060,386
Right of use assets from leasing agreements	5,902,686	4,549,342
Financial assets	5,778,143	5,352,403
Loans granted to related parties	4,869,400	-
Deferred tax asset	519,836	864,582
Current assets	**31,606,953**	**35,529,353**
Inventories	12,529,594	13,651,955
Receivables	11,914,984	14,616,543
Petty cash and bank accounts	7,162,375	7,260,855
TOTAL ASSETS	**69,270,502**	**68,460,656**
Equity	54,579,836	53,907,333
Long-term liabilities	7,922,272	7,835,892
Current liabilities	6,768,394	6,717,431
TOTAL LIABILITIES	**69,270,502**	**68,460,656**

Profit and loss statement for 2020 - 2019

RON

	2020	**2019**
Sale revenues	72,915,369	67,241,033
Cost of sales	(48,463,781)	(45,213,937)
Gross margin	**24,451,588**	**22,027,096**
Other operating income	1,544,324	1,332,850
Sale and distribution expenses	(15,177,430)	(15,024,395)
Administrative expenses	(5,671,847)	(4,887,038)
Operating profit	**5,146,635**	**3,448,513**
Interest and related income	18,663	4,070
Interest expense	(365,378)	(498,698)
Foreign exchange gains/(losses)	(135,266)	379,455
Profit before tax	**4,664,654**	**3,333,340**
Current income tax charge	(647,405)	(747,804)
Deferred income tax	(344,746)	(159,366)
Net profit for the year	**3,672,503**	**2,426,170**
Earnings per share	**0.1175**	**0.0776**

President of the Board of Directors,
Michail Sotiriou

C.E.O.
Marius Ionita

Statement of the Board of Directors
of ALUMIL ROM INDUSTRY Company

The Board of Directors of ALUMIL ROM INDUSTRY Company hereby states that they undertake the liability for the preparation of the annual financial statements as at 31 December 2020.

The Board of Directors of ALUMIL ROM INDUSTRY Company hereby confirms the following concerning the annual financial statements as at 31 December 2020:

a) The annual financial statements are prepared in accordance with the International Financial Reporting Standards as endorsed by the European Union.
b) The accounting policies used for the preparation of the annual financial statements are in compliance with the applicable accounting regulations;
c) The annual financial statements give a fair view of the financial position, financial performance and of the other information regarding the activity performed;
d) The Company performs its activity under the going concern principle.

This Statement is compliant with the provisions of Art. 30 of Accounting Law 82/1991 as republished.

PRESIDENT OF THE BOARD OF DIRECTORS,

Sotiriou Michail

INDEPENDENT AUDITORS' REPORT

To the shareholders of Alumil Rom Industry S.A.

Report on the Audit of the Separate Financial Statements

Opinion

1. We have audited the accompanying separate financial statements of **Alumil Rom Industry S.A. ("the Company")** which comprise the statement of financial position 31 December 2020, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory notes.

2. The separate financial statements mentioned above are identified as follows:

   - Net assets/Total equity: RON 54,579,836
   - Result for the year (profit): RON 3,672,503

3. In our opinion, the accompanying separate financial statements give a true and fair view of the financial position of the Company as at 31 December 2020 and of its financial performance and its cash flows for the year then ended, in accordance with the Order of the Minister of Public Finance no. 2844/2016, approving the accounting regulations compliant with the International Financial Reporting Standards, with all subsequent changes and clarifications.

Basis for Opinion

4. We conducted our audit in accordance with International Standards on Auditing („ISA"). Our responsabilities under those standards are further described in the „Auditor's Responsabilities for the Audit of the Financial Statements" section of our report.

   We are independent of the Company, in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), in accordance with the ethical requirements that are relevant to the audit of the financial statements in Romania, and we fulfilled our ethical responsibilities in accordance with these requirements and the IESBA Code.

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

Key Audit Matters

5. Key audit matters are those matters that, in our professional judgement, were of most significance for the audit of the separate financial statements of the current period. These matters were addressed in the context of our audit of the separate financial statements as a whole and in forming our opinion thereon and we do not provide a separate opinion on these matters. For each matter identified, we presented a description of our approach to address it during our audit.

Accounts receivable

They represent a key audit matter, due to the significance of the trade receivables balance (representing 31.6% of the total current assets) and due to the uncertainties regarding the estimations for determination of the allowance adjustment.

As of 31 December 2020 the Company has receivables amounting to RON 15,012,727 (before the allowance adjustment of RON 5,033,084). The identification and determination of the trade receivable allowance requires management to make judgement and assumptions, representing a process with a high level of uncertainty. The main assumptions considerred by the management in assessing the level of the allowance include: age of the balances, location of customers, existence of litigations / disputes, recent historic of the collections from the customer and any other available information on the creditworthiness of the customers.

Information on the trade receivables allowance is disclosed by the Company in Note 13 to the separate financial statements.

Description of the auditor's response

Our audit procedures focused on:

- assessing the assumptions considerred by the management of the Company (for example in relation to significant balances for which an allowance for trade receivables was recognised or in relation to aged balances for which no allowance was recognised);
- understanding the management's rationale used to identify and assess the allowances;
- obtaining corroborative audit evidence (for example testing the subsequent collections from the customers, analysis of evolution in time of the allowances and their correlation with the customers' balances and the estimated collection dates, correspondence with lawyers representing the Company in the disputes with customers, measures taken by the management to recover the outstanding amounts, checking the compliance with the internal procedures regarding the credit limit given to customers).

We considerred also the consistency of application of the policy for recognising an allowance with the prior years. Specifically we considerred the value of the allowances recognised in previous periods and used during the current year (by recognising in the result for the year of losses from bad debts written-off), as well as of amounts released to revenue as a result of the collections during the current year.

We assessed the adequacy of the Company's disclosures in the separate financial statements of trade receivable allowances.

Other Information

6. Management is responsible for the preparation and disclosure of other information. The other information includes the Administrator's Report, but does not include the separate financial statements and the auditor's report thereon.

   Our audit opinion on the separate financial statements does not cover the other information and unless stated in our report, we do not express any form of assurance conclusion on it.

In connection with our audit of the separate financial statements for the year ended 31 December 2020, our responsibility is to read this other information and, in doing so, consider whether the other information is materially inconsistent with the separate financial statements, or with our other knowledge obtained during the audit, or otherwise appears to be materially misstated. We have nothing to report in this regard.

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

7. Management is reponsible for the preparation and fair presentation of the separate financial statements in accordance with the Order of Minister of Public Finance no. 2844/2016, approving the accounting regulations compliant with the International Financial Reporting Standards, with all subsequent changes and clarifications, and for such internal control as management determines is neccessary to enable the preparation of separate financial statements that are free from material misstatement, whether due to fraud or error.

8. In preparing the separate financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

9. Those charged with governance are responsible for overseeing the process of Company's financial reporting.

Auditors' Responsibilities for the Audit of the Financial Statements

10. Our objectives are to obtain reasonable assurance about whether the separate financial statements, as a whole, are free of material misstatements, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

    Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conduscted in accordance with ISA will always detect a material misstatement, when it exists.

    Misstatements may arise from fraud or error and are considerred material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisons of users taken on the basis of these separate financial statements.

11. As part of an audit in accordance with ISA, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

    - Identify and assess the risks of material misstatements of the separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations and the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the the purpose of expressing an opionion on the effectiveness of the Company's internal control.
- Assess the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of going concern basis for accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company;s ability to continue it's activity. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Assess the overall presentation, structure and content of the separate financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation

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

13. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

14. From the matters communicated to those charged with governance, we determine those matters that were of most significance in the audit of the separate financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rarely circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements responsibilities - Administrators' Report

15. In addition to our reporting responsibilities according to ISA described in section "Other Information", with respect to the Administrators' Report, we have read the Administrators' Report and report that:

- In the Administrators' Report we have not identified information which is not consistent, in all material respects, with the information presented in the accompanying separate financial statements as at 31 December 2020;

- The Administrators’ Report, identified above, includes, in all material respects, the required information according to the provisions of the Ministry of Public Finance Order no. 2844/2016, approving the accounting regulations compliant with the International Reporting Standards, with all subsequent changes and clarifications, Annex 1, points 15-19;

- Based on our knowledge and understanding of the entity and its environment acquired during our audit of the separate financial statements as at 31 December 2020, we have not identified information included in the Administrators’ Report that contains a material misstatement of fact.

Mihaela Manea
Partner
Registered at the Authority for Public Supervision of Statutory Audit Activities with no. AF 155

Autoritatea pentru Supravegherea Publică a
Activității de Audit Statutar (ASPAAS)
Auditor financiar: Mihaela Manea
Registrul Public Electronic: AF 155

Registered at the Chamber of Financial Auditors of Romania with certificate no. 155/15.10.2000

On behalf of Accordserve Advisory SRL
Registered at the Authority for Public Supervision of Statutory Audit Activities with no. AF 155

Autoritatea pentru Supravegherea Publică a
Activității de Audit Statutar (ASPAAS)
Firma de Audit: Accordserve Advisory Srl
Registrul Public Electronic: FA 110

Registered at the Chamber of Financial Auditors of Romania with certificate no. 110/28.11.2001

Bucharest, Romania
19 March 2021

(All amounts are expressed in RON, unless otherwise stated)

	Notes	2020	2019
Net revenue	**23**	**72,915,369**	**67,241,033**
Cost of sales	**24**	(48,463,781)	(45,213,937)
Gross margin		**24,451,588**	**22,027,096**
Other operating income	**23**	1,544,324	1,332,850
Sale and distribution expenses	**25**	(15,177,430)	(15,024,395)
Administrative expenses	**26**	(5,671,847)	(4,887,038)
Operating profit		**5,146,635**	**3,448,513**
Interest income		18,663	4,070
Interest expense	**28**	(365,378)	(498,698)
Foreign exchange gains/(losses)		(135,266)	379,455
Profit before tax		**4,664,654**	**3,333,340**
Current income tax charge	**21**	(647,405)	(747,804)
Deferred income tax	**21**	(344,746)	(159,366)
Net profit for the year		**3,672,503**	**2,426,170**
Other comprehensive income		-	-
Comprehensive income for the year		**3,672,503**	**2,426,170**
Earnings per share		**0.1175**	**0.0776**

Marius Ionita
C.E.O.

Ciprian Balasca
C.F.O.

(All amounts are expressed in RON, unless otherwise stated)

	Notes	31 December 2020	31 December 2019
Non-current assets			
Intangible non-current assets	**8**	102,296	104,590
Tangible non-current assets	**7**	20,491,188	22,060,386
Right of use assets from leasing contracts	**9**	5,902,686	4,549,342
Shares in affiliates	**10**	5,546,195	5,237,128
Loans to affiliates	**32**	4,869,400	-
Long-term receivables	**11**	231,948	115,275
Deferred tax asset	**20**	519,836	864,582
Total non-current assets		**37,663,549**	**32,931,303**
Current assets			
Inventories	**12**	12,529,594	13,651,955
Receivables	**13**	9,979,643	11,216,147
Other receivables and prepayments	**14**	1,935,341	3,400,396
Cash and cash equivalents	**15**	7,162,375	7,260,855
Total current assets		**31,606,953**	**35,529,353**
TOTAL ASSETS		**69,270,502**	**68,460,656**
LIABILITIES AND EQUITY			
Equity			
Capital	**16**	10,337,676	10,337,676
Share premiums		26,693,396	26,693,396
Retained earnings		11,071,118	10,398,615
Reserves		6,477,646	6,477,646
Total equity		**54,579,836**	**53,907,333**
Long-term liabilities			
Long-term loans	**18**	-	-
Investment subsidies	**19**	4,044,466	4,415,261
Lease liabilities	**20**	3,877,806	3,420,631
Deferred income tax	**21**	-	-
Total long-term liabilities		**7,922,272**	**7,835,892**
Current liabilities			
Suppliers and other payables	**22**	4,482,881	3,325,084
Lease liabilities	**20**	2,132,244	1,204,199
Short-term loans	**18**	-	1,933,333
Current income tax payable	**21**	153,269	254,815
Total current liabilities		**6,768,394**	**6,717,431**
LIABILITIES AND EQUITY – TOTAL		**69,270,502**	**68,460,656**

These financial statements and the accompanying notes were approved by the Board of Directors and signed on their behalf on 19 March 2021.

Marius Ionita
C.E.O.

Ciprian Balasca
C.F.O.

(All amounts are expressed in RON, unless otherwise stated)

	Capital	Share premium	Reserves	Retained earnings	Total equity
1 January 2019	**10,337,676**	**26,693,396**	**6,477,646**	**7,972,445**	**51,481,163**
Dividends distributed	-	-	-	-	-
Profit for 2019	-	-	-	2,426,170	2,426,170
31 December 2019	**10,337,676**	**26,693,396**	**6,477,646**	**10,398,615**	**53,907,333**
Dividends distributed	-	-	-	(3,000,000)	(3,000,000)
Profit for 2020	-	-	-	3,672,503	3,672,503
31 December 2020	**10,337,676**	**26,693,396**	**6,477,646**	**11,071,118**	**54,579,836**

The legal reserves of the Company, set in accordance with the Company Law, are in an amount RON 1,250,000 as at 31 December 2020 (31 December 2019: RON 1,250,000).

The legal reserve is set in accordance with the provisions of the Romanian Company Law, which requires that 5% of the annual accounting profit is transferred to legal reserves until the balance of this reserve reaches 20% of the share capital of the Company. If this reserve is used in full or in part for covering the losses or for the distribution in any way (such as issuing of new shares according to the Companies Law), it becomes taxable.

(All amounts are expressed in RON, unless otherwise stated)

	2020	**2019**
Cash flows from operating activities		
Profit before tax	**4,664,654**	**3,333,340**
Adjustments for monetary items:		
Amortization expenses 7, 8, 9	4,707,650	3,260,160
Setting /(reversal) of provisions for doubtful customers and inventories	(3,751,077)	(1,367,980)
Setting /(reversal) of provisions, net	(97,293)	36,407
(Profit) /loss from sale of tangible assets	(43,463)	(339,719)
Revenues from reversal of investment subsidies	(370,795)	(373,147)
Interest (income)/expenses – net	306,092	410,690
Operating income before other changes in working capital	**5,415,768**	**4,959,751**
(Increases)/Decreases in trade and other receivables	6,386,551	853,138
(Increase)/decrease in inventories	1,071,772	558,539
Increases/(decreases) in suppliers and other payables	1,720,798	(3,483,301)
Net cash after changes in working capital	**14,594,889**	**2,888,127**
Income tax paid	(748,950)	(544,361)
Interest paid	(310,553)	(414,760)
Net cash generated from / (used in) operating activities	**13,535,386**	**1,929,006**
Net cash flows from investment		
Purchases of tangible, intangible and financial assets 7, 8, 10	(909,071)	(1,093,835)
Interest received	4,460	4,070
Cash advances and loans granted to affiliates	(4,869,400)	-
Net cash generated from / (used in) investment	**(5,774,011)**	**(1,089,765)**
Cash flows from finance activities		
Dividends paid	(3,000,000)	-
Loans reimbursement 18	(1,933,333)	(3,133,205)
Payments for lease liabilities	(2,926,522)	(1,173,842)
Net cash (used in) finance activities	**(7,859,855)**	**(4,307,047)**
Increase/(decrease) in cash and cash equivalents	(98,480)	(3,467,806)
Cash and cash equivalents at beginning of period	**7,260,855**	**10,728,661**
Cash and cash equivalents at the end of period	**7,162,375**	**7,260,855**

1. GENERAL INFORMATION

ALUMIL ROM INDUSTRY S.A. is a Romanian trading company with private capital, having head office in Bucharest, Soseaua Bucuresti Ploiesti no. 42-44, Complex Baneasa Business & Technologiy Park, Sector 1, Romania, having a national distribution network through the warehouses from Bucharest, Alba-Iulia, Bacau, Baia-Mare, Bistrita, Brasov, Cluj-Napoca, Craiova, Constanta, Galati, Iasi, Pitesti, Ploiesti, Slatina, Targu-Mures, Timisoara, Filipestii de Padure. Alumil Rom Industry is a joint-stock company. Starting May 2007, the Company shares are listed on the Bucharest Stock Exchange.

ALUMIL ROM INDUSTRY S.A. Company is a member of a European multinational industrial group involved in Aluminum extrusion. The direct and ultimate parent of the Company is ALUMIL ALUMINIUM INDUSTRY S.A., a company with the trading name ALUMIL S.A., established in 1998, registered in Kilkis, Greece, 61100.

The main activity of the Company

ALUMIL ROM INDUSTRY S.A. sells Aluminum profiles and accessories, equipment for Aluminum joinery, interior doors and Aluminum panels.

Going concern

The financial statements have been prepared on the assumption that assuming that the Company will continue its activity without important changes in the predictable future.

2. OPERATING ENVIRONMENT

In recent years, Romania has undergone substantial political and economic changes. Romania is a market with a developing business infrastructure. The operations performed in Romania involve risks. The dynamic regarding the political, legal and tax environments could significantly affect the Company’s ability to perform its commercial activity and it is not possible to estimate what changes may occur or their effect on the Company’s financial conditions or future operating results.

3. BASIS FOR PREPARATION

The separate financial statements of the Company have been prepared in accordance with the provisions of Order of the Minister of Public Finance no. 2844/2016 approving the accounting regulations compliant with the International Financial Reporting Standards applicable to companies whose securities are admitted to trading on a regulated market, with all subsequent changes and clarifications. These provisions are aligned with the requirements of the International Financial Reporting Standards (IFRS) as endorsed by the European Union (EU), with the exception of the provisions of IAS 21 The Effects of Changes in Foreign Exchange Rates regarding the functional currency. For the purposes of the preparation of these financial statements in accordance to Romanian legislative requirements, the functional currency of the Company is deemed to be the Romanian Leu (RON).

For all periods up to and including the year ended 31 December 2011, the Company prepared its financial statements in accordance with Romanian generally accepted accounting practice (MOF 3055/2009 as subsequently amended). Starting the year ended 31 December 2012, the Company prepares separate financial statements according to IFRS.

The financial statements are presented in RON and all amounts are rounded to the nearest RON, unless otherwise stated. The financial statements have been prepared on a historic cost basis.

The Company also prepared for the period 2007 – 2017 consolidated financial statements according to IFRS as adopted by the EU, which are available on the Company website www.alumil.com/ro.

4. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The adopted accounting policies are consistent with those applied in the prior financial year, except the following amended IFRS, which were adopted by the Company as of 1 January 2020:

- **Definition of a Business – Amendments to IFRS 3**
  The amendments become effective for annual periods beginning on or after 1 January 2020 to help entities determine whether an acquired set of activities and assets is a business or not. They clarify the minimum requirements to be a business, remove the assessment of whether market participants are capable of replacing any missing elements, add guidance to help entities assess whether an acquired process is substantive, narrow the definitions of a business and of outputs, and introduce an optional fait value concentration test.
  Management assessed that the impact of these amendments on the financial statements is limited.

- **Definition of Material – Amendments of IAS 1 and IAS 8**
  The amendments become effective for annual periods beginning on or after 1 January 2020 to allign the definition of „material” across the standards and to clarify certain aspects of the definition. The new definition states that, „Information is material if ommiting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.
  The amendments must be applied prospectively. Early application is permitted and must be disclosed.
  Management assessed that the impact of these amendments on the financial statements is limited.

- **Interest Rate Benchmark Reform – Amendments to IFRS 9, IAS 39 and IFRS 7**
  The amendments become effective for annual periods beginning on or after 1 January 2020, concluding phase one of response to the effects of Interbank Offered Rates (IBOR) reform on financial reporting.
  The amendments provide temporary reliefs which enable hedge acoounting to continue during the period of uncertainty before the replacement of an existing interest rate benchmark with an alternative nearly risk-free interest rate (an RFR).
  The amendments must be applied retrospectively. Early application is permitted and must be disclosed.
  Management assessed that the impact of these amendments on the financial statements is limited.

- **The Conceptual Framework for Financial Reporting**
  The *revised Conceptual Framework for Financial Reporting* is not a standard. Its purpose is to set out a comprehensive set of concepts for financial reporting, standard settings, guidance for preparers in developing consistent accounting policies and assistance to others in their efforts to understans and interpret the standards.
  The changes to the *Conceptual Framework* may affect the application of IFRS in situations where no standard applies to a particular transaction or event. It become effective for annual periods beginning on or after 1 January 2020.

- **Covid-19-Related Rent Concessions – Amendment to IFRS 16**
  The amendments become effective for annual periods beginning on or after 1 January 2020. Earlier application is permitted, including in financial statements not yet authorized for issue at 28 May 2020.
  In May 2020, the IASB amended IFRS 16 to provide relief to lessees from applying the IFRS 16 guidance on lease modifications to rent concessions arising as a direct consequence of the Covid-19 pandemic. The amendment does not apply to lessors.
  As a practical expedient, a lessee may elect not to assess whether a Covid-19 related rent concession from a lessor is a lease modification.

4. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (continued)

- **IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments)**.
  The date when the amendments become effective was not yet established by the IASB, however early application is permitted and must be disclosed.

  The amendments clarify that a full gain or loss is recognized when a transfer to an associate or joint venture involves a business as defined in IFRS 3. Any gain or loss resulting from the sale or contribution of assets that does not constitute a business, however, is recognized only to the extent of unrelated investors' interests in the associate or joint venture.
  Management assessed that the impact of these amendments on the financial statements is limited.

Standards issued but not yet effective and not early adopted

- **Interest Rate Benchmark Reform – Phase Two – Amendments to IFRS 9, IAS 39, IFRS 4 and IFRS 16**
  The amendments become effective for annual periods beginning on or after 1 January 2021, completing the response to the effects of Interbank Offered Rates (IBOR) reform on financial reporting.
  The amendments provide temporary reliefs which enable hedge acoounting to continue during the period of uncertainty before the replacement of an existing interest rate benchmark with an alternative nearly risk-free interest rate (an RFR).
  The amendments are mandatory,with earlier application permitted. While application is retrospective, an entity is not required to restate prior periods.
  Management did not assess yet the impact of these amendments on the financial statements.

- **Reference to the Conceptual Framework – Amendments to IFRS 3**
  The amendments become effective for annual periods beginning on or after 1 January 2022.
  The amendments add an exception to the recognition principle of IFRS 3 to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within te scope of IAS 37 *Provisions, Contingent Liabilities an Contingent Assets* or IFRIC 21 *Levies*, if incurred separately.
  At the same time, the amendments add a new paragraph to IFRS 3 to clarify that contingent assets do not qualify for recognition at the acquisition date.
  Management did not assess yet the impact of these amendments on the financial statements.

- **Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16**
  The amendments become effective for annual periods beginning on or after 1 January 2022.
  The amendments prohibits entities from deducting from the cost of an item of property, plant and equipment (PP&E), any proceeds of the sale of items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead an entity recognizes the proceeds from selling such items, and the costs of producing those items, in profit or loss.
  Management did not assess yet the impact of these amendments on the financial statements.

- **Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37**
  The amendments become effective for annual periods beginning on or after 1 January 2022.
  The amendments apply a 'directly related cost approach'. The costs that relate directly to a contract to provide goods or services include both incremental costs (e.g., the costs of direct labour and materials) and an allocation of costs directly related to contract activities (e.g., depreciation of equipment used to fulfil the contract as well as costs of contract management and supervision). General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.
  Management did not assess yet the impact of these amendments on the financial statements.

4. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (continued)

- **IFRS 17 *Insurance Contracts***
  The standard becomes effective for annual periods beginning on or after 1 January 2023, replacing IFRS 4 *Insurance Contracts*. It is a comprehensive new accounting standard for insurance contracts, covering recognition and measurement, presentation and disclosure. IFRS 17 applies to all types of insurance contracts (life, non-life, direct insurance and re-insurance).
  An entity is required to choose one of the following two alternatives:

  - Modified retrospective approach;
  - Fair value approach

  Early application is permitted, with comparatives figures required.
  Management did not assess yet the impact of this new standard on the financial statements.

- **Classification of Liabilities as Current or Non-Current – Amendments to IAS 1**
  The amendments become effective for annual periods beginning on or after 1 January 2023. Amendments were issued to paragraphs 69 to 76 of IAS 1 *Presentation of Financial Statements* to specify the requirements for classifying liabilities as current or non-current.
  Management did not assess yet the impact of this new standard on the financial statements.

- **IASB has issued the Annual improvements to IFRSs – 2018 - 2020 Cycle,** which is a collection of amendments to IFRS:

  - *IFRS 1 First-time Adoption of International Financial Reporting Standards* – **Subsidiary as a first-time adopter** – the amendment permits a subsidiary that elects to apply paragraph D16(a) of IFRS 1 to measure cumulative translation differences using the amounts reported by the parent, based on the parent's date of transition to IFRS. This amendment is also applied to an associate or joint venture that elects to apply paragraph D16(a) of IFRS 1. The amendments became effective on effective for annual periods beginning on or after 1 January 2022 and early application is permitted;

  - *IFRS 9 Financial Instruments* – **Fees in the '10 per cent' test for derecognition of financial statements** – The amendments clarifies the fees that an entity includes when assessing whether the terms of a new of modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either borrower or lender on the other's behalf. The amendments became effective on 1 January 2022 and early application is permitted;

  - *Illustrative Examples accompanying IFRS 16 Leases* – **Lease incentives** – The amendment removes the illustration of payments from the lessor relating to leasehold improvements in illustrative Example 13 accompanying IFRS 16 This removes potential confusion regarding the treatment of lease incentives when applying IFRS 16;

  - *IAS 41 Agriculture* – **Taxation in fair value measurements** – The amendment removes the requirement in paragraph 22 to IAS 41 that entities exclude cash flows for taxation when measuring the fair value of assets within the scope of IAS 41. The amendments became effective on 1 January 2022 and early application is permitted.

  Management did not assess the impact of these amendments on the financial statements.

5. SUMMARY OF ACCOUNTING POLICIES

The significant accounting policies adopted for the preparation of the financial statements are detailed below:

a) Estimates and assumptions

The preparation of the IFRS financial statements requires management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and related information, and the disclosure of contingent liabilities, at the end of the reporting period. Real results may be different from these estimates. These estimates are reviewed periodically and, where adjustments are required, they are reported in income statement in the periods when they occur.

Uncertainty about these assumptions and estimates could result in material adjustments in the future to the amounts disclosed on the financial statements.

The Company makes estimates concerning the capacity to cash in the invoices having overdue maturities and set provisions for that portion of the receivables for which the receipt becomes uncertain. Specific provisions are set for the clients against which legal procedures were opened, regardless of their age. For invoices older than one year, the Company sets provisions covering 100% of their value. For determining this percentage, the Company is analyzing the history of receipts and the current economic conditions. If recent information shows that it is necessary to adjust the provision, the Company will register an adjustment of it in the period when the conditions leading to the discounting of the provision were identified. Since the Company cannot foresee the changes in the clients' future financial stability, it is possible that, in the future, the setting of additional provisions will be necessary.

b) Shares in affiliates

The investments held in affiliates are disclosed on the Company separate financial statements at cost, minus potential impairment losses. The dividends receivable from the affiliates are recognized when the Company right to receive the payment is established. The impairment losses identified are recognized in profit and loss (Note 5f).

c) Tangible assets

Tangible assets are measured at cost, as adjusted for the effect of hyperinflation until 31 December 2003.

The initial cost of tangible assets comprises its purchase price, including import duties and non-refundable purchase taxes and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditures incurred after the fixed assets have been put into operation, such as repairs and maintenance costs, are normally charged to the statement of comprehensive income in the period when they are incurred. In situations where it can be clearly demonstrated that the expenditures have resulted in an increase in the future economic benefits expected to be obtained from the use of the asset beyond its originally assessed standard of performance, the expenditures are capitalized as an additional cost.

Depreciation is charged on a straight-line basis, using the economic useful lives estimated by the management and considered to be representative from the perspective of the use Company using the future economic benefits generated by the assets. The subsequent improvement costs are capitalized and amortized over the remaining useful life of the asset. No depreciation is computed for land.

The estimated useful lives are as follows:

5. SUMMARY OF ACCOUNTING POLICIES (continued)

c) Tangible assets (continued)

Category	**Useful live (years)**
Buildings and special constructions	20 – 60
Tools and machinery	5 – 15
Motor vehicles	4 – 6
Furniture	3 – 15

The estimated useful lives and depreciation method are reviewed periodically to ensure that they are consistent with the expected pattern of economic benefits from tangible assets.

The Company management assesses on an annual basis whether there is an indication that the net value of assets may be impaired. If any indication exists, the Company estimates the asset's recoverable amount and, where appropriate, it records impairment expenses for the difference between the recoverable amount and the net book value.

Tangible assets are eliminated from the balance sheet when the asset is disposed or when no benefits are expected from its use. Gains or losses on the retirement/sale of non-current assets are recognized in the statement of comprehensive income.

d) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

e) Intangible assets

Intangible assets are measured at cost and are amortized on a straight-line basis over 3 to 5 years.

f) Impairment of non-financial assets

According to IAS 36 *Impairment of Assets*, the value of the tangible, intangible and financial assets is assessed annually for identifying the circumstances indicating their impairment. Whenever the net value of an asset exceeds its recoverable amount, an impairment loss is recognized in the statement of comprehensive income for tangible and intangible assets.

The recoverable amount of an asset is the higher of the fair value less the costs generated by the asset's sale and the value in use.

The fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date and the value in use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit.

The recoverable amounts are estimated for individual assets, and when this is not possible, for cash flow generating units. The reversal of impairment losses recognized in prior years may only occur when there is an indication that the impairment loss previously recorded for that asset may no longer exist or may have decreased, the reversal is charged as income.

5. SUMMARY OF ACCOUNTING POLICIES (continued)

g) Financial assets

In accordance with IFRS 9 *Financial Instruments,* when the Company first recognizes a financial asset, it classifies it based on its business model for managing the asset and the asset's contractual cash flow characteristics as follows:

- Amortised cost – a financial asset is measured at amortised cost if both of the following conditions are met:

  - The asset is held within a business model whose objective is to hold assets in order to collect individual cash flows; and
  - The contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

- Fair value through other comprehensive income – financial assets are classified and measured at fair value through othe comprehensive income if they are held in a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets;

- Fair value through profit and loss – any financial asetsa that are not held in one of the twom business models mentioned are measured at fair value through profit and loss.

When, and only when, an entity changes its business model for managing financial assets it must reclassify all affected financial assets.

Receivables and loans are the most relevant for the Company. Receivables and loans are non-derivative financial instruments with fixed determinable payments that are not quoted on an active market. After initial recognition, these financial assets are recognized at depreciated cost using the effective interest rate method. The depreciated cost is computed by taking into account any discount, premium or purchase costs that form the effective interest rate. The depreciation based on the effective interest rate is included in profit and loss under financial result. The losses resulted from depreciation are recognized in profit and loss under financial result, in case of loans, and under operating expenses, in case of receivables.

Financial assets, other than FVTPL, are assessed for indicators of impairment at the end of each reporting period.

Financial assets are considered impaired when there is objective proof that, following one or several events that took place after the initial recognition of the financial asset, the estimated future cash flows of the investment were affected.

Objective proof of impairment could include:

- Significant financial difficulties of the issuer or partner; or
- Breaching the contract, such as the failure to comply with the financial obligations or deviations from the payments of interest or principal; or
- It becomes likely that the debtor will become insolvent or subject to financial reorganization; or
- The disappearance of an active market for the financial asset because of the financial difficulties.

For certain categories of financial assets, such as trade receivables, assets that are assessed as individually impaired are, in addition, assessed for impairment collectively. The objective proof of an asset's impairment could include the Company's past experience in collecting payments, an increase in the portfolio's number of late payments above the average credit period, as well as the noticeable changes in the national or local economic conditions that are correlated with the failure to comply with the financial obligations related to receivables.

5. SUMMARY OF ACCOUNTING POLICIES (continued)

g) Financial assets (continued)

The carrying amount of the financial asset is decreased by impairment losses directly for all financial assets, except for trade receivables, where the book value is decreased by using an allowance for impairment account. Subsequent recoveries of values canceled previously are credited to the allowance for impairment account. Changes in the carrying amount of the allowance for impairment account are recognized in profit and loss.

Impairment of financial assets is recognised in stages:

Stage 1 – as soon as a financial instrument is originated or purchased, 12-month expected credit losses are recognised in profit or loss and a loss allawance is established. This Serves as a proxy for the initial expectations of credit losses. For financial assets, interest revenue is calculated on the gross cattying amount (ie without deduction for expected credit losses);

Stage 2 – if the credit risk increases significantly and is not considered low, full lifetime expected credit losses are recognised in profit or loss. The calculation of interest revenue is the same as for Stage 1;

Stage 3 – if the credit risk of a financial assets increases to the point that it is considered credit-impaired, interest revenue is calculated based on the amortised cost (ie the gross carrying amount less the loss allowance). Financial assets at this stage will generally be assessed individually. Lifetime expected credit losses are recognised on these financial assets.

The financial assets are derecognized when the rights to receive cash flows from the asset have expired or the Company has transferred its rights to receive cash flows from the asset (either directly or under a “pass-through” arrangement). The Company has no financial assets at fair value through profit and loss or financial assets available for sale.

h) Financial liabilities

In accordance with IFRS 9 *Financial Instruments*, the Company’s financial liabilities are measured at amortized cost, except for the financial liabilities at fair value through profit or loss. Such liabilities include derivatives (other than derivatives that are financial guarantee contracts or are designed and effective hedging instruments), other liabilities held for trading, and liabilities that an entity designates to be measured at fair value through profit or loss (see “fair value option” below). After initial recognition, an entity cannot reclassify any financial liability.

Fair value approach
The entity may, at the time of initial recognition, irrevocably designate a financial asset or financial liability that would otherwise be measured at amortized cost or fair value through other income to be measured at fair value through profit or loss if this approach would eliminate or would significantly reduce inconsistencies in measurement or recognition (sometimes referred to as “accounting mismatch”) or results in any other way in more relevant information.

The Company’s financial liabilities classified as: loans, trade and other payables. These financial liabilities are recognized initially at fair value net of the transaction costs directly attributable and are subsequently measured at amortized cost or based on the effective interest rate method.

Gains and losses are charged to the statement of comprehensive income when the liabilities are derecognized, as well as through the amortization process.

The financial liabilities are derecognized when the obligation is met or cancelled or expires.

The financial assets and liabilities are offset only when the Company has an enforceable legal right to offset and the intention to settle on a net basis, or to realize the assets and settle the liability simultaneously.

(All amounts are expressed in RON, unless otherwise stated)

6. SUMMARY OF ACCOUNTING POLICIES (continued)

i) Foreign currency transactions

The functional and presentation currency: the financial statements of the Company are prepared in the currency of the economic environment in which it operates. The functional and presentation currency for the financial statements is the Romanian Leu ("RON").

Transactions arising in foreign currencies are translated into RON at the exchange rate prevailing at the date of the transaction. Monetary assets and liabilities in foreign currencies are re-measured in RON at the exchange rate prevailing at the balance sheet date. Foreign exchange gains or losses, either realized or unrealized, are charged to the statement of comprehensive income. The RON/USD and RON/EUR as at 31 December 2020 and 2019 are detailed below:

Currency	31 December 2020	31 December 2019
RON/EUR	4.8694	4.7793
RON/USD	3.9660	4.2608

j) Inventories

Inventories are valued at the lower of cost and net realizable value, using the weighted average cost method.

The net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale. Where necessary, impairment is recorded for excess, obsolete or defective inventory.

k) Receivables

Receivables are initially carried at the fair value of the consideration receivable and subsequently measured at amortized cost, after allowance for impairment estimated based on factors relevant for their collectability. Evidence of impairment include indications that a debtor or a group of debtors is experiencing significant financial difficulty, default or delinquency in payments, the probability that they will enter in bankruptcy or other financial reorganization. Actual losses may differ from current estimates.

l) Cash and cash equivalents

Cash includes petty cash and bank accounts. Cash equivalents are highly liquid short-term investments that can be quickly transformed into a known amount, with original maturity of at most three months and have an insignificant risk of change in value.

m) Payables

Liabilities are initially carried at the fair value of the consideration payable and subsequently measured at amortized cost, and include amounts payable, whether or not invoiced, for goods, works and services.

5. SUMMARY OF ACCOUNTING POLICIES (continued)

n) Loans

The Company classified the loans in short and long-term loans, according to the maturity provided by the loan agreement.

The loans are initially carried at the amount of the drawings, net of transaction costs. Subsequently, they are reflected at amortized cost using the effective interest rate, the difference between the amount of the drawings and the amount reimbursable being carried in the net profit for the period, over the loan period. The transaction cost includes commissions and fees paid to agents, brokers or dealers.

o) Government grants

Government grants are recognized where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognized as income over the period necessary to match the grant on a systematic basis to the costs that it is intended to compensate. When the grant relates to an asset, it is recognized as deferred income and released to income in equal amounts over the expected useful life of the related asset.

When loans or similar assistance are provided by governments or related institutions with an interest rate below the current applicable market rate, the effect of this favorable interest is regarded as additional government grants.

p) Employee benefits

Short-term benefits:

Short-term employee benefits include salaries and social security contributions. They are recognized as expenses as services are rendered.

Post-employment benefits – pension plan:

Both the Company and its employees have the obligation to pay monthly contributions (including social security contributions) to the National Pension Fund administered by the Social Insurance of the Romanian State and to private pension funds (starting 2008). Therefore, the Company has no legal obligation to pay future amounts, other than these contributions related to pensions. If the Company no longer employs new personnel who are members of the Social Insurance of the Romanian State, it will have no obligation to pay the benefits obtained by its employees in prior years. The Company contributions to the pension plan are charged to the statement of comprehensive income in the year to which they relate.

Compensation benefits – pension plan:

As provided by the Romanian Law, the Company makes compensation payments in cases of downsizing, whether or not related to reorganization. The expenses with these payments are recognized when the management decides to adopt a plan that will result in future compensation payments and, until the balance sheet date, it either starts to implement the restructuring plan or provided information about the restructuring plan to those affected by it in a sufficiently specific manner to raise a valid expectation that the Company will carry out the restructuring.

5. SUMMARY OF ACCOUNTING POLICIES (continued)

q) Profit tax

The tax on the profit or loss for the year comprises the current tax and the deferred tax. Current tax assets and liabilities for the current and prior periods are carried at the amount expected to be recovered from or paid to the taxation authorities.

The current income tax is computed according to the fiscal legislation in force in Romania and is based on the results reported on the statement of comprehensive income of the Company, prepared in accordance with the local accounting standards, following any adjustments for fiscal purposes. The current income tax is applied on the accounting profit adjusted according to the fiscal legislation in a rate 16% (2019: 16%). The fiscal losses may be carried forward for seven years.

The deferred income tax reflects the tax effect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the fiscal amounts used for current income tax purposes. The deferred income tax recoverable or payable is determined using the tax rate expected to be applicable in the year when the temporary differences will be recovered or settled. The assessment of the deferred tax payable or recoverable reflects the tax consequences that would result from the manner in which the Company expects to realize or settle the carrying amount of its assets and liabilities as at the balance sheet date.

The deferred tax liabilities are recognized regardless of the time when is probable to realize the temporary differences. Deferred tax assets and liabilities are not discounted. Deferred tax assets are recognized when it is probable that future taxable profit will be available against which the deferred tax can be utilized. Deferred tax liabilities are recognized for all taxable temporary differences.

r) Value Added Tax (VAT)

The revenues, expenses, assets and liabilities are recognized net of the amount of VAT, except:

- When the VAT incurred on a purchase of assets or services is not recoverable from the taxation authority, it is recognized as part of the cost of acquisition of the asset or as part of the expense item as applicable.
- Receivables and liabilities are stated with the amount including VAT.

The net VAT amount recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

s) Revenue recognition

The revenue is recognized in accordance with IFRS 15 *Revenues from Contracts with Customers*, which establishes a five-step model that will apply to revenue earned from a contract with a customer (with limited exceptions), regardless of the type of revenue transaction or the industry

The sales, which exclude taxes and discounts, are recognized on delivery of the goods or the rendering of the services and when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on their delivery.

Interest income is recognized when the interest becomes due (using the effective interest rate, being the rate that equalizes the estimated future cash flows over the life of the financial instrument with the net carrying amount of the financial asset).

The revenues from dividends are recognized when the Company’s right to receive the payment is established.

5. SUMMARY OF ACCOUNTING POLICIES (continued)

t) Fair value of financial instruments

The company is valuing the financial instruments at the fair value as the balance sheet date. Presentations related to the fair value of financial instruments are presented in Note 17. Fair value is the price the company would receive for the sale of an asset or for transferring a liability within a transaction between two market participants at the date of measuring. The fair value is determined based on the assumption that the transaction to sell the asset or transfer the liability takes place:

- On the main market of assets and liabilities, or
- In the absence of a main market, on the most advantageous market for that asset or liability

The fair value of an asset or of a liability is determined based on the assumptions the market participants would use, assuming that the market participants were acting to their best economic interests.
All assets and liabilities for which the fair value is determined or presented in the financial statements are included in the fair value hierarchy, presented below, based on the lowest input that is significant for determining the fair value:

- Level 1 — Unadjusted market prices for similar assets or liabilities
- Level 2 — Valuation techniques for which the lowest input value, significant for the fair value, is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest material input value is not observable

For assets and liabilities recognized in the financial statements at fair value based on a recurrent basis, the Company determines whether there were transfers between hierarchy categories by assessing the categorization at the end of each reporting period. In order to present the fair value, the company has determined classes of assets and liabilities based on the nature, characteristics and risks of the assets and liabilities, as well as on the fair value hierarchy, as presented above.

u) Provisions

The provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, and if it is probable (is more likely than not) that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The provisions are reviewed at the end of each financial year as adjusted to reflect the current best estimate. When the effect of the time value of money is material, the amount of the provisions is the discounted amount of the expenses necessary to settle the obligation.

v) Contingencies

Contingent liabilities are not recognized in the financial statements. They are disclosed in the notes, unless the possibility of an outflow of resources embodying economic benefits is remote.

A contingent asset is not recognized in the consolidated financial statements but disclosed in the notes when an inflow of economic benefits is probable.

w) Subsequent events

The events after the balance sheet date are those events, favorable or unfavorable, that occur between the balance sheet date and the date when the financial statements are authorized for issue.

The events after the balance sheet date that provide additional information on the Company position at the balance sheet date are adjusting events after the balance sheet date.

(All amounts are expressed in RON, unless otherwise stated)

5. SUMMARY OF ACCOUNTING POLICIES (continued)

w) Subsequent events (continued)

The events after the balance sheet date that are indicative of the conditions that arose after the balance sheet date are non-adjusting events after the balance sheet date.

x) Affiliates

A party is considered an affiliate when, through ownership, by contract, family relations or otherwise, has the ability to control, directly or indirectly, or to have a significant influence over the other party. Affiliates also include individuals such as the main owners, the management, and members of the Company's Board of Directors and members of their families.

6. SEGMENT REPORTING

Alumil Rom Industry offers a wide range of Aluminum profiles and accessories and tools used for Aluminum profiles processing. The Company has a single operating segment according to IFRS 8.

The sale detailing by value for the main categories of products is as follows:

Product category	**2020**	**2019**
Profiles	48,767,448	46,679,652
Accessories	21,288,410	18,688,287
Composite Aluminum panels	588,927	313,362
Systems for automation applications	399,726	788,956
Painting services, waste, and other	1,870,858	770,776
Total	**72,915,369**	**67,241,033**

The value structure of the sales on the domestic and foreign market, respectively, is shown below:

Market	**2020**	**2019**
Domestic	70,241,423	65,045,304
Foreign	2,673,946	2,195,729
Total	**72,915,369**	**67,241,033**

(All amounts are expressed in RON, unless otherwise stated)

7. TANGIBLE ASSETS - NET

As at 31 December 2020 and 2019, the tangible assets – net, are as follows:

	31 December 2020	31 December 2019
Land and buildings	15,697,220	16,468,161
Equipment and motor vehicles	4,241,162	5,100,331
Furniture	548,830	491,894
Advances and tangible assets in progress	3,976	-
Total tangible assets	**20,491,188**	**22,060,386**

The evolution of the tangible assets during the period 31 December 2019 to 31 December 2020 is shown below:

	Land and Buildings	Tools and motor vehicles	Furniture	Advances and tangible assets in progress	Total
Cost					
01 January 2019	**20,432,653**	**20,834,005**	**2,243,572**	**-**	**43,510,230**
Additions 2019	-	79,716	42,581	150,455	272,752
Disposals 2019	(114,176)	(63,657)	(7,124)	-	(184,957)
Transfers 2019	61,781	88,674	-	(150,455)	-
31 December 2019	**20,380,258**	**20,938,738**	**2,279,029**	**-**	**43,598,025**
Additions 2020	-	265,616	121,976	157,962	545,554
Disposals 2020	(48,667)	(566,514)	-	-	(615,181)
Transfers 2020	26,566	78,964	48,456	(153,986)	-
31 December 2020	**20,358,157**	**20,716,804**	**2,449,461**	**3,976**	**43,528,398**
Accumulated depreciation					
01 January 2018	**3,090,339**	**14,684,204**	**1,670,642**	**-**	**19,445,185**
Expense for 2018	824,296	1,203,888	123,617	-	2,151,801
Accumulated depreciation related to disposals 2018	(2,538)	(49,685)	(7,124)	-	(59,347)
31 December 2018	**3,912,097**	**15,838,407**	**1,787,135**	**-**	**21,537,639**
Expense for 2019	764,792	1,066,170	113,496	-	1,944,458
Accumulated depreciation related to disposals 2019	(15,952)	(428,935)	-	-	(444,887)
31 December 2019	**4,660,937**	**16,475,642**	**1,900,631**	**-**	**23,037,210**
Remaining value					
31 December 2019	**16,468,161**	**5,100,331**	**491,894**	**-**	**22,060,386**
31 December 2020	**15,697,220**	**4,241,162**	**548,830**	**3,976**	**20,491,188**

As at 31 December 2020 and 31 December 2019, the Company management verified whether indication that assets may be impaired exists and concluded no such indication, from external or internal sources, existed.

(All amounts are expressed in RON, unless otherwise stated)

7. TANGIBLE ASSETS – NET (continued)

Borrowing costs capitalized

The Company signed in May 2011 the funding agreement with the Managing Authority within the Ministry of Economy, Trade and Business Environment, as part of the “Sectoral Operational Program Increasing Economic Competitiveness”. The project was implemented over 26 months and consisted in the building of the industrial hall and of the office area, and the purchase of state-of-the-art tools and equipment. The main equipment purchased under the project are: thermal break profile production line, wood-effect electrostatic painting, wood-effect horizontal electrostatic painting, treatment plant, lifting system for pallets, travelling cranes, automatic system for storage on shelves, etc.

The project was finalized in 2013, and the value of the investment, VAT excluded, as at 31 December 2013 was RON 20,085,466, out of which, non-reimbursable funding RON 5,963,721. The building was funded in part under a financing contract “Investment facility” signed in 2012 with Millennium Bank. Consequently, in 2020 and 2019, no interest was capitalized. The non-amortized value of the investment as at 31 December 2020 is RON 13,287,171 (31 December 2019: RON 14,293,133). Details on the pledged fixed assets are presented in Note 18. The net value of the non-current assets set as guarantees as of 31 December 2020 is of RON 10,585,178 (31 December 2019: 10,978,258).

The gross value of the fixed assets fully depreciated as of 31 December 2020 is of RON 18,459,735 (31 December 2019: RON 16,756,475).

8. INTANGIBLE ASSETS - NET

As at 31 December 2020 and 2019, the intangible assets include:

	31 December 2020	31 December 2019
Software	102,296	104,590
Advances and intangible assets in progress	-	-
Total intangibles	**102,296**	**104,590**

The software licenses used by the Company are Oracle Standard, Windows XP and Bitdefender.

(All amounts are expressed in RON, unless otherwise stated)

8. INTANGIBLE ASSETS – NET (continued)

The evolution of the intangible assets during the period is as follows:

	Software	Other intangible assets	Advances and intangible assets in progress	Total
Cost				
01 January 2019	**5,722,177**	**-**	**37,311**	**5,759,488**
Additions 2019	6,072	-	56,813	62,885
Disposals 2019	-	-	-	-
Transfers 2019	94,124	-	(94,124)	-
31 December 2019	**5,822,373**	**-**	**-**	**5,822,373**
Additions 2020	58,426	-	-	58,426
Disposals 2020	-	-	-	-
Transfers 2020	-	-	-	-
31 December 2020	**5,880,799**	**-**	**-**	**5,880,799**
Accumulated amortization				
01 January 2019	**5,691,825**	**-**	**-**	**5,691,825**
Expense for 2019	25,958	-	-	25,958
Disposals 2019	-	-	-	-
31 December 2019	**5,717,783**	**-**	**-**	**5,717,783**
Expense for 2020	60,720	-	-	60,720
Disposals 2020	-	-	-	-
31 December 2020	**5,778,503**	**-**	**-**	**5,778,503**
Remaining value				
31 December 2019	**104,590**	**-**	**-**	**104,590**
31 December 2020	**102,296**	**-**	**-**	**102,296**

During the year, software was acquired: Windows XP.

As at 31 December 2020 and 31 December 2019 no indication of impairment for intangible assets was identified.

9. RIGHT OF USE ASSETS FROM LEASE CONTRACTS – NET

As at 31 December 2020 and 31 December 2019 the right of use assets – net, are as follows:

	31 December 2020	31 December 2019
Buildings	4,801,196	4,383,600
Motor vehicles	1,101,490	165,742
Total right of use assets	**5,902,686**	**4,549,342**

(All amounts are expressed in RON, unless otherwise stated)

9. RIGHT OF USE ASSETS FROM LEASE CONTRACTS – NET (continued)

The evolution of the right of use assets during the period is as follows:

	Land and buildings	Equipment and motor vehicles	Furniture	Total
Cost				
31 December 2019	**5,424,566**	**-**	**-**	**-**
Additions 2020	2,961,386	207,178	-	5,631,744
Disposals 2020	(454,095)			
Exchange differences 2020	(22,004)	-	-	-
31 December 2020	**7,909,853**	**207,178**	**-**	**5,631,744**
Accumulated amortization				
31 December 2019	**1,040,966**	**41,436**	**-**	**1,082,402**
Expense for 2020	2,267,945	434,528	-	2,702,473
Disposals 2020	(201,124)	-		(201,124)
Exchange differences 2020	870	-		870
31 December 2020	**3,108,657**	**475,964**	**-**	**3,584,621**
Remaining value				
31 December 2019	**4,383,600**	**165,742**	**-**	**4,549,342**
31 December 2020	**4,801,196**	**1,101,490**	**-**	**5,902,686**

10. SHARES IN AFFILIATES

	31 December 2020	31 December 2019
Shares in Alumil EGE SA Turcia	1,970,482	1,970,482
Shares in Alumil MISR Egypt	3,575,713	3,266,646
Impairment adjustments	-	-
Total shares in affiliates	**5,546,195**	**5,237,128**

10. SHARES IN AFFILIATES (continued)

In 2015, the Company has participated in the establishment of ALUMİL EGE ALÜMİNYUM SANAYİ VE TİCARET ANONİM SİRKETİ ("ALUMIL EGE"), with the head office in Turkey, by a cash contribution of RON equivalent at subscription date of 538,890, the equivalent value of TRY 380,000. As of 31 December 2016, following the share capital increase, the Company has subscribed the amount RON 1,107,152, the equivalent value of TRY 760,000, representing 40% of ALUMIL EGE's shares. In October 2019, the share capital increase was decided for the ALUMİL EGE ALÜMİNYUM SANAYİ VE TİCARET ANONİM SİRKETİ, to the total value of 4,900,000 Turkish Lira, representing 4,900 shares having a nominal value of 1,000 Turkish Lira each, of which ALUMIL ROM INDUSTRY S.A. holds 40%, namely 1,960 shares at the nominal value of 1,000 Turkish Lira each.

As at 31 December 2020, the net asset of ALUMİL EGE is RON 7,929,260, the equivalent of TRY 14,839,639 (2019: RON 8,052,654, the equivalent value of TRY 11,262,393). As part of the economic activity performed in 2020, the Company's turnover was of TRY 30,181,629, the equivalent of RON 16,126,940 (2019: TRY 22,348,784, the equivalent of RON 15,979,466), obtaining net profit of TRY 2,655,941, the equivalent of RON 1,419,148 (2019: TRY 1,387,108, the equivalent of RON 991,788).

In 2016, the Company participated in the establishment of ALUMIL MISR FOR ALUMINIUM AND ACCESORIES INDUSTRY JSC, having head office in Egypt, Cairo, with cash contribution in RON equivalent at subscription date amounting to RON 178,640, the equivalent of 400,000 Egyptian Lira, representing 40% of ALUMIL MISR FOR ALUMINIUM AND ACCESORIES INDUSTRY JSC's shares.

In November 2016, the first share capital increase was decided for ALUMIL MISR FOR ALUMINIUM AND ACCESORIES INDUSTRY JSC, up to the value of 16,000,000 Egyptian Lira, representing 16,000 shares having a nominal value of 1,000 Egyptian Lira each, out of which Alumil Rom Industry holds 40%, namely 6,400 shares at the nominal value of 1,000 Egyptian Lira each.

In December 2016 a second share capital increase was decided for the company ALUMIL MISR FOR ALUMINIUM AND ACCESORIES INDUSTRY JSC and, therefore the Company's capital reached 30,000,000 Egyptian Lira, representing 30,000 shares having a nominal value of 1,000 Egyptian Lira each, of which Alumil Rom Industry holds 40%, namely 12,000 shares having a nominal value of 1,000 Egyptian Lira each, the RON equivalent of RON 2,947,320.

In February 2019, the third share capital increase was decided for the ALUMIL MISR FOR ALUMINIUM AND ACCESORIES INDUSTRY JSC, with a total value of 20,600,000 Egyptian Lira, out of which the contribution of the Company is Egyptian Lira 8,240,000. The increase will be done in stages, so as of 31.12.2019 the share capital of the company amounted to Egyptian Lira 33,000,000 representing 33,000 shares having a nominal value of 1,000 Egyptian Lira each, of which Alumil Rom Industry holds 40%, namely 13,200 shares at the nominal value of 1,000 Egyptian Lira each.

In July 2020, the third share capital increase was performed for the ALUMIL MISR FOR ALUMINIUM AND ACCESORIES INDUSTRY JSC, with a total value of 3,000,000 Egyptian Lira, out of which the contribution of the Company is Egyptian Lira 1,200,000. The increase is done in stages, so as of 31.12.2020 the share capital of the company amounted to Egyptian Lira 36,000,000 representing 36,000 shares having a nominal value of 1,000 Egyptian Lira each, of which Alumil Rom Industry holds 40%, namely 14,400 shares at the nominal value of 1,000 Egyptian Lira each.

During the financial years 2019 and 2020, the Company performed no commercial activities, the only transactions relating its establishment.

(All amounts are expressed in RON, unless otherwise stated)

11. LONG-TERM RECEIVABLES

As at 31 December 2020 and 2019, the long-term receivables are as follows:

	31 December 2020	31 December 2019
Guarantees for rent	151,049	108,863
Other long-term receivables	80,899	6,412
Long-term receivables – total	**231,948**	**115,275**

As at 31 December 2020, the long-term receivables mainly comprise guarantees for the locations rented: RON 151,049 (31 December 2019: 108,863), RON 74,486 other amounts receivable from the subsidiary ALUMIL EGE Turkey, and other guarantees: RON 6,413 (31 December 2019: RON 6,412).

12. INVENTORIES

	31 December 2020	31 December 2019
Raw materials and materials at cost and spare parts	3,043,578	3,593,349
Finished goods and merchandise at cost	11,666,319	12,187,733
Work in-progress	386	973
Impairment adjustments	(2,180,689)	(2,130,100)
Total inventories, net	**12,529,594**	**13,651,955**

The Company policy for inventory valuation provides that no provision is set for the inventories to be returned to the suppliers. For non-returnable items, provisions are set based on the accounting policy detailed in Note 5. The amount of the non-usable inventories is adjusted to the level of the recoverable value from aluminum waste. The amount of the inventories recognized as an expense during 2020 is RON 44,384,738 (2019: RON 40,257,277), being included in the statement of comprehensive income, in the cost of sales (and, as part of these, in the cost of inventory).

The Company set provisions for the impairment of merchandise inventories as follows:

	31 December 2020	31 December 2019
Balance as at 31 December	**2,130,100**	**2,059,045**
Provisions set during the year	282,395	317,590
Provisions reversed during the year	(231,806)	(246,535)
Balance as at 31 December	**2,180,689**	**2,130,100**

The amount of the provisions set or reversed is included in the statement of comprehensive income in the “cost of sales”.

As of 31 December 2020, the value of inventories pledged as part of the short-term loan contracted by Banca Transilvania S.A. (Note 18) for a period of 1 year amounts to RON 12,529,594 (2019: RON 13,651,955).

(All amounts are expressed in RON, unless otherwise stated)

13. RECEIVABLES

As at 31 December 2020 and 2019, the receivables were as follows:

	31 December 2020	31 December 2019
Outstanding receivables from customers	9,094,075	10,949,711
Receivables outstanding, but for which no provision was set	885,568	266,436
Receivables outstanding, and for which provisions were set	5,033,084	8,164,865
Provisions	(5,033,084)	(8,164,865)
Total receivables	**9,979,643**	**11,216,147**

As at 31 December 2020 and 2019, the statement of the age of outstanding receivables for which no provision was set is as follows:

	31 December 2020	31 December 2019
Outstanding one to 60 days	3,990	168,246
Outstanding 61 to 180 days	61,364	17,617
Outstanding above 180 days	820,214	80,573
Total outstanding receivables	**885,568**	**266,436**

The Company trading policy allows client crediting for zero to 180 days and provides the setting of allowances based on the receivable age as at balance sheet date and on specific factors related to receivable collectability from certain customers. When determining the recoverability of a receivable, the Company analyzes the client creditworthiness, payment history and current economic conditions. When recent information show the discount of the allowances is needed, the Company will record its change in the period when the conditions triggering the allowance discount are identified. Because the Company cannot foresee the changes in the clients' future financial stability, there is a possibility that additional allowances are needed in the future.

The Company set allowances for the impairment of trade receivables as follows:

	31 December 2020	31 December 2019
Balance as at 31 December	**8,164,405**	**9,624,865**
Provisions set during the year	127,432	272,738
Provisions reversed during the year	(3,258,753)	(1,733,198)
Balance as at 31 December	**5,033,084**	**8,164,405**

The allowances reversed in 2020 include amounts reversed following the collection of receivables in an amount of RON 338,727 (2019: RON 247,497) and amounts reversed following the written-off of receivables in amount of RON 2,920,026 (2019: RON 1,485,701). The amount of the allowances set or reversed, and of the receivables disposed, is included on the statement of comprehensive income on line "Sale and distribution expenses".

As at 31 December 2020, the amount of the receivables mortgaged as part of the short-term loan contracted from Banca Transilvania S.A. (Note 18) for one year is RON 9,094,075 (2019: RON 10,949,711).

Details on the balances of receivables from affiliates are presented in Note 32.

(All amounts are expressed in RON, unless otherwise stated)

14. OTHER RECEIVABLES AND PREPAYMENTS

As at 31 December 2020 and 2019, other receivables and prepayments are as follows:

	31 December 2020	31 December 2019
Taxes and duties paid in excess	186,406	159,835
Sundry debtors and cash advances and other amounts	67,180	127,654
Sundry debtors	1,526,740	2,685,199
Provisions for sundry debtors and other receivables	(79,905)	(750,250)
Advances paid to suppliers	43,961	961,113
Prepayments	189,022	212,900
Other receivables	1,937	3,945
Total other receivables and prepayments	**1,935,341**	**3,400,396**

The details on the balances of the receivables with affiliates are presented in Note 32.

On 2 July 2019, based on the Board of Directors from 1 February 2019, the payment of EUR 409,583.50, equivalent of EGP 8,240,000 at the date of payments was done, representing cash contribution to share capital of the subsidiary ALUMIL MISR FOR ALUMINIU AND ACCESSORIES INDUSTRY JSC EGIPT. Because the share capital increase is done in stages, as of 31 December 2020, out of the total of EGP 8,240,000 transferred, the amount of EGP 5,840,000 (2019: 7,240,000), equivalent of RON (2019: 1,873,380), for which the share capital increase is not yet finalized, was included in the sundry debtors.

Included in the advances paid to suppliers, as of 31 December 2019, is the amount of EUR 182,293, equivalent of RON 871,235, amount paid in advance to ALUMIL SA Grecia, based on the framework cooperation agreement, advance closed by acquisitions in January 2020.

The Company set provisions for the impairment of receivables related to sundry debtors as follows:

Balance as at 31 December 2019	**750,250**
Provisions set in 2020	40,388
Provisions reversed in 2020	(710,733)
Balance as at 31 December 2020	**79,905**

The amount of the provisions set and reversed is included on the statement of comprehensive income on line “Sale and distribution expenses”.

(All amounts are expressed in RON, unless otherwise stated)

15. CASH AND CASH EQUIVALENTS

As at 31 December 2020 and 2019, the cash availabilities and cash equivalents consisted in the following:

	31 December 2020	31 December 2019
Bank accounts in RON	3,650,5112	3,379,527
Bank accounts in foreign currency	3,497,941	3,868,127
Short-term deposits	-	-
Petty cash in RON	13,799	13,017
Petty cash in foreign currency	523	184
Cash equivalents	-	-
Total cash and cash equivalents	**7,162,375**	**7,260,855**

The details regarding the restrictions on cash availability accounts are presented in Note 18.

16. SHARE CAPITAL

The shareholding structure as at 31 December 2020 and 31 December 2019 is as follows:

Shareholder	% of shareholding	No. of shares	Restated amount	Historical amount
Alumil Mylonas S.A.	55.90%	17,470,150	5,778,760	3,493,750
Sotiriou Michail	23.95%	7,485,150	2,475,873	1,496,875
Milonas George	0.02%	5,000	2,068	1,250
Milona Evangelina	0.02%	5,000	2,068	1,250
Korda Despina	0.02%	5,000	2,068	1,250
Other	20.09%	6,279,700	2,076,839	1,255,625
Total share capital	**100.00%**	**31,250,000**	**10,337,676**	**6,250,000**

The shares of the Company have a nominal value RON 0.2/share. Starting April 2007, the Company shares are traded on the Bucharest Stock Exchange.

(All amounts are expressed in RON, unless otherwise stated)

17. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

a) Interest rate risk

The interest rate risk is the risk that the interest rate will fluctuate in time. The Company has short- and long-term loans bearing floating interest rates, which exposes the Company to cash risks.

The table below shows the sensitivity of the interest rate variation with all the other variables held constant and an impact on the gross profit.

2020	Increase / (Decrease)	Impact on profit before tax RON	Impact on profit before tax EUR
EUR	1%	-	-
EUR	(1)%	-	-
RON	1%	-	-
RON	(1)%	-	-

2019	Increase / (Decrease)	Impact on profit before tax RON	Impact on profit before tax EUR
EUR	1%	-	-
EUR	(1)%	-	-
RON	1%	(19,333)	(4,415)
RON	(1)%	19,333	4,415

b) Foreign exchange risk

The functional currency of the Company is RON, while the loans and most of the trade liabilities are denominated in foreign currency (EUR). As a result, the Company may be affected by changes in exchange rates. The Company uses no derivative instruments to hedge the currency risk.

The table below shows the sensitivity of the exchange rate (EUR vs RON) variation with all the other variables held constant and an impact on the gross profit:

2020	Increase / (Decrease)	Impact on profit before tax RON	Impact on profit before tax EUR
EUR	5%	267,548	54,945
EUR	(5)%	(267,548)	(54,945)

2019	Increase / (Decrease)	Impact on profit before tax RON	Impact on profit before tax EUR
EUR	5%	276,947	57,947
EUR	(5)%	(276,947)	(57,947)

(All amounts are expressed in RON, unless otherwise stated)

17. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

The tables below detail the balances in foreign currencies and in the functional currency as at 31 December 2020 and an analysis of the sensitivity of the evolution in the exchange rate differences:

Assets	USD	EUR	RON
Monetary non-current assets:			
Customers and other receivables	-	-	519,836
Shares held at affiliates	-	-	-
Long-term receivables	-	-	231,948
Monetary current assets:			
Customers and other receivables	223,497	277,705	9,676,339
Cash and cash equivalents	605	717,967	3,663,911
Total monetary assets	**224,102**	**995,672**	**14,092,034**

Liabilities	USD	EUR	RON
Monetary long-term liabilities:			
Loans	-	-	-
Suppliers and other payables	-	-	7,922,272
Monetary short-term liabilities:			
Loans	-	-	-
Suppliers and other payables	-	79,302	6,382,239
Total monetary liabilities	**-**	**79,302**	**14,304,511**

Ratio	USD	EUR	RON
Net position, in the initial currency	224,102	916,369	(212,477)
Exchange rates	3.9660	4.8694	1
Net position, in the functional currency	888,787	4,462,167	(212,477)
Possible reasonable variation in exchange rates (+), %	5%	5%	0%
Effect on the comprehensive income, in the functional currency	44,439	223,108	-
Possible reasonable variation in exchange rates (-), %	-5%	-5%	0%
Effect on the comprehensive income, in the functional currency	(44,439)	(223,108)	-
Effect on the comprehensive income, in the functional currency, for each currency	USD	44,439	(44,439)
	EUR	223,108	(223,108)
	RON	-	-
	Total	**267,547**	**(267,547)**

c) Credit risk

The maximum exposure of the Company to the credit risk is reflected in the amount of the receivables from customers and of other current assets, net of the provisions for impairment recognized at the balance sheet date, as disclosed on the related Notes (13 and 14). In regard to the exposure to the financial institutions through the current accounts and bank deposits (Note 15), the Company closely monitors the financial condition of the banks where it holds bank accounts and, to the date of these financial statements approval, it did not identify any deterioration indicator for the financial condition of these banks.

In recent years, the total number of customers was 2,500-3,000 and they are mainly aluminum and PVC joinery firms. In 2019, the top ten clients accounted for 24.3% of the total sales, and this weight increased in 2020 when the top ten customers accounted for approximately 25.9% of the total sales. Keeping this percentage as low as possible is due to the fact the Company permanently tried to avoid a significant dependence on a customer or group of customers.

(All amounts are expressed in RON, unless otherwise stated)

17. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

d) Liquidity risk

The liquidity risk results from the possibility of not collecting the receivables related to the Company under regular commercial terms, from potential issues in the recovery of long-term receivables, and from negative operating cash-flows. In order to control this risk, the Company periodically assesses the financial solvency of its clients.

The Company's policy is to maintain sufficient liquidity to cover the liabilities having reached maturity. The information on the Company liabilities as at 31 December 2020 and 2019 based on undiscounted future payments (including future interest) is shown below.

As at 31 December 2020

	Short-term loans	Suppliers and other payables	Balances with affiliates	Long-term loans	Total
Payments in a period below 3 months	-	4,363,701	272,451	-	**4,636,152**
Payments in a period of 3 to12 months	-	2,132,244	-	-	**2,132,244**
Payments in a period of 1 to 5 years	-	3,877,806	-	-	**3,877,806**
Total	**-**	**10,373,751**	**272,451**	**-**	**10,646,202**

As at 31 December 2019

	Short-term loans	Suppliers and other payables	Balances with affiliates	Long-term loans	Total
Payments in a period below 3 months	-	3,579,899	-	511,210	**4,091,109**
Payments in a period of 3 to 12 months	-	1,204,199	-	1,533,631	**2,737,830**
Payments in a period of 1 to 5 years	-	3,420,631	-	-	**3,420,631**
Total	**-**	**8,204,729**	**-**	**2,044,841**	**10,249,570**

e) Fair value of financial instruments

The best estimate of the fair value is the market value on an active market. If the market for the financial instruments is not active, the Company determines the fair value by using valuation techniques. The valuation techniques include the use of transactions with knowledgeable affiliates, performed by agreement of the parties at arm's length, if possible, by reference to another similar instrument, the analysis of discounted cash-flows.

As at 31 December 2020 and 2019, the carrying amounts of the financial instruments approximated their fair values as at the same dates.

(All amounts are expressed in RON, unless otherwise stated)

17. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

f) Equity management

Equity includes ordinary shares, equity attributable to the shareholders.

The main objective of the Company in terms of equity management is to ensure and maintain a favorable credit rating and performing equity ratios.

In terms of the indebtedness ratio, the Company aimed at not exceeding 50%.

	31 December 2020	31 December 2019
Total loans	-	1,933,333
Less: Cash and cash equivalents	(7,162,375)	(7,260,855)
Net liabilities/(assets)	**(7,162,372)**	**(5,327,522)**
Equity	**54,579,836**	**53,907,333**
TOTAL CAPITAL EMPLOYED	**47,417,461**	**48,579,811**
Indebtedness ratio	**-15.10%**	**-10.97%**

18. LOANS

Short-term loans

As at 31 December 2020, the company Alumil Rom Industry SA had the following credit facilities granted by local commercial banks:

Description	Type of loan	Contract date	Maturity	Interest rate	Currency	Principal	Interest 31 December 2020	Balance 31 December 2020
B. Transilvania	Short-term facilities	14.03.2014	07.04.2021	EURIBOR 3M + 2.5%	EUR	2,000,000	-	-
OTP Bank	Short-term facilities	13.03.2014	18.03.2021	ROBOR 3M + 2.3%	RON	3,000,000	-	-

The current portion of short-term loans:

Description	Type of loan	Contract date	Maturity	Interest rate	Currency	Principal	Interest 31 December 2020	Balance 31 December 2020
OTP Bank		17.05.2016	28.12.2020	ROBOR 3M + 2.7%	RON	-	-	-
Total							-	-

(All amounts are expressed in RON, unless otherwise stated)

18. LOANS (continued)

The Company has set in favor of Banca Transilvania Bank the following securities:

- a security interest in personal property over the Company's inventories of raw materials, of products in progress and of finished products;
- a security interest in personal property over the Company's accounts opened with Banca Transilvania Bank;
- a mortgage over all of the Company’s present and future (trade) receivables;
- a mortgage over all the receivables related to the insurance contracts concluded in order to insure the goods that are the subject matter of the guarantees related to the loan contract to be concluded with Banca Transilvania Bank;
- a Corporate Guarantee issued by Alumil Industria Aluminiului S.A., Greece;

The Company has set in favor of OTP the following securities:

- a first rank mortgage on the land located in Filipestii de Padure;
- a mortgage over the Company accounts opened with OTP Bank S.A., both current accounts, and deposit accounts;
- a security interest in personal property over the cash receivables paid based on the insurance policies concluded by the borrower in relation to this loan contract.

As at 31 December 2019, the Alumil Rom Industry SA had the following credit facilities granted by local commercial banks:

Description	Type of loan	Contract date	Maturity	Interest rate	Currency	Principal	Interest 31 December 2019	Balance 31 December 2019
B. Transilvania	Short-term facilities	14.03.2014	07.04.2020	EURIBOR 3M + 2.5%	EUR	2,000,000	-	-
OTP Bank	Short-term facilities	13.03.2014	20.03.2020	ROBOR 3M + 2.3%	RON	3,000,000	-	-

The current portion of long-term loans:

Description	Type of loan	Contract date	Maturity	Interest rate	Currency	Principal	Interest 31 December 2019	Balance 31 December 2019
OTP Bank		17.05.2016	28.12.2020	ROBOR 3M + 2.7%	RON	9,000,000	-	1,933,333
Total							**-**	**1,933,333**

Long-term loans

As at 31 December 2020

Description	Type of loan	Contract date	Maturity	Interest rate	Currency	Principal	Interest 31 December 2020	Balance 31 December 2020
OTP Bank	TM facility	17.05.2016	28.12.2020	ROBOR 3m + 3.25%	RON	-	-	-
Total								**-**

The investment facility was fully repaid as of 31 December 2020.

(All amounts are expressed in RON, unless otherwise stated)

18. LOANS (continued)

As at 31 December 2019

Description	Type of loan	Contract date	Maturity	Interest rate	Currency	Principal	Interest 31 December 2019	Balance 31 December 2019
OTP Bank	TM facility	17.05.2016	28.12.2020	ROBOR 3m + 3.25%	RON	9,000,000	-	-
Total								-

19. INVESTMENT SUBSIDIES

The evolution of the investment subsidies as at 31 December 2020 and 2019 is shown below:

	2020	2019
As at 1 January	4,415,261	4,788,408
Subsidies recognized during the year	-	-
Depreciation in the profit and loss account during the year	(370,795)	(373,147)
Balance as at 31 December	**4,044,466**	**4,415,261**
Short-term portion	366,533	373,147
Long-term portion	3,677,933	4,042,114

Under the Financing Contract SOP IEC 154271/18.05.2011, the Company undertook the fulfillment of the indicators below:

Result indicators	Determined reference value	Indicator value under the contract	
Description	Value	MU	Quantity
Turnover increase compared to the 2013 balance sheet (%)	71,164,470	%	49%
Number of jobs created	N/A	No.	45
Number of jobs maintained (existing on the contract signing date)	166	No.	166
Increase in exports compared to the 2013 balance sheet (%)*	3,523,005	%	100 %

Under the above-mentioned Financing Contract, the Company is subject to a five year monitoring period starting the implementation finalization, i.e., 2018.

In 2019, the sustainability period ended and after the analysis of data and information presented in the Sustainability Report, as well as based on the conclusions of the monitoring mission, the project was closed without financial corrections.

(All amounts are expressed in RON, unless otherwise stated)

20. LEASE LIABILITIES

As at 31 December 2020, the lease liabilities were as follows:

	31 December 2020	31 December 2019
Long term	3,877,806	3,420,631
Current	2,132,244	1,204,199
Total lease liabilities	**6,010,050**	**4,624,830**

Lease libilities maturity analysis

	31 December 2020	31 December 2019
Not later than1 year	2,132,244	1,204,199
Later than 1 year and not later than 5 years	3,877,806	3,420,631
Later than 5 years	-	-
Total lease liabilities	**6,010,050**	**4,624,830**

21. INCOME TAX

The current tax of the Company is determined based on the statutory income, adjusted with the non-deductible expenses and taxable revenues at a rate 16% for 2020 and 2019.

For 2020 and 2019, the income tax consists in:

	2020	2019
Current income tax charge	647,405	747,804
Deferred income tax expense /(credit)	344,746	159,366
Total income tax	**992,151**	**907,170**

The numerical reconciliation between the income tax expense and the result of the multiplication between the accounting result and the taxation percentage in effect is shown below:

	2020	2019
Result before tax – profit/(loss)	**4,664,654**	**3,333,340**
Income tax 16%	746,345	533,334
Effect of non-deductible expenses	245,806	373,836
Total income tax expense / (revenue)	**992,151**	**907,170**
Actual income tax rate	**21.26%**	**27.22%**

(All amounts are expressed in RON, unless otherwise stated)

21. INCOME TAX (continued)

The significant components of the deferred income tax payable included on the financial statements, in a rate 16%, are as follows:

	2020		2019	
	Cumulated temporary differences	Deferred income tax asset/ (liability)	Cumulated temporary differences	Deferred income tax asset/ (liability)
Non-current assets	(274,180)	(43,869)	(311,442)	(49,831)
Provisions for receivables	3,523,158	563,705	5,715,084	914,413
Total	**3,248,978**	**519,836**	**5,403,642**	**864,582**

The changes in deferred tax have been as follows:

	Deferred income tax - effect on the statement of financial position		Deferred income tax - effect on the statement of comprehensive income	
	2020	2019	2020	2019
Non-current assets	43,869	49,831	(5,962)	(4,206)
Provisions for receivables	(563,705)	(914,413)	530,708	163,572
Total	**(519,836)**	**(864,582)**	**344,746**	**159,366**

22. SUPPLIERS AND OTHER PAYABLES

The suppliers and other payables as at 31 December 2019 and 31 December 2018 are as follows:

	31 December 2020	31 December 2019
Suppliers	1,113,176	772,160
Advance payments from clients	878,532	545,755
Salaries	279,501	295,865
Taxes and duties on salaries	372,818	239,473
VAT payable	409,217	659,347
Dividends payable	709,624	699,556
Payables to affiliates	272,451	-
Other employee payables	442,002	97,293
Other	5,560	15,635
Total suppliers and other payables	**4,482,881**	**3,325,084**

The details on the balances of the payables to affiliates are presented in Note 32.

(All amounts are expressed in RON, unless otherwise stated)

23. OPERATING INCOME

Operating income for the years ended 31 December 2020 and 2019 are as follows:

	2020	2019
Sale revenues	74,171,971	67,964,133
Commercial discounts granted	(1,256,602)	(723,100)
Total sale revenues	**72,915,369**	**67,241,033**
Other operating income	1,544,324	1,332,850
Total operating income	**74,459,693**	**68,573,883**

Other operating income consists of:

	2020	2019
Subsidies received	370,796	373,147
Gain from sale of fixed assets	707,222	339,719
Others	466,306	619,984
Total other operating income	**1,544,324**	**1,332,850**

As detailed in Note 17 c), the Company has no client accounting for more than 10% of the sales or outstanding as at 31 December 2020 and 31 December 2019.

Operating income from subsidies received represent the financing transferred to income for the expenses made in 2020 and the financing reversed to income during the life of the equivalent value of the financing received under the financing contracts, as follows:

	2020	2019
Income from reversing investment subsidies		
Motor vehicles scrapping premium	6,500	6,500
Financing under SOP HRD 125/5.1/S/129742	45,992	47,307
Financing under SOP IEC 154271/18.05.2011	308,718	308,718
Financing under SOP HRD /106/5.1/G/76086	9,586	10,622
Income for financing expenses under SOP HRD 125/5.1/S/129742	-	-
Total operating income	**370,796**	**373,147**

(All amounts are expressed in RON, unless otherwise stated)

24. COST OF SALES

The cost of sales for the years ended as of 31 December 2020 and 2019 is as follows:

	2020	**2019**
Cost of inventories	44,295,659	40,682,022
Wages	1,696,632	1,719,264
Salary contributions	99,171	102,512
Amortization	687,451	1,149,864
Utilities	613,442	510,285
Other expenses included in the cost of sales	1,071,426	1,049,990
Total cost of sales	**48,463,781**	**45,213,937**

In 2020 and 2019, Other expenses included in the cost of sales comprise the management, insurance, security expenses, expenses with taxes and the expenses with the consumables related to the production activity of Filipestii de Padure.

25. SALE AND DISTRIBUTION EXPENSES

For 2020 and 2019, the sale and distribution expenses consisted in:

	2020	**2019**
Wages	7,422,690	7,054,723
Salary contributions	303,934	296,705
Amortization	2,395,487	1,447,510
Rental fees	66,898	618,135
Advertising costs	573,552	442,425
Insurances	48,313	46,432
Other taxes and charges	178,412	191,772
Transport costs	1,100,433	1,459,902
Utilities	202,263	209,492
Other sale and distribution expenses	2,885,448	3,257,299
Total sale and distribution expenses	**15,177,430**	**15,024,395**

In 2020, sale and distribution expenses included the management, security expenses, expenses with consumables, and the provisions for clients set in 2020 amounting to RON 127,432 (2019: RON 301,708). Details regarding the provisions for clients and sundry debtors are disclosed in Notes 13 and 14.

(All amounts are expressed in RON, unless otherwise stated)

26. ADMINISTRATIVE EXPENSES

For 2020 and 2019, administrative expenses consisted in:

	2020	2019
Amortization	1,392,905	662,786
Wages	2,540,621	2,524,790
Salary contributions	73,706	82,940
Other third party suppliers	562,743	470,809
Rental fees	20,241	10,714
Insurances	1,703	1,663
Taxes and charges	176,198	16,988
Utilities	24,166	26,533
Other administrative expenses	879,564	1,089,815
Total administrative expenses	**5,671,847**	**4,887,038**

In 2020 and 2019, Other administrative expenses include management, audit and security expenses.

27. DEPRECIATION AND AMORTIZATION EXPENSES

For 2020 and 2019, the depreciation and amortization expenses consisted in:

	2020	2019
Tangible assets depreciation	1,944,458	2,151,801
Intangible assets amortization	60,720	25,958
Right of use assets depreciation	2,702,473	1,082,402
Total salary expenses	**4,707,651**	**3,260,161**

28. INTEREST EXPENSES

For 2020 and 2019, the interest expenses consisted in:

	2020	2019
Interest expense on bank loans	78,356	247,831
Interest expense on lease liabilities	232,196	166,928
Other finance cost	54,826	83,939
Total interest expenses	**365,478**	**498,698**

(All amounts are expressed in RON, unless otherwise stated)

29. SALARY EXPENSES

For 2020 and 2019, the salary expenses consisted in:

	2020	2019
Gross salaries related to the year	11,671,153	11,298,777
Social security expenses	53,512	67,110
Health insurance expenses	-	-
Unemployment fund contribution expenses	-	-
Labor security contribution	160,950	160,826
Other contributions	262,348	254,222
Total salary expenses	**12,147,963**	**11,780,935**

30. EMPLOYEES, ADMINISTRATORS AND DIRECTORS

As of 31 December 2020 and 31 December 2019, the employees' structure is as follows:

	2020	2019
Production	43	47
Sales & marketing	101	99
Administrative personnel	18	18
Total employees	**162**	**164**

Details on the members of the Board of Directors and the executive directors are presented in Note 32.

The Company has no payables to administrators or directors in the analyzed period. There were no advance payments or loans granted to administrators or directors.

31. DECLARED DIVIDENDS

	2020	2019
Dividends declared during the year	3.437.500	3,000,000

In the SGM of 24 April 2019, the distribution of dividends from the profit of 2018 and the retained earnings amounting to RON 3,000,000 were approved.

The Board of Administration's proposal for the appropriation of the profit for 2020 is to be subject to the approval of the SGM of 23 April 2021.

(All amounts are expressed in RON, unless otherwise stated)

32. AFFILIATES

a) The main affiliates and a short description of their activity and of the major transactions with the Company during the years 2020 and 2019 are presented in the table below:

Entity name	Nature of the operations with the Company	Country of origin
Alumil EGE SA	Associate of the Company – Alumil Rom Industry (40.00%)	Turkey
Alumil MISR for Aluminium and Accesories Industry SA	Associate of the Company – Alumil Rom Industry (40.00%)	Egypt
Alumil Aluminium Industry SA	The parent-entity and the main provider of semi-manufactured goods	Greece
Alumil Industry SRL	Subsidiary of the parent-entity, Alumil Mylonas (70.00%)	Moldova
Alumil Bulgaria	Subsidiary of the parent-entity, Alumil Mylonas (99.98%)	Bulgaria
Alumil Albania Shpk	Subsidiary of the Company – Alumil Group LTD Cyprus (99.23%)	Albania
Alumil Zagreb DOO	Subsidiary of the Company – BH Aluminium DOO Bosnia (100%)	Croatia
BH Aluminium DOO	Subsidiary of the Company – ALPRO Vlasenica AD (100%)	Bosnia
BMP Hellas SA	Subsidiary of the Company – LMG Europian Twchnologies LTD Cyprus (70.074%)	Greece

Receivables from affiliates are the following:

	31 December 2020	31 December 2019
Clients		
Alumil Industry (Chisinau)	687,870	710,069
Alumil Aluminium Industry (Greece)	520,116	581,980
BMP Hellas (Greece)	-	-
Total	**1,207,986**	**1,292,049**

Payables to affiliates are the following:

	31 December 2020	31 December 2019
Alumil Aluminium Industry (Greece)	272,451	-
BMP Hellas SA	-	-
GA Plastics	-	-
Total	**272,451**	**-**

The Company had the following transactions with affiliates:

	2020			
	Sales	**Purchases of materials and merchandise**	**Purchases of fixed assets**	**Others**
Alumil Aluminium Industry (Greece)	1,176,136	37,712,229	27,477	1,483,062
Alumil Industry (Chisinau)	1,482,139	145,407	-	-
Alumil Albania Shpk	-	330,554	-	-
Alumil Bulgaria SRL	927	625	-	-
	2,659,202	**38,188,815**	**24,477**	**1,483,062**

(All amounts are expressed in RON, unless otherwise stated)

32. AFFILIATES (continued)

	2019			
	Sales	**Purchases of materials and merchandise**	**Purchases of fixed assets**	**Others**
Alumil Aluminium Industry (Greece)	990,509	34,767,746	-	1,398,555
Alumil Industry (Chisinau)	995,752	-	-	-
Alumil Zagreb DOO	-	2,276	-	-
BH Aluminium DOO	-	1,064	-	-
BMP Hellas SA	-	637,337	-	-
	1,986,261	**35,408,423**	**-**	**1,398,555**

b) The current members of the Company's Board of Administration are the following:

No.	Name	Position	Date of appointment	Date of mandate expiry
1.	Michail Sotiriou	President of the Board of Directors	28.04.2018	27.04.2022
2.	Georgios Mylonas	Vice President of the Board	28.04.2018	27.04.2022
3.	Evangelia Mylona	Board member	28.04.2018	27.04.2022
4.	Marius Ionita	Board member/C.E.O.	28.04.2018	27.04.2022
5.	Georgios Doukidis	Board member	28.04.2018	27.04.2022

Mrs. Evangelia Mylona is the sister of Mr. Georgios Mylonas, President of the parent entity's Board of Administration Alumil Milonas Industria Aluminiului SA Greece.

Administrators' investments in the parent entity's capital are the following:

No.	Name	Position	No. of shares held	% prior to IPO	% after IPO
1.	Michail Sotiriou	President of the Board	7,485,150	29.94%	23.95%
2.	Georgios Mylonas	Vice President of the Board	5,000	0.02%	0.02%
3.	Evangelia Mylona	Board member	5,000	0.02%	0.02%
4.	Marius Ionita	Board member/C.E.O.	600	0.00%	0.00%
5.	Georgios Doukidis	Board member	-	-	-

c) The performance of the daily operations of Alumil Rom Industry S.A. is entrusted to the following directors:
- Ionita Marius – C.E.O.
- Duca Vitalie – Commercial Director
- Balasca Ciprian – C.F.O.

The executive management's participation in the Company's capital as of 31 December 2020 is the following:

No.	Name	Position	No. of shares held
1.	Ciprian Balasca	C.F.O.	1,000
2.	Marius Ionita	C.E.O.	600
3.	Vitalie Duca	Commercial Director	600

In 2020, the expense with the remuneration of the executive management and of the directors amounted to RON 1,677,185 (2019: RON 1,664,451).

(All amounts are expressed in RON, unless otherwise stated)

32. AFFILIATES (continued)

d) The conditions and terms of transactions with affiliates:

Overdue balances are not secured, non-interest bearing and discounts take place in cash. No guarantees were set and no guarantees were received for the receivables or payables from/to affiliates.

33. PROVISIONS, CONTINGENT EVENTS AND COMMITMENTS

The Company did not set any provisions as of 31 December 2020 and 2019.

The Romanian tax system is in process of consolidation and harmonization with the European legislation and different interpretations may exist by authorities concerning the tax legislation, which may generate additional taxes, charges and penalties. If the state authorities discover breaches of the Romanian legal provisions, these may lead, as applicable, to the confiscation of the amounts in case, imposing additional tax obligations, applying fines, applying late payment penalties (applied to the amounts actually payable). Consequently, the tax sanctions resulted from breaches of the legal provisions can be significant amounts payable to the State.

The Company considers it has registered and presented in the financial statements all its tax obligations. In Romania, the tax position is open to further verification for 5 years.

S.C. ALUMIL ROM INDUSTRY S.A. conducted, starting 18.05.2011 the project “Eco efficient and innovative investment in a modern Aluminum processing facility”, co-financed by the **European Regional Development Fund** under the financing contract signed with the Ministry of Economy, Trade and Business Environment, as the Managing Authority for the Operational Sectorial Program "Increase of Economic Competitiveness. The project objective was to increase the productivity of the company by creating a modern, eco-efficient Aluminum profiles production and processing facility. The project, implemented in Filipestii de Padure, Minieri village no. 149, Prahova County, was completed in July 2013 and resulted in the building of a production hall of 8,835 square meters and the purchase of 11 state-of-the-art pieces of equipment, creating over 45 new jobs.

By the financing contract mentioned above, the Company was in the monitoring period for 5 years from the date of implementation completion, respectively 2018.

In 2019, the sustainability period of the project was finalized and based on the data and information presented in the Sustainability Report, as well as on the conclusions of the monitoring mission, the project was closed without financial adjustments.

The Company does not have any commitments concerning tangible and intangible assets as of 31 December 2020 and 31 December 2019.

The Company is a part of operating lease agreements for cars, on 1 to 4 year periods.

The minimum payments under the operating lease agreements are as follows:

	31 December 2020	31 December 2019
Below one year	402,613	211,081
Between one to two years	393,077	193,500
Between two to three years	368,047	188,170
Between three to four years	19,986	156,809
Total	**1,183,723**	**749,560**

(All amounts are expressed in RON, unless otherwise stated)

33. PROVISIONS, CONTINGENT EVENTS AND COMMITMENTS (continued)

The Company is a party to rent agreements for commercial areas and warehouses, signed for 1 to 3 year periods. The Company has the option, according to certain agreements, to extend the rent agreement by another year.

The minimum payments according to rent agreements for commercial areas are as follows:

	31 December 2020	31 December 2019
Below one year	1,190,508	438,877
One to five years	970,249	1,019,110
Total	**2,160,757**	**1,457,987**

Starting with 2019, the Company applies IFRS 16 *Lease agreements* (Note 9). This standards treats all lease commitments (finance or operating) as conferring the right of use on the leased assets, except those with small value or leased for a period of 12 months or less, in exchange for subsequent payments.

34. SUBSEQUENT EVENTS

- In March 2021 the addendum will be signed for the extension of the short-term loan from OTP Bank, for a period of 12 months, for the amount of RON 3,000,000 in order to fund the current activity (Interest: ROBOR 3 M + 2.3%).

  The loan reimbursement is guaranteed by the Company, as follows:

  a) a first degree mortgage over the land from Filipestii de Padure and the assignment of the insurance policy;

  b) a mortgage over the Company's accounts opened with Millennium S.A. Bank, both current accounts and deposit accounts;

  c) a security interest in personal property over the monetary receivables paid for on the grounds of all the insurance policies concluded by the debtor in relation to the present loan contract;

- In April 2021 the addendum will be signed for the extension of the short-term loan from Banca Transilvania S.A., for a period of 1 year, for the amount of EUR 2,000,000 for working capital and letter of guarantee issue cap in order to fund the current activity (EURIBOR 3 M + 2.5%).

The loan reimbursement is guaranteed by the Company, as follows:

  a) a security interest in personal property over the Company's inventories of raw materials, of products in progress and of finished products;

  b) a security interest in personal property over the Company's accounts opened with Banca Transilvania S.A.;

  c) mortgage over all of the Company's present and future (trade) receivables;

34. SUBSEQUENT EVENTS (continued)

d) a mortgage over all the receivables related to the insurance contracts concluded in order to insure the goods that are the subject matter of the guarantees related to the loan contract to be concluded with Banca Transilvania S.A.;

e) Corporate Guarantee issued by Alumil Industria Aluminiului SA, Greece, in a layout accepted by the Bank.

These financial statements together with the explanatory notes were approved by the Board of Administration and signed on its behalf on 19 March 2021.

Marius Ionita	Ciprian Balasca
C.E.O.	C.F.O.