

**ALUMIL YU INDUSTRY AD NOVA PAZOVA
FINANCIAL STATEMENT FOR THE YEAR
THAT ENDED ON DECEMBER 31, 2020.**

CONTENTS

INDEPENDENT AUDITOR'S REPORT

BALANCE SHEET as at 31.12.2020

PROFIT AND LOSS STATEMENT in the period from January 01, 2020 to December 31, 2020

STATEMENT OF COMPREHENSIVE INCOME in the period from January 01, 2020 to December 31, 2020

STATEMENT OF CHANGES IN EQUITY from January 01, 2020 to December 31, 2020

CASH FLOW STATEMENT from January 01, 2020 to December 31, 2020

NOTES TO FINANCIAL STATEMENTS for 2020

ANNUAL BUSINESS REPORT for 2020



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*This is English translation of the Report
originally issued in Serbian language
(For management purposes only)*

INDEPENDENT AUDITOR S' REPORT

TO THE OWNERS OF ALUMIL YU INDUSTRY AD NOVA PAZOVA

Qualified opinion

We have audited the accompanying financial statements of ALUMIL YU Industry Nova Pazova (hereinafter: the Company}, which comprise the balance sheet as at December 31, 2020, and the income statement, statement of other comprehensive income, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

In our opinion, except for the effects of the matter described in the Basis for qualified opinion section of our report, the accompanying financial statements give a true and fair view of the financial position of the Company as at December 31, 2020 and of its financial performance and its cash flows for the year then ended in accordance with the Accounting Law and other accounting regulations in the Republic of Serbia.

Basis for qualified opinion

As of December 31, 2020, the Company presented investment in subsidiaries in the total amount of RSD313,152 thousand £December 31, 2019: RSD 357,189 thousands. The indications of the impairment were identified for the investments in the net amount of RSD 186,308 thousand £gross amount of RSD 230,3451as of December 31, 2020, based on the incurred losses and future projections provided by the management. The Company's assessment of the recoverable amount was not done as prescribed by IAS 36 and only reflected the net assets of the subsidiaries and not their fair value less cost to dispose or their value in use. As we were not provided by assessment of the future cash flows nor appropriate discount rates, we were not able to determine the exact amount of the additional impairment to be recognized for the year-ended December 31, 2020.

We conducted our audit in accordance with Standards on Auditing applicable in the Republic of Serbia. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants £including International Independence Standards} {IESBA Code} together with the ethical requirements that are relevant to our audit of the financial statements in the Republic of Serbia, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

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

Other information included in the Company's Annual Business Report

Other information consists of the information included in the Annual business report other than the financial statements and our auditor's report thereon. Management is responsible for the preparation of other information in accordance with the legal requirements of the Republic of Serbia.

Our opinion on the financial statements does not cover the Other information. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. In addition, we assessed whether the other information has been prepared, in all material respects, in accordance with Law on Accounting of Republic of Serbia. in particular, whether the other information complies with the Law on Accounting of Republic of Serbia in terms of formal requirements and procedure for preparing the other information in the context of materiality, i.e. whether any non-compliance with these requirements could influence judgments made on the basis of the other information.



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Other information included in the Company's Annual Business Report (continued)

Based on the procedures undertaken, to the extent we are able to assess it, we report that:

1. the other information describing the facts that are also presented in the financial statements is, in all material respects, consistent with the financial statements; and
2. the other information is prepared in accordance with requirements of the Law on Accounting of Republic of Serbia.

In addition, our responsibility is to report, based on the knowledge and understanding of the Company obtained in the audit, on whether the other information contains any material misstatement. As described in the Basis for qualified opinion section, the Company did not perform the adequate assessment of recoverable amount of investments in subsidiaries with impairment indicators. We have concluded that the other information is materially misstated for the same reason with respect to the amounts or other items in the Annual Report affected by not adequately assessing recoverable amount of investments in subsidiaries.

Responsibilities of management for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the Accounting Law and other accounting regulations in the Republic of Serbia, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the 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.

Auditors' responsibilities for the audit of the financial statements

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

As part of an audit in accordance with Standards on Auditing applicable in the Republic of Serbia, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.



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Auditors' responsibility for the audit of the financial statements (continued)

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with management 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.

Belgrade, 28 June 2021

Danijela Mirković
for Ernst & Young d.o.o. Beograd

Nikola Ribar
Authorized Auditor

To be filled by the legal entity - entrepreneur

ID number 1 7 3 4 3 5 2 1 Activity code 2 5 1 1 VAT 1 0 2 0 3 3 6 4 6

Name Alumil yu industry ad

The seat Nova Pazova, Vojacki put 3

BALANCE SHEET

As of 31.12. 2020

- in 000 RSD -

Group of accounts, account	POSITION	AOP	Note number	Amount		
				Current year	Previous year	
					Ending balance 31.12. 2019	Opening balance 01.01.20__
1	2	3	4	5	6	7
	ASSETS					
00	A. SUBSCRIBED NOT PAID-IN CAPITAL	0001				
	B. FIXED ASSETS (0003 + 0010 + 0019 + 0024 + 0034)	0002	22,23	2.135.737	1.931.862	
01	I. INTANGIBLE ASSETS (0004 + 0005 + 0006 + 0007 + 0008 + 0009)	0003	22	4.547	5.552	
010 and part 019	1. Investments in development	0004				
011, 012 and part 019	2. Concessions, patents, licenses, trademarks, software and other rights	0005	22	4.547	4.300	
013 and part 019	3. Good-will	0006				
014 and part 019	4. Other intangible assets	0007				
015 and part 019	5. Intangible assets in preparation	0008				
016 and part 019	6. Advances for intangible assets	0009	22		1.252	
02	II. PROPERTY, PLANT AND EQUIPMENT (0011 + 0012 + 0013 + 0014 + 0015 + 0016 + 0017 + 0018)	0010		1.403.859	1.398.158	
020, 021 and part 029	1. Land	0011	23	95.681	95.773	
022 and part 029	2. Buildings	0012	23	985.622	1.017.757	
023 and part 029	3. Plant and equipment	0013	23	299.523	262.012	
024 and part 029	4. Investment property	0014				
025 and part 029	5. Other property, plant and equipment	0015				
026 and part 029	6. Property, plant and equipment in progress	0016	23	356		
027 and part 029	7. Investments on leasehold property, plant and equipment	0017		20.492	21.882	
028 and part 029	8. Advances for property, plant and equipment	0018		2.185	734	

Group of accounts, account	POSITION	AOP	Note number	Amount		
				Current year	Previous year	
					Ending balance 31.12. 2019	Opening balance 01.01.20__
1	2	3	4	5	6	7
03	III. BIOLOGICAL ASSETS (0020 + 0021 + 0022 + 0023)	0019		0	0	0
030, 031 and part 039	1. Forests and growing crops	0020				
032 and part 039	2. Basic herd	0021				
037 and part 039	3. Biological assets in preparation	0022				
038 and part 039	4. Advances for biological assets	0023				
04. except 047	IV. LONG TERM INVESTMENTS (0025 + 0026 + 0027 + 0028 + 0029 + 0030 + 0031 + 0032 + 0033)	0024	24	727.331	528.152	
040 and part 049	1. Equity investments in subsidiaries	0025	24	190.014	234.051	
041 and part 049	2. Equity investments in associated companies and joint ventures	0026				
042 and part 049	3. Equity investments in other legal entities and other securities available for sale	0027	24	123.138	123.138	
part 043, part 044 and part 049	4. Long-term placements in parent companies and subsidiaries	0028		332.538	89.617	
part 043, part 044 and part 049	5. Long-term placements with other related parties	0029				
part 045 and part 049	6. Long-term investments in the country	0030				
part 045 and part 049	7. Long-term investments abroad	0031				
046 and part 049	8. Securities held to maturities	0032				
048 and part 049	9. Other long-term investments	0033	24	81.641	81.346	
05	V. LONG-TERM RECEIVABLES (0035 + 0036 + 0037 + 0038 + 0039 + 0040 + 0041)	0034		0	0	0
050 and part 059	1. Receivables from parent companies and subsidiaries	0035				
051 and part 059	2. Receivables from other related parties	0036				
052 and part 059	3. Trade receivables on trade credit	0037				
053 and part 059	4. Receivables for sale under the agreement on financial leasing	0038				
054 and part 059	5. Receivables in respect of guarantees	0039				
055 and part 059	6. Disputed and doubtful receivables	0040				
056 and part 059	7. Other long-term receivables	0041				
288	C. DEFFERED TAX ASSETS	0042		35.690	43.776	

Group of accounts, account	POSITION	AOP	Note number	Amount		
				Current year	Previous year	
					Ending balance 31.12. 2019	Opening balance 01.01.20__
1	2	3	4	5	6	7
	D. CURRENT ASSETS (0044 + 0051 + 0059 + 0060 + 0061 + 0062 + 0068 + 0069 + 0070)	0043		2.150.214	2.413.892	0
			25			
Class 1	I. INVENTORIES (0045 + 0046 + 0047 + 0048 + 0049 + 0050)	0044	25	1.225.401	1.096.083	0
10	1. Raw material, spare parts, tools and small inventories	0045	25	133.268	143.858	
11	2. Unfinished production and unfinished services	0046	25	110.290	137.466	
12	3. Finished products	0047		437.204	413.546	
13	4. Merchandise	0048	25	218.427	200.092	
14	5. Fixed assets for sale	0049	25		58.411	
15	6. Advances for inventories and services	0050	25	326.212	142.710	
20	II. TRADE RECEIVABLES (0052 + 0053 + 0054 + 0055 + 0056 + 0057 + 0058)	0051	26	612.647	674.942	0
200 and part 209	1. Domestic customers – parent companies and subsidiaries	0052				
201 and part 209	2. Customers abroad – parent companies and subsidiaries	0053	26	46.190	40.111	
202 and part 209	3. Domestic customers – other related parties	0054				
203 and part 209	4. Customer abroad – other related parties	0055	26	80.111	106.283	
204 and part 209	5. Domestic customers	0056	26	225.954	243.791	
205 and part 209	6. Customers abroad	0057	26	260.392	280.053	
206 and part 209	7. Other trade receivables	0058			4.704	
21	III. RECEIVABLES FROM SPECIFIC TRANSACTIONS	0059				
22	IV. OTHER RECEIVABLES	0060		65.309	55.383	
236	V. FINANCIAL ASSETS AT FAIR VALUE THROUGH INCOME STATEMENT	0061				
23 except 236 and 237	VI. SHORT-TERM INVESTMENTS (0063 + 0064 + 0065 + 0066 + 0067)	0062	27	88.395	341.846	0
230 and part 239	1. Short-term loans and investments – parent companies and subsidiaries	0063				
231 and part 239	2. Short-term loans and investments – other related parties	0064				
232 and part 239	3. Short-term loans and loans in the country	0065				
233 and part 239	4. Short-term loans and loans abroad	0066				

Group of accounts, account	POSITION	AOP	Note number	Amount		
				Current year	Previous year	
					Ending balance 31.12. 2019	Opening balance 01.01.20__
1	2	3	4	5	6	7
234, 235, 238 and part 239	5. Other short-term financial investments	0067	27	88.395	341.846	
24	VII. CASH AND CASH EQUIVALENTS	0068	28	135.710	238.859	
27	VIII. VALUE ADDED TAX	0069		20.178	4.680	
28 except 288	IX. ACCRUED	0070		2.574	2.099	
	E. TOTAL ASSETS=OPERATING ASSETS (0001 + 0002 + 0042 + 0043)	0071		4.321.641	4.389.530	0
88	F. OFF-BALANCE SHEET ASSETS	0072		13.772	15	
	LIABILITIES					
	A. EQUITY (0402 + 0411 - 0412 + 0413 + 0414 + 0415 - 0416 + 0417 + 0420 - 0421) ≥ 0 = (0071 - 0424 - 0441 - 0442)	0401		3.775.416	3.761.098	
30	I. SHARE CAPITAL (0403 + 0404 + 0405 + 0406 + 0407 + 0408 + 0409 + 0410)	0402	29	1.337.826	1.337.826	0
300	1. Share capital	0403		1.337.826	1.337.826	
301	2. Shares of limited liability companies	0404				
302	3. The stakes	0405				
303	4. State capital	0406				
304	5. Socially owned capital	0407				
305	6. Cooperative shares	0408				
306	7. Share premium	0409				
309	8. Other capital	0410				
31	II. SUBSCRIBED NOT PAID-IN EQUITY	0411				
047 and 237	III. REDEEMED OWN SHARES	0412				
32	IV. RESERVES	0413		328	328	
330	V. REVALUATION RESERVES BASED ON THE REVALUATION OF INTANGIBLES, PROPERTY, PLANT AND EQUIPMENT	0414				
33 except 330	VI. UNREALIZED GAINS ON SECURITIES AND OTHER COMPONENTS OF OTHER COMPREHENSIVE RESULTS (credit balance accounts of group 33 except 330)	0415				

Group of accounts, account	POSITION	AOP	Note number	Amount		
				Current year	Previous year	
					Ending balance 31.12. 2019	Opening balance 01.01.20__
1	2	3	4	5	6	7
33 except 330	VII. UNREALIZED LOSSES ON SECURITIES AND OTHER COMPONENTS OF OTHER COMPREHENSIVE RESULTS (debit balance accounts of group 33 except 330)	0416				
34	VIII. RETAINED EARNINGS (0418 + 0419)	0417	21	2.437.262	2.422.944	0
340	1. Retained earnings from previous years	0418	21	2.345.557	2.205.690	
341	2. Retained earnings for the current year	0419		91.705	217.254	
	IX. PARTICIPATION WITHOUT CONTROL RIGHTS	0420				
35	X. LOSS (0422 + 0423)	0421		0	0	0
350	1. Loss of previous years	0422				
351	2. Loss for the current year	0423				
	B. LONG-TERM PROVISIONS AND LIABILITIES (0425 + 0432)	0424	30	190.201	282.469	0
40	I. LONG-TERM PROVISIONS (0426 + 0427 + 0428 + 0429 + 0430 + 0431)	0425		11.193	6.938	0
400	1. Provisions for expenses in warranty period	0426				
401	2. Provisions for restoration of natural resources	0427				
403	3. Provisions for restructuring costs	0428				
404	4. Provision for retirement and other employee benefits	0429		11.193	6.938	
405	5. Provisions for lawsuits	0430				
402 and 409	6. Other long-term provisions	0431				
41	II. LONG-TERM LIABILITIES (0433 + 0434 + 0435 + 0436 + 0437 + 0438 + 0439 + 0440)	0432	30	179.008	275.531	0
410	1. Liabilities that may be converted into capital	0433				
411	2. Liabilities to parent companies and subsidiaries	0434				
412	3. Liabilities to other related parties	0435				
413	4. Payable in securities for a period longer than one year	0436				
414	5. Long-term loans and loans in the country	0437	30	179.008	275.531	
415	6. Long-term loans and loans abroad	0438				

Group of accounts, account	POSITION	AOP	Note number	Amount		
				Current year	Previous year	
					Ending balance 31.12. 2019	Opening balance 01.01.20__
1	2	3	4	5	6	7
416	7. Liabilities based on financial leasing	0439				
419	8. Other long-term liabilities	0440				
498	C. DEFERRED TAX LIABILITIES	0441				
42 till 49 (except 498)	D. SHORT-TERM LIABILITIES (0443 + 0450 + 0451 + 0459 + 0460 + 0461 + 0462)	0442	31	356.024	345.963	0
42	I. SHORT-TERM FINANCIAL LIABILITIES (0444 + 0445 + 0446 + 0447 + 0448 + 0449)	0443	31	135.145	149.771	0
420	1. Short-term loans from parent companies and subsidiaries	0444				
421	2. Short-term loans from other related parties	0445				
422	3. Short-term loans and loans in the country	0446				
423	4. Short-term loans and loans abroad	0447				
427	5. Liabilities in respect of fixed assets and assets from discontinued operations held for sale	0448				
424, 425, 426 and 429	6. Other short-term liabilities	0449	31	135.145	149.771	
430	II. PREPAYMENTS, DEPOSITS AND BAILS	0450		14.162	23.968	
43 except 430	III. LIABILITIES FROM OPERATIONS (0452 + 0453 + 0454 + 0455 + 0456 + 0457 + 0458)	0451	31	89.440	42.447	0
431	1. Suppliers – parent companies and subsidiaries in the country	0452				
432	2. Suppliers – parent companies and subsidiaries abroad	0453	31	26.944		
433	3. Suppliers – other related parties in the country	0454				
434	4. Suppliers – other related parties abroad	0455				
435	5. Domestic suppliers	0456	31	50.779	41.226	
436	6. Suppliers abroad	0457	31	11.717	1.251	
439	7. Other liabilities	0458				
44, 45 and 46	IV. OTHER CURRENT LIABILITIES	0459		21.123	19.448	
47	V. LIABILITIES FOR VALUE ADDED TAX	0460		1.401	7.703	
48	VI. OTHER TAXES, CONTRIBUTIONS AND OTHER FEES	0461				
49 except 498	VII. ACCRUALS AND DEFERRED	0462	32	94.753	102.596	

Group of accounts, account	POSITION	AOP	Note number	Amount		
				Current year	Previous year	
					Ending balance 31.12. 2019	Opening balance 01.01.20__
1	2	3	4	5	6	7
	E. LOSS OVER CAPITAL (0412 + 0416 + 0421 - 0420 - 0417 - 0415 - 0414 - 0413 - 0411 - 0402) ≥ 0 = (0441 + 0424 + 0442 - 0071) ≥ 0	0463				
	F. TOTAL LIABILITIES (0424 + 0442 + 0441 + 0401 - 0463) ≥ 0	0464		4.321.641	4.389.530	
89	G. OFF-BALANCE SHEET LIABILITIES	0465		13.772	15	

In N. Pazova

Legal representative

date 25.06.2021

stamp

ALUMIL YU INDUSTRY A.D.
NOVA PAZOVA

signature

Form prescribed by the Regulations on the content and form of financial statements for companies, cooperatives and entrepreneurs („Official Gazette of RS“, no. 95/2014 and 144/2014)

To be filled by the legal entity - entrepreneur

ID number	1	7	3	4	3	5	2	1	Activity code	2	5	1	1	VAT	1	0	2	0	3	3	6	4	6
Name	Alumil yu industry ad																						
The seat	Nova Pazova, Vojački put 3																						

PROFIT AND LOSS STATEMENT
For period from 01.01. to 31.12. 2020_

- in 000 RSD -

Group of accounts, account	POSITION	AOP	Note number	Amount	
				Current year	Previous year
1	2	3	4	5	6
	INCOME FROM OPERATIONS				
60 til 65, except 62 and 63	A. OPERATING INCOME (1002 + 1009 + 1016 + 1017)	1001	3.4	4.651.401	4.702.191
60	I. SALES OF GOODS (1003 + 1004 + 1005 + 1006 + 1007+ 1008)	1002	3	700.974	646.481
600	1. Sales of goods to parent companies and subsidiaries in domestic market	1003			
601	2. Sales of goods to parent companies and subsidiaries in foreign markets	1004	3	15.878	19.169
602	3. Sales of goods to other related parties in domestic market	1005			
603	4. Sales of goods to other related parties in foreign market	1006	3	77.353	67.963
604	5. Sales of goods on domestic market	1007	3	584.725	543.591
605	6. Sales of goods on foreign markets	1008	3	23.018	15.758
61	II. INCOMES FROM SALES OF PRODUCTS AND SERVICES (1010 + 1011 + 1012 + 1013 + 1014 + 1015)	1009	4	3.941.198	4.047.938
610	1. Incomes from sales of products and services to parent companies and subsidiaries in domestic market	1010			
611	2. Incomes from sales of products and services to parent companies and subsidiaries in foreign markets	1011	4	434.071	495.802
612	3. Incomes from sales of products and services to other related parties in domestic market	1012	4		
613	4. Incomes from sales of products and services to other related parties in foreign markets	1013	4	257.036	179.266
614	5. Incomes from sales of products and services on domestic market	1014	4	1.517.948	1.606.370
615	6. Incomes from sales of products and services on foreign markets	1015	4	1.732.143	1.766.500
64	III. INCOME FROM PREMIUM, SUBSIDIES, GRANTS, DONATIONS AND OTHER FUNDS	1016	5	4.316	4.552
65	IV. OTHER OPERATING INCOMES	1017	6	4.913	3.220
	EXPENSES WITHIN REGULAR OPERATIONS				

50 til 55, 62 and 63	B. OPERATING EXPENSES (1019 - 1020 - 1021 + 1022 + 1023 + 1024 + 1025 + 1026 + 1027 + 1028 + 1029) ≥ 0	1018		4.488.932	4.532.205

Group of accounts, account	POSITION	AOP	Note number	Amount	
				Current year	Previous year
1	2	3	4	5	6
50	I. COST OF GOODS SOLD	1019	7	573.913	535.787
62	II. REVENUES FROM ACTIVATION OF GOODS AND EFFECTS	1020			30
630	III. INCREASE IN VALUE OF INVENTORY FINISHED AND SEMI FINISHED PRODUCTS AND UNFINISHED SERVICES	1021		27.445	1.016
631	IV. DECREASE IN VALUE OF INVENTORY FINISHED AND SEMI FINISHED PRODUCTS AND UNFINISHED SERVICES	1022		27.176	95.056
51 except 513	V. COST OF MATERIALS	1023	8	2.822.327	2.845.979
513	VI. FUEL AND ENERGY	1024	9	116.572	125.058
52	VII. SALARIES, WAGES AND OTHER PERSONNEL EXPENSES	1025	10	510.558	437.870
53	VIII. COST OF PRODUCTION SERVICES	1026	11	214.503	211.435
540	IX. DEPRECIATION	1027	12	121.108	158.203
541 til 549	X. COSTS OF LONG-TERM PROVISIONS	1028	13	4.255	6.938
55	XI. INTANGIBLE COSTS	1029	13	125.965	116.925
	C. OPERATING PROFIT (1001 - 1018) ≥ 0	1030		162.469	169.986
	D. OPERATING LOSS (1018 - 1001) ≥ 0	1031			
66	E. FINANCIAL INCOME (1033 + 1038 + 1039)	1032	14	52.165	61.317
66, except 662, 663 and 664	I. FINANCIAL INCOME FROM RELATED PARTIES AND OTHER FINANCIAL INCOME (1034 + 1035 + 1036 + 1037)	1033	14	50.884	54.946
660	1. Financial income from parent companies and subsidiaries	1034	14	50.646	54.946
661	2. Financial income from other related parties	1035		238	
665	3. Income from participation in profit of associated companies and joint ventures	1036			
669	4. Other financial income	1037			
662	II. INTEREST INCOME (FROM THIRD PARTIES)	1038	15	1.141	2.375
663 and 664	III. FOREIGN EXCHANGE GAINS AND POSITIVE EFFECTS OF CURRENCY CLAUSE (BY THIRD PARTIES)	1039	15	140	3.996
56	F. FINANCIAL EXPENSES (1041 + 1046 + 1047)	1040	16	11.164	19.193
56, except 562, 563 and 564	I. FINANCIAL EXPENSES FROM RELATED PARTIES AND OTHER FINANCIAL EXPENSES (1042 + 1043 + 1044 + 1045)	1041		4.514	2.595
560	1. Finance expenses from relations with parent companies and subsidiaries	1042	16	4.429	2.595
561	2. Finance expenses from relations with other related parties	1043		85	
565	3. Expenses from participation in the loss of associated companies and joint ventures	1044			

Group of accounts, account	POSITION	AOP	Note number	Amount	
				Current year	Previous year
1	2	3	4	5	6
566 and 569	4. Other financial expenses	1045			
562	II. INTEREST EXPENSE (BY THIRD PARTIES)	1046	16	6.519	12.400
563 and 564	III. FOREIGN EXCHANGE LOSSES AND NEGATIVE EFFECTS OF CURRENCY CLAUSE (BY THIRD PARTIES)	1047	16	131	4.198
	G. PROFIT FROM FINANCING (1032 - 1040)	1048		41.001	42.124
	H. LOSS FROM FINANCING (1040 - 1032)	1049			
683 and 685	I. INCOME FROM ADJUSTMENTS OF VALUE OF OTHER ASSETS CARRIED AT FAIR VALUE THROUGH P&L	1050		41.899	18.451
583 and 585	J. EXPENSE FROM ADJUSTMENTS OF VALUE OF OTHER ASSETS CARRIED AT FAIR VALUE THROUGH P&L	1051		24.184	10.772
67 and 68, except 683 and 685	K. OTHER INCOME	1052	17,18	15.294	7.542
57 and 58, except 583 and 585	L. OTHER EXPENSE	1053	19,20	127.266	19.009
	M. OPERATING PROFIT BEFORE TAX (1030 - 1031 + 1048 - 1049 + 1050 - 1051 + 1052 - 1053)	1054		109.213	208.322
	N. OPERATING LOSS BEFORE TAX (1031 - 1030 + 1049 - 1048 + 1051 - 1050 + 1053 - 1052)	1055			
69-59	O. NET PROFIT FROM DISCONTINUED OPERATIONS, THE EFFECTS OF CHANGES IN ACCOUNTING POLICIES AND CORRECTIONS FROM PREVIOUS PERIOD	1056			
59-69	P. NET LOSS FROM DISCONTINUED OPERATIONS, THE EFFECTS OF CHANGES IN ACCOUNTING POLICIES AND CORRECTIONS FROM PREVIOUS PERIOD	1057		942	
	P. PROFIT BEFORE TAX (1054 - 1055 + 1056 - 1057)	1058	21	108.271	208.322
	Q. LOSS BEFORE TAX (1055 - 1054 + 1057 - 1056)	1059			
	R. INCOME TAXES				
721	I. INCOME TAX EXPENSE	1060	21	5.589	7.660
part 722	II. DEFERRED TAX EXPENSE	1061		10.977	
part 722	III. DEFERRED TAX INCOME	1062	21		16.592
723	S. EARNINGS PAID TO EMPLOYER	1063			
	T. NET PROFIT (1058 - 1059 - 1060 - 1061 + 1062 - 1063)	1064		91.705	217.254
	U. NET LOSS (1059 - 1058 + 1060 + 1061 - 1062 + 1063)	1065			
	I. NET PROFIT BELONGING TO MINORITY INVESTORS	1066			
	II. NET PROFIT BELONGING TO MAJORITY OWNER	1067			
	III. NET LOSS BELONGING TO MINORITY INVESTORS	1068			

	IV. NET LOSS BELONGING TO MAJORITY OWNER	1069			
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Group of accounts, account	POSITION	AOP	Note number	Amount	
				Current year	Previous year
1	2	3	4	5	6
	V. EARNINGS PER SHARE				
	1. Basic earnings per share	1070			
	2. Reduced (diluted) earnings per share	1071			

In N. Pazova

Legal representative

date 25.06.2021

stamp

ALUMIL YU INDUSTRY A.D.
NOVA PAZOVA

signature

Form prescribed by the Regulations on the content and form of financial statements for companies, cooperatives and entrepreneurs
(„Official Gazette of RS“, no. 95/2014 and 144/2014)

To be filled by legal entity - entrepreneur

Registration Number	17343521	Code of Activity	2511	TIN	102033646
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Name **ALUMIL YU INDUSTRY AD, NOVA PAZOVA**

Registered Office **Nova Pazova, Vojački put 3**

STATEMENT OF COMPREHENSIVE INCOME
for the period from January 1, 2020 to December 31, 2020

- in thousands of RSD -

Group of accounts, account	ITEM	ADP	Note number	Amount	
				Current year	Previous year
1	2	3	4	5	6
	A. NET INCOME FROM OPERATIONS				
	I. NET GAIN (ADP 1064)	2001		91705	217254
	II. NET LOSS (ADP 1065)	2002			
	B. OTHER COMPREHENSIVE GAINS OR LOSS				
	a) Items that will not be classified to profit or loss account in future periods				
330	1. Revaluation changes of intangible assets, immovable property, plants and equipment				
	a) increase in revaluation reserves	2003			
	b) decrease in revaluation reserves	2004			
331	2. Actuarial gains or losses arising from defined benefit plans				
	a) gains	2005			
	b) losses	2006			
332	3. Gains or losses arising from investment in equity instruments				
	a) gains	2007			
	b) losses	2008			
333	4. Gains or losses arising from share in comprehensive gain or loss of affiliates				
	a) gains	2009			
	b) losses	2010			

b) Items that will be reclassified to profit or loss account in future periods					
	1. Gains or losses arising from remeasurement of financial statements of foreign operations				
334	a) gains	2011			
	b) losses	2012			
Group of accounts, account	ITEM	ADP	Note number	Amount	
				Current year	Previous year
1	2	3	4	5	6
	2. Gains or losses arising from hedging instruments of net investment in foreign operations				
335	a) gains	2013			
	b) losses	2014			
	3. Gains or losses arising from cash flow risk hedging instruments				
336	a) gains	2015			
	b) losses	2016			
	4. Gains or losses arising from securities available for sale				
337	a) gains	2017			
	b) losses	2018			
	I. OTHER COMPREHENSIVE GAIN, GROSS (2003 + 2005 + 2007 + 2009 + 2011 + 2013 + 2015 + 2017) - (2004 + 2006 + 2008 + 2010 + 2012 + 2014 + 2016 + 2018) ≥ 0	2019			
	II. OTHER COMPREHENSIVE LOSS, GROSS (2004 + 2006 + 2008 + 2010 + 2012 + 2014 + 2016 + 2018) - (2003 + 2005 + 2007 + 2009 + 2011 + 2013 + 2015 + 2017) ≥ 0	2020			
	III. TAX ON OTHER COMPREHENSIVE GAINS OR LOSSES FOR THE PERIOD	2021			
	IV. OTHER COMPREHENSIVE GAIN, NET (2019 - 2020 - 2021) ≥ 0	2022			
	V. OTHER COMPREHENSIVE LOSS, NET (2020 - 2019 + 2021) ≥ 0	2023			
	B. TOTAL COMPREHENSIVE GAIN, NET				
	I. TOTAL COMPREHENSIVE GAIN, NET (2001 - 2002 + 2022 - 2023) ≥ 0	2024		91705	217254
	II. TOTAL COMPREHENSIVE LOSS, NET (2002 - 2001 + 2023 - 2022) ≥ 0	2025			
	C. OTHER COMPREHENSIVE GAIN OR LOSS, NET (2027 + 2028) = ADP 2024 ≥ 0 or ADP 2025 > 0	2026		0	0
	1. Attributed to equity owners	2027			

	2. Attributed to non-controlling interests	2028		
--	--	------	--	--

In N.Pazova
on 25.06.2021

Legal representative
signature

stamp ALUMIL YU INDUSTRY AD
NOVA PAZOVA

This form is mandatory pursuant to the Rulebook on the content and layout of financial statement forms for legal entities, cooperatives and entrepreneurs (RS Official Gazette No 95/2014 and 144/2014).

To be filled by legal entity - entrepreneur

Registration Number	17343521	Code of Activity	2511	TIN	102033646
Name	ALUMIL YU INDUSTRY AD, NOVA PAZOVA				
Registered Office	Nova Pazova, Vojački put 3				

STATEMENT OF CHANGES IN EQUITY
for the period from January 1, 2020 to December 31, 2020

- in thousands of RSD -

Number	DESCRIPTION	Components of equity					
		ADP	30 Capital	ADP	31 Subscribed capital unpaid	ADP	32 Reserves
1	2		3		4		5
	Opening balance of the prior year, as at January 1						
1.	a) account debit balance	4001		4019		4037	
	b) account credit balance	4002	1337826	4020		4038	328
	Correction of material errors and changes in accounting policies						
2.	a) adjustments on the debit side of the account	4003		4021		4039	
	b) Adjustments on the credit side of the account	4004		4022		4040	
	Adjusted opening balance of the prior year, as at January 1						
3.	a) adjusted debit balance of the account (1a + 2a - 2b) ≥ 0	4005		4023		4041	
	b) adjusted credit balance of the account (1b - 2a + 2b) ≥ 0	4006	1337826	4024		4042	328
	Changes in the previous year						
4.	a) transactions on the debit side of the account	4007		4025		4043	
	b) transactions on the credit side of the account	4008		4026		4044	
	Balance at the end of previous year as at December 31						
5.	a) account debit balance (3a + 4a - 4b) ≥ 0	4009		4027		4045	

	b) account credit balance (3b - 4a + 4b) ≥ 0	4010	1337826	4028		4046	328
	Correction of material errors and changes in accounting policies						
6.	a) adjustments on the debit side of the account	4011		4029		4047	
	b) adjustments on the credit side of the account	4012		4030		4048	
	Adjusted opening balance of current year as at January 1 _____						
7.	a) adjusted debit balance of the account (5a + 6a - 6b) ≥ 0	4013		4031		4049	
	b) adjusted credit balance of the account (5b - 6a + 6b) ≥ 0	4014	1337826	4032		4050	328
	Changes in the current year _____						
8.	a) transactions on the debit side of the account	4015		4033		4051	
	b) transactions on the credit side of the account	4016		4034		4052	
	Balance at the end of current year as at December 31 _____						
9.	a) account debit balance (7a + 8a - 8b) ≥ 0	4017		4035		4053	
	b) account credit balance (7b - 8a + 8b) ≥ 0	4018	1337826	4036		4054	328
Number	DESCRIPTION	Components of equity					
		ADP	35	ADP	047 and 237	ADP	34
			Loss		Treasury shares		Retained earnings
	2	6		7		8	
	Opening balance of the prior year, as at January 1 _____						
1.	a) account debit balance	4055		4073		4091	
	b) account credit balance	4056		4074		4092	2205690
	Correction of material errors and changes in accounting policies						
2.	a) adjustments on the debit side of the account	4057		4075		4093	
	b) adjustments on the credit side of the account	4058		4076		4094	
	Adjusted opening balance of the prior year, as at January 1 _____						
3.	a) adjusted debit balance of the account (1a + 2a - 2b) ≥ 0	4059		4077		4095	
	b) adjusted credit balance of the account (1b - 2a + 2b) ≥ 0	4060		4078		4096	2205690
	Changes in the previous year _____						
4.	a) transactions on the debit side of the account	4061		4079		4097	

	b) transactions on the credit side of the account	4062		4080		4098	217254
	Balance at the end of previous year as at December 31_____						
5.	a) account debit balance (3a + 4a - 4b) ≥ 0	4063		4081		4099	
	b) account credit balance (3b - 4a + 4b) ≥ 0	4064		4082		4100	2422944
	Correction of material errors and changes in accounting policies						
6.	a) adjustments on the debit side of the account	4065		4083		4101	
	b) adjustments on the credit side of the account	4066		4084		4102	
	Adjusted opening balance of current year as at January 1_____						
7.	a) adjusted debit balance of the account (5a + 6a - 6b) ≥ 0	4067		4085		4103	
	b) adjusted credit balance of the account (5b - 6a + 6b) ≥ 0	4068		4086		4104	2422944
	Changes in the current year _____						
8.	a) transactions on the debit side of the account	4069		4087		4105	
	b) transactions on the credit side of the account	4070		4088		4106	14318
	Balance at the end of current year as at December 31_____						
9.	a) account debit balance (7a + 8a - 8b) ≥ 0	4071		4089		4107	
	b) account credit balance (7b - 8a + 8b) ≥ 0	4072		4090		4108	2437262

Number	DESCRIPTION	Components of comprehensive income					
		ADP	330	ADP	331	ADP	332
			Revaluation reserves		Actuarial gains or losses		Gains or losses arising from investment in equity instruments
1	2		9		10		11
	Opening balance of the prior year, as at January 1_____						
1.	a) account debit balance	4109		4127		4145	
	b) account credit balance	4110		4128		4146	
	Correction of material errors and changes in accounting policies						
2.	a) adjustments on the debit side of the account	4111		4129		4147	
	b) adjustments on the credit side of the account	4112		4130		4148	
3.	Adjusted opening balance of the prior year, as at January 1_____						

	a) adjusted debit balance of the account (1a + 2a - 2b) ≥ 0	4113		4131		4149	
	b) adjusted credit balance of the account (1b - 2a + 2b) ≥ 0	4114		4132		4150	
	Changes in the previous year _____						
4.	a) transactions on the debit side of the account	4115		4133		4151	
	b) transactions on the credit side of the account	4116		4134		4152	
	Balance at the end of previous year as at December 31 _____						
5.	a) account debit balance (3a + 4a - 4b) ≥ 0	4117		4135		4153	
	b) account credit balance (3b - 4a + 4b) ≥ 0	4118		4136		4154	
	Correction of material errors and changes in accounting policies						
6.	a) adjustments on the debit side of the account	4119		4137		4155	
	b) adjustments on the credit side of the account	4120		4138		4156	
	Adjusted opening balance of current year as at January 1 _____						
7.	a) adjusted debit balance of the account (5a + 6a - 6b) ≥ 0	4121		4139		4157	
	b) adjusted credit balance of the account (5b - 6a + 6b) ≥ 0	4122		4140		4158	
	Changes in the current year _____						
8.	a) transactions on the debit side of the account	4123		4141		4159	
	b) transactions on the credit side of the account	4124		4142		4160	
	Balance at the end of current year as at December 31 _____						
9.	a) account debit balance (7a + 8a - 8b) ≥ 0	4125		4143		4161	
	b) account credit balance (7b - 8a + 8b) ≥ 0	4126		4144		4162	

Number	DESCRIPTION	Components of comprehensive income					
		ADP	333	ADP	334 и 335	ADP	336
			Gains or losses arising from share in comprehensive gain or loss of affiliates		Gains or losses arising from remeasurement of financial statements of foreign operations		Gains or losses arising from cash flow hedging
1	2		12		13		14
1.	Opening balance of the prior year, as at January 1 _____						

	a) account debit balance	4163		4181		4199	
	b) account credit balance	4164		4182		4200	
	Correction of material errors and changes in accounting policies						
2.	a) adjustments on the debit side of the account	4165		4183		4201	
	b) adjustments on the credit side of the account	4166		4184		4202	
	Adjusted opening balance of the prior year, as at January 1 _____						
3.	a) adjusted debit balance of the account (1a + 2a - 2b) ≥ 0	4167		4185		4203	
	b) adjusted credit balance of the account (1b - 2a + 2b) ≥ 0	4168		4186		4204	
	Changes in the previous year _____						
4.	a) transactions on the debit side of the account	4169		4187		4205	
	b) transactions on the credit side of the account	4170		4188		4206	
	Balance at the end of previous year as at December 31 _____						
5.	a) account debit balance (3a + 4a - 4b) ≥ 0	4171		4189		4207	
	b) account credit balance (3b - 4a + 4b) ≥ 0	4172		4190		4208	
	Correction of material errors and changes in accounting policies						
6.	a) adjustments on the debit side of the account	4173		4191		4209	
	b) adjustments on the credit side of the account	4174		4192		4210	
	Adjusted opening balance of current year as at January 1 _____						
7.	a) adjusted debit balance of the account (5a + 6a - 6b) ≥ 0	4175		4193		4211	
	b) adjusted credit balance of the account (5b - 6a + 6b) ≥ 0	4176		4194		4212	
	Changes in the current year _____						
8.	a) transactions on the debit side of the account	4177		4195		4213	
	b) transactions on the credit side of the account	4178		4196		4214	
	Balance at the end of current year as at December 31 _____						
9.	a) account debit balance (7a + 8a - 8b) ≥ 0	4179		4197		4215	
	b) account credit balance (7b - 8a + 8b) ≥ 0	4180		4198		4216	

umber	DESCRIPTION	Components of comprehensive income		ADP	Total equity [$\sum(\text{row 1b column 3 to column 15}) - \sum(\text{row 1a column 3 to column 15}) \geq 0$]	ADP	Loss above equity [$\sum(\text{row 1a column 3 to column 15}) - \sum(\text{row 1b column 3 to column 15}) \geq 0$]
		ADP	337				
			Gains or losses arising from securities available for sale				
1	2		15		16		17
	Opening balance of the prior year, as at January 1 _____						
1.	a) account debit balance	4217		4235	3543844	4244	
	b) account credit balance	4218					
	Correction of material errors and changes in accounting policies						
2.	a) adjustments on the debit side of the account	4219		4236		4245	
	b) adjustments on the credit side of the account	4220					
	Adjusted opening balance of the prior year, as at January 1 _____						
3.	a) adjusted debit balance of the account ($1a + 2a - 2b \geq 0$)	4221		4237	3543844	4246	
	b) adjusted credit balance of the account ($1b - 2a + 2b \geq 0$)	4222					
	Changes in the previous year _____						
4.	a) transactions on the debit side of the account	4223		4238	217254	4247	
	b) transactions on the credit side of the account	4224					
	Balance at the end of previous year as at December 31 _____						
5.	a) account debit balance ($3a + 4a - 4b \geq 0$)	4225		4239	3761098	4248	
	b) account credit balance ($3b - 4a + 4b \geq 0$)	4226					
	Correction of material errors and changes in accounting policies						
6.	a) adjustments on the debit side of the account	4227		4240		4249	
	b) adjustments on the credit side of the account	4228					
	Adjusted opening balance of current year as at January 1 _____						
7.	a) adjusted debit balance of the account ($5a + 6a - 6b \geq 0$)	4229		4241	3761098	4250	
	b) adjusted credit balance of the account ($5b - 6a + 6b \geq 0$)	4230					
8.	Changes in the current year _____						

	a) transactions on the debit side of the account	4231			14318		
	b) transactions on the credit side of the account	4232		4242		4251	
	Balance at the end of current year as at December 31 _____						
9.	a) account debit balance (7a + 8a - 8b) ≥ 0	4233					
	b) account credit balance (7b - 8a + 8b) ≥ 0	4234		4243	3775416	4252	

In N. Pazova
signature
on 25.06.2021

Legal representative

stamp ALUMIL YU INDUSTRY AD
NOVA PAZOVA

This form is mandatory pursuant to the Rulebook on the content and layout of financial statement forms for legal entities, cooperatives and entrepreneurs (RS Official Gazette No 95/2014 and 144/2014).

To be filled by legal entity - entrepreneur					
Registration Number	17343521	Code of Activity	2511	TIN	102033646
Name	ALUMIL YU INDUSTRY AD, NOVA PAZOVA				
Registered Office	Nova Pazova, Vojački put 3				

CASH FLOW STATEMENT

For the period January 1, 2020 to December 31, 2020

-in thousands of RSD-

ITEM	ADP	Amount	
		Current Year	Previous Year
1	2	3	4
A. CASH FLOWS FROM OPERATING ACTIVITIES			
	3001	5305410	5575789
I. Cash inflow from operating activities (1 till 3)			
1. Sale and advances received	3002	4927606	5191729
2. Interest from operating activities	3003	1140	2375
3. Other inflow from operating activities	3004	376664	381685
II. Cash outflow from operating activities (1 till 5)	3005	5224530	5430308
1. Payments to suppliers and advances paid	3006	4690227	4967853
2. Payments for wages, salaries and other personnel expenses	3007	509868	433660
3. Interest paid	3008	6519	12400
4. Income tax	3009		
5. Outflow arising from other public revenues	3010	17916	16395
III. Net cash inflow from operating activities (I-II)	3011	80880	145481
IV. Net outflow from operating activities (II-I)	3012		
B. CASH FLOWS FROM INVESTING ACTIVITIES			
I. Cash inflow from investing activities (1 till 5)	3013	57025	54176
1. Sale of stocks and shares (net inflow)	3014		
2. Sale of intangible assets, property, plant, equipment and biological resources	3015	9912	722

3. Other financial placements (net inflow)	3016		1176
4. Interest from investing activities	3017		1857
5. Dividends received	3018	47113	50421
II. Cash outflow from investing activities (1 till 3)	3019	128966	112881
1. Purchase of stocks and shares (net outflow)	3020		
2. Purchase of intangible assets, property, plant, equipment and biological agents	3021	128966	112881
3. Other financial placements (net outflow)	3022		
III. Net cash inflow from investing activities (I-II)	3023		
IV. Net cash outflow from investing activities (II-I)	3024	71941	58705

-in thousands of RSD-

ITEM	ADP	Amount	
		Current Year	Previous Year
1	2	3	4
C. CASH FLOWS FROM FINANCING ACTIVITIES			
	3025	0	24741
I. Cash inflow from financing activities (1 till 5)			
1. Increase in share and other capital	3026		
2. Long term loans (net inflow)	3027		24741
3. Short term loans (net inflow)	3028		
4. Other long term liabilities	3029		
5. Other short term liabilities	3030		
II. Cash outflow from financing activities (1 till 6)	3031	111116	0
1. Repurchase of stocks and shares	3032		
2. Long term loans (net outflow)	3033	111116	
3. Short term loans (net outflow)	3034		
4. Other liabilities (outflow)	3035		
5. Financial leasing	3036		
6. Dividends paid	3037		
III. Net cash inflow from financing activities (I-II)	3038		24741
IV. Net cash outflow from financing activities (II-I)	3039	111116	
D. TOTAL CASH INFLOW (3001+3013+3025)	3040	5362435	5654706
E. TOTAL CASH OUTFLOW (3005+3019+3031)	3041	5464612	5543189
F. NET CASH INFLOW (3040-3041)	3042		111517
G. NET CASH OUTFLOW (3041-3040)	3043	102177	
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	3044	238859	131584
I. POSITIVE EFFECT OF MOVEMENTS IN EXCHANGE RATES ON CASH	3045	3673	5176
J. NEGATIVE EFFECT OF MOVEMENTS IN EXCHANGE RATES ON CASH	3046	4645	9418
H. CASH AT END PERIOD (3042-3043+3044+3045-3046)	3047	135710	238859

In N. Pazova

on 25.06.2021

stamp ALUMIL YU INDUSTRY AD
NOVA PAZOVA

Legal representative
signature

This form is mandatory pursuant to the Rulebook on the content and layout of financial statement forms for legal entities, cooperatives and entrepreneurs (RS Official Gazette No 95/2014 and 144/2014).

ALUMIL YU INDUSTRY A.D. NOVA PAZOVA

NOTES TO FINANCIAL STATEMENTS FOR 2020

1. BASIC INFORMATION

Alumil Yu Industry a.d., Nova Pazova (hereinafter referred to as: Company) was incorporated on July 12, 2001. and registered with the Commercial Court in Kraljevo on August 17, 2001 under number Fi 1519/2001, with share capital in the amount of EUR 4,547,021.19..

The core activity of the Company is the production and sale of aluminum profiles. The factory of the Company for the production of aluminum profiles is located in Nova Pazova. The headquarters of the Company are in Nova Pazova, 3 Vojački put.

On July 30, 2009, there was a status change of the absorption-type merger of Alumil Coating Srb d.o.o., Nova Pazova with Alumil YU Industry a.d., Nova Pazova, which increased the share capital of the Company by EUR 2,405,325.90.

On March 29, 2012, the Agreement on absorption-type merger of the company Alumil Technic doo, Belgrade with Alumil YU Industry ad, Nova Pazova was signed, according to which it was defined that the merger-fusion absorption process would be performed as of March 31, 2012, and April 1, 2012 was set as the Merger Settlement Date. With the Merger Agreement, the value of the share capital was increased by EUR 100,000.

Pursuant to the status change, the taken over company Alumil Technic d.o.o., Belgrade was deleted from the Register of Business Entities, by the Decision of the Business Registers Agency number BD 58496/2012 of May 8, 2012.

On January 21, 2014, the Agreement on absorption-type merger of the company Alumil Srb d.o.o., Čačak with the company Alumil YU Industry a.d., Nova Pazova was signed, according to which it was defined that the merger-fusion absorption process would be performed as January 1, 2014. With the Merger Agreement, the value of the share capital was increased by RSD 677,970.

By the Decision of the Business Registers Agency number BD 110979/2014 dated December 31, 2014, the status change of the merger of Alumil Srb doo, Čačak with the company Alumil YU Industry ad, Nova Pazova was registered and on the same day by the Decision number BD 111440/2014 the taken over company Alumil Srb doo Čačak was deleted from the register.

On November 23, 2015, the General Meeting of Shareholders of the Company made a decision to increase the capital by converting the debt into share capital. With this Decision, 732,372 shares were issued (nominal value RSD 930) in the total amount of RSD 681,106 thousand. The acquirer of the shares is ALUSYS INTERNATIONAL AG, Wenginstrasse, Zurich, Switzerland, which converted the receivable on the basis of granted loans in the total amount of EUR 5,600 thousand (RSD 681,106 thousand at exchange rates on the date of payment) into the above number of fractions and the amount of share capital. On May 20, 2016, this Decision was registered with the Business Registers Agency. By the Decision of the Business Registers Agency number BD50162 / 2019 on June 21, 2016, an increase in the share capital was registered. As of December 31, 2020, the majority owner of the Company is ALUSYS INTERNATIONAL AG, Zurich, Switzerland.

As at December 31, 2020, the Company employs 324 workers (December 31, 2019: 311 workers).

NOTES TO FINANCIAL STATEMENTS FOR 2020

2. BASIS FOR THE PREPARATION AND PRESENTATION OF FINANCIAL STATEMENTS

2.1. Basis for the Preparation

The Company keeps records and compiles financial statements in accordance with the Law on Accounting of the Republic of Serbia ("Official Gazette of the RS", No. 73/2019) and other applicable legislation in the Republic of Serbia.

In accordance with the Law on Accounting, large legal entities, legal entities that have the obligation to compile consolidated financial statements (parent legal entities), public companies, ie companies preparing to become public in accordance with the Capital Market Law of the Republic of Serbia, regardless of size, for the recognition, valuation, presentation and disclosure of items in the financial statements apply the International Financial Reporting Standards (IFRS), the Serbian translation of which has been published by the ministry in charge of finance.

International Financial Reporting Standards published in Serbian by the Ministry of Finance include the Conceptual Framework for Financial Reporting, International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as well as interpretations of standards issued by the International Financial Reporting Interpretations Committee but do not include the basis for conclusions, illustrative examples, application instructions, comments, dissenting opinions or other supporting materials except where they are explicitly included as an integral part of the standard or interpretation.

IAS, IFRS and interpretations published by the International Accounting Standards Board and the International Financial Reporting Interpretations Committee were officially translated by the decision of the Ministry of Finance of the Republic of Serbia on determining the translation of International Financial Reporting Standards (Decision Number 401-00-4980/2019-16) and published in the Official Gazette of the Republic of Serbia, Number 92 on November 21, 2019 and are applied during the preparation of financial reports for the annual period ending on or after December 31, 2020.

New or amended IFRS and interpretations adopted by the Decision of the Ministry of Finance of the Republic of Serbia on determining the translation of International Financial Reporting Standards published in the Official Gazette of the Republic of Serbia No. 123/2020 on October 13, 2020 are applied in preparing financial statements for the annual period ending on or after December 31, 2021 and have not been applied in the preparation of the herein enclosed financial statements.

In addition, the attached financial statements have been prepared in accordance with the requirements of the Rulebook on the Chart of Accounts and the content of accounts for business companies, cooperatives and entrepreneurs; (Official Gazette of the Republic of Serbia No. 95/2014) and the Rulebook on the content and forms of financial statements for business companies, cooperatives and entrepreneurs (Official Gazette of the Republic of Serbia No. 95/2014 and 144/2014). These regulations governing the presentation of financial statements take precedence over the requirements defined in this regard by IFRS published by the Ministry of Finance.

Due to the above deviations, these financial statements are not in accordance with IFRS.

Going-concern Principle

The financial statements have been prepared in accordance with the going concern principle, which implies that the Company will continue to operate in the foreseeable future.

2.2. Accounting Basis

These financial statements have been prepared under the historical cost principle. The financial statements are presented in dinars of the Republic of Serbia (RSD) and all stated numerical values are presented in thousands of dinars (RSD'000), unless otherwise stated.

NOTES TO FINANCIAL STATEMENTS FOR 2020

2. BASIS FOR THE PREPARATION AND PRESENTATION OF FINANCIAL STATEMENTS (continued)

2.3 Application of new accounting standards

The Company has first applied IFRS 15 "Revenue from Contracts with Customers" and IFRS 9 "Financial Instruments" in its financial statements. The nature and effects of changes as a result of the application of the new standards are described below.

IFRS 15 Revenue from Contracts with Customers

IFRS 15 amends IAS 11 Construction Contracts, IAS 18 Revenue and other relevant interpretations. The new standard provides for a "five-step" model for accounting revenue recognition arising from contracts with customers. The Company adopted IFRS 15 using a modified retrospective method at the date of initial application on January 1, 2020, which implies that the cumulative effect of the application of IFRS 15 is recognized in the initial state of retained earnings. In this regard, the comparative figures have not been corrected, and are presented in accordance with IAS 18 and other relevant interpretations.

The application of IFRS 15 did not have a material effect on the Company's financial statements and there was no entry in the opening balance as at January 1, 2020. Note 3 to the Summary of Significant Accounting Policies describes revenues that did not have a material impact on the Company's financial statements or were consistent with the requirements of IFRS 15.

IFRS 9 Financial Instruments

IFRS 9 Financial Instruments has been replaced by IAS 39 Financial Instruments: Recognition and Measurement beginning with accounting periods starting on or after January 1, 2018 for financial statements prepared in accordance with IFRS. In the Republic of Serbia, for financial statements prepared in accordance with the Law on Accounting and other accounting regulations applicable in the Republic of Serbia, the application of IFRS 9 is mandatory for the preparation of financial statements from January 1, 2020.

In accordance with the provisions of the new standard, the Company did not adjust comparative information, but it is included in accordance with IAS 39. The Company recognized directly in retained earnings the differences arising from the application of IFRS 9.

ALUMIL YU INDUSTRY A.D. NOVA PAZOVA

NOTES TO FINANCIAL STATEMENTS FOR 2020

2. BASIS FOR THE PREPARATION AND PRESENTATION OF FINANCIAL STATEMENTS (continued)

2.3 Application of new accounting standards (continued)

IFRS 9 Financial Instruments (continued)

Effects of the application of IFRS 9 as at January 1, 2020 are as follows:

In thousands of dinars	Increase/ (Reduction)
Property	
Receivables from related parties	(19,276)
Trade receivables in the country	-
Trade receivables abroad	-
Total reductions:	(19,276)
Deferred tax assets	2,891
	(16,385)
Capital	
<i>Retained earnings from previous years</i>	(16,385)
Total capital effect	(16,385)

Classification and Measurement

In accordance with IFRS 9, financial assets are classified as subsequently measured at amortized cost, fair value through other comprehensive income or fair value through profit or loss. The classification is based on two criteria: the characteristics of the contracted cash flows of financial assets and the business model of managing those assets.

The requirements of IFRS 9 regarding classification and valuation did not have a significant impact on the Company.

Trade receivables and other receivables held to collect contracted cash flows that represent only the payment of principal and interest on the outstanding principal amount. These assets are classified as financial assets at amortized cost as at January 1, 2020.

In accordance with the Law on Corporate Income Tax of the Republic of Serbia, the effects of changes in accounting policies resulting from the first application of IFRS, based on which the balance sheet is adjusted, are recognized as income or expense in equal amounts in five tax periods starting from the tax period in which the adjustment was made.

NOTES TO FINANCIAL STATEMENTS FOR 2020

2. BASIS FOR THE PREPARATION AND PRESENTATION OF FINANCIAL STATEMENTS (continued)

2.3 Application of new accounting standards (continued)

IFRS 9 Financial Instruments (continued)

In summary, when IFRS 9 was first applied, the mandatory or selected reclassifications at 1 January 2020 are as follows:

In thousands of dinars	Saldo (MRS 39)	IFRS 9 valuation classification		
		Amortized value	Fair value through other comprehensive income	Fair value through profit or loss
IAS 39 valuation category				
Receivables and short-term financial investments				
Trade receivables – related entities	146,394	146,394		
Domestic trade receivables*	243,791	234,794		
Foreign trade receivables*	280,053	269,963		
Other trade receivables	4,704	4,704		
Other receivables	55,383	55,383		
TOTAL:	730,325	711,345	-	-

* balances under IAS 39 and IFRS 9 are differentiated for impairment at January 1, 2020

Impairment

The new standard results in a significant change in the accounting for impairment of financial assets, which is reflected in the replacement of the loss model (IAS 39) with the expected credit loss approach - ECL for all debt instruments that are not measured at fair value through profit or loss. By first applying IFRS 9, the Company recognized additional impairment of domestic and foreign trade receivables.

2.3. Summary of significant accounting policies

In preparing the enclosed financial statements, the Company has applied the accounting policies disclosed below.

NOTES TO FINANCIAL STATEMENTS FOR 2020

2. BASIS FOR THE PREPARATION AND PRESENTATION OF FINANCIAL STATEMENTS (continued)

Foreign exchange differences

Transactions denominated in foreign currencies are initially recorded in dinars using the exchange rate valid at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated in dinars by applying the valid exchange rate at the balance sheet date. All exchange differences are recognized in the income statement for the period. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the historical exchange rates as at the dates of the initial transactions. Non-monetary items that are measured in terms of fair value in a foreign currency are translated using the exchange rates as at the dates of the valuations.

Revenue recognition policy

Customers gain control of both finished products and goods at the time they are delivered to the customer's location (their factory or warehouse) or within the Company's production factory (in case the customer organizes transportation) and when the goods are taken over by the customer (qualitative and quantitative receipt). Revenue is generated at that point with a payment deadline that in most cases ranges from 30 to 90 days.

Customers also have the option of advance payment. The invoices show rebates in accordance with the Company's commercial policy. Subsequent rebates in the form of periodic sales bonuses conditioned by the achieved sales goals, then participation in sales actions, as well as various cash benefits to direct and indirect customers can be agreed in a contract with the customers.

The Company has no cash benefits to customers related to the realization

In the case when the customer has a contractually defined right to a discount due to the determined poorer quality of delivered products, the income is adjusted by the amount that represents the expected value of possible outcomes (of these discounts). In this regard, instead of income, the Company recognizes a refund obligation; with simultaneous recognition of assets (and appropriate adjustment of selling expenses/change in value of inventories, non-completion of production and finished products) on the basis of this right. Based on many years of experience, and taking into account the fact that it is a matter of rapid turnover of products that has a relatively longer shelf life, the Company estimated that the effect of including these discounts would be intangible for the purposes of compiling these financial statements.

Contract assets

Contract assets is the right to consideration in exchange for goods or services transferred by the Company to a customer. If the Company fulfills its contract liabilities by transferring the promised goods or services before the customer pays the consideration before the obligation to pay the consideration, the contract assets are recognized as the earned portion of the consideration in connection with the conditional sale.

Trade receivables

The trade receivable represents the Company's right to an unconditional amount of consideration (i.e. only a necessary passage of time is required before the consideration is due).

Contract liability

A contract liability is an obligation to transfer goods or services to a customer for which the Company has received consideration (or the amount of consideration due) from the customer. A contract liability is recognized as income when the Company performs its contractual obligations..

2. BASIS FOR THE PREPARATION AND PRESENTATION OF FINANCIAL STATEMENTS (continued)

Contract Awarding Costs

The Company has opted to apply a practical exemption to contract awarding costs (e.g. sales commissions) that allows the Company to immediately recognize these expenses in the income statement because the depreciation period of the assets to be recognized would be one year or less.

Significant Financing Component

In general, the Company has short-term trade receivables or receives short-term advances based on sales. The Company has chosen to apply the practical exemption and not adjust the promised consideration for the effects of a significant financing component if it expects, when recognizing the contract, that the period between the transfer of goods or services and the moment when the customer pays for those goods or services

Revenues from activating own products

Revenues from the activation of own products and goods include revenues from the use of goods, products and services for own needs.

Financial income

Financial income consists of interest on loans, interest receivables from placed funds and foreign exchange gains. Interest income is recognized in the income statement on a accrual basis using the effective interest rate method. Interest income is, in accordance with the principle of causality, recognized in the income statement for the period to which it relates.

Other income

Other income includes gains on sale of property, plant and equipment and intangible assets, gains on sale of long-term securities and equity investments, gains on sale of materials, collected written-off receivables, surpluses, income from reduction of liabilities, income from cancellation of long-term provisions, income from adjustment of value of assets, positive effects of change of fair value, property, plant, equipment and inventories up to the amount of previously stated expenses for these assets on the basis of value adjustment and provisions on the basis of value adjustment in accordance with accounting policy of the Company.

Expenses

Expenses are recognized in the income statement according to the principle of causality of income and expenses, i.e. on an accrual basis and are determined for the period when they were incurred.

Operating expenses

Operating expenses include costs conditioned by the generation of sales revenue and include the cost of goods sold, costs of materials, fuel and energy, gross earnings, depreciation costs and services provided by third parties. Operating expenses also include general expenses such as lease, marketing, insurance, payment, taxes and other expenses incurred in the current accounting period..

Financial expenses

Financial expenses include expenses based on interest and exchange rate differences and other financial expenses. Interest expenses include interest calculated on loans received, which is recorded in the income statement for the period to which it relates, and in accordance with the principle of causality. The interest expense component in finance lease installments is recognized in the income statement using the effective interest method.

2. BASIS FOR THE PREPARATION AND PRESENTATION OF FINANCIAL STATEMENTS (continued)

Other expenses

Other expenses include losses on the sale and expenditure of property, plant, equipment and intangible assets, losses on the sale of securities and equity investments of legal entities, losses on the sale of materials, deficits, expenses on the basis of direct write-offs of receivables, expenses based on impairment of assets, negative effects of value adjustments of intangible assets, property, plant, equipment, long-term and short-term financial investments, inventories, securities and receivables in accordance with the Company's accounting policy.

Financial Instruments

IFRS 9 - "Financial Instruments" replaces IAS 39 - "Financial Instruments: Recognition and Measurement" for annual periods beginning on or after January 1, 2020, combining all three aspects of accounting for financial instruments: classification and measurement; depreciation; and hedge accounting.

Initial recognition and valuation

Financial assets are classified, depending on the value at which they are recognized and the subsequent effects of measurement, on:

- financial assets, measured at amortized cost;
- financial assets, measured at fair value through profit or loss;
- financial assets, which are measured at fair value through total other comprehensive income.

The classification of financial assets on initial recognition depends on the characteristics of the contractual cash flow of the financial asset and the business model for their management. With the exception of trade receivables that do not contain a significant financial component, the Company initially measures financial assets at fair value plus transaction costs, in the case of financial assets that are not at fair value through profit or loss. Trade receivables that do not contain a significant financial component are measured at the transaction price determined in accordance with IFRS 15.

The criteria on the basis of which the classification and measurement is performed are the business model for managing financial assets and the agreed characteristics of cash flows of financial assets.

In order to classify a financial asset and measure it at amortized cost or fair value through the total other comprehensive income, it is necessary to prove that the contractual cash flows represent solely payment of principal and interest (SPPI - Solely Payments of Principal and Interest). This analysis is called the SPPI test and is performed at the level of the financial instrument.

The business model for managing financial assets refers to the way in which the Company manages its financial assets to generate cash flows. The business model determines whether cash flows will result from the collection of contractual cash flows, the sale of financial assets, or both.

The purchase or sale of financial assets that require the delivery of these assets within the time frame established by regulations or market conventions (ordinary trading method) is recognized on the trading date, ie. on the date the Company commits to purchase or sell the asset.

Subsequent measurement

After the initial measurement, the Company measures the financial asset by:

- depreciated value;
- fair values through other total comprehensive income; or
- fair values through the income statement

2. BASIS FOR THE PREPARATION AND PRESENTATION OF FINANCIAL STATEMENTS (continued)

Financial instruments (continued)

Financial assets at amortized cost

This category is most relevant to the Company. The Company measures financial assets at amortized cost if both of the following conditions are met:

- Financial assets are held within the business model with the aim of holding financial assets for the purpose of collecting contractual cash flows;
- The contractual terms of the financial asset arise from certain cash flow dates that represent only the collection of principal and interest on unpaid debt.

Financial assets at amortized cost are subsequently measured using the effective interest method, with an assessment of impairment. Gains and losses are recognized in the income statement when the asset is derecognised, modified or impaired.

The Company's financial assets at amortized cost include trade receivables.

Financial assets at fair value through total other comprehensive income

The Company measures debt instruments at fair value through total comprehensive income if both of the following conditions are met:

- Financial assets are held within the business model with the aim of holding financial assets for the purpose of collecting contractual cash flows and sales; and
- The contractual terms of the financial asset arise from certain cash flow dates that represent only the collection of principal and interest on unpaid debt.

For debt instruments at fair value through total other comprehensive income, interest income, foreign exchange gains and losses on impairment of instrument or reversal of impairment are recognized in the income statement and calculated in the same way as for financial assets measured at amortized cost. The remaining changes in fair value are recognized in the total other comprehensive income.

The Company records debt instruments at fair value through the total other comprehensive income which may be investments in debt instruments listed on an active market and which the Company would present through other long-term financial assets.

On 01.01.2020 and 31.12.2020, the Company did not have financial assets at fair value whose effects of changes in fair value are expressed through the total other comprehensive income.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets at initial recognition at fair value through profit or loss, or financial assets that must be measured at fair value. Financial assets are classified as held for trading if they are acquired for trading purposes, for sale or repurchase in the near future. Financial assets with cash flows that are not exclusively payments of principal and interest are classified and measured at fair value through profit or loss, regardless of the business model.

Financial assets at fair value through profit or loss are presented in the statement of financial position at fair value with net changes in fair value recognized in the income statement. Dividends on equity investments that are actively listed in the securities markets are also recognized as part of income in the income statement when the right to collect is determined.

On 01.01.2020 and 31.12.2020 the Company did not have financial assets at fair value whose effects of changes in fair value are shown in the income statement.

2. BASIS FOR THE PREPARATION AND PRESENTATION OF FINANCIAL STATEMENTS (continued)

Financial instruments (continued)

Derecognition of financial assets

A financial asset (or, where applicable, part of a financial asset or part of a group of similar financial assets) is primarily derecognised (ie removed from the Company's balance sheet) when:

- the right to receive cash flows from the financial asset has expired or
- the Company has transferred its rights to receive cash flows from the financial asset or has undertaken to pay the received cash flows in full without significant delay to a third party and if:

a) it has transferred substantially all the risks and rewards of the asset, or

b) it has not transferred or retained substantially all the risks and rewards of the financial asset, but has transferred control of that asset

Impairment of financial assets

The Company recognizes impairment of financial assets for expected credit loss ("ECL") for all debt instruments that are not measured at fair value through profit or loss.

For trade receivables, the Company applies a practical relief (simplified approach) when calculating the ECL. In this regard, the Company does not monitor changes in credit risk, but recognizes impairment based on the ECL throughout life cycle, which can be calculated on an individual or group (portfolio) basis at the reporting date.

ECL assessment on an individual basis is performed for those customers who meet one of the following conditions: there is an agreed repayment plan officially accepted by the customer, the customer has provided a bank guarantee to secure receivables, the customer is covered by a recourse factoring contract, customers who are facing a lawsuit, customers who have become non-solvent, in liquidation or are excluded from the register of companies/entrepreneurs, customers who are parent companies or other related parties..

In the individual approach, the Company estimates the recoverable amount of the balance of receivables of each individual customer, taking into account: compliance with the payment currency, compliance with repayment plans, recoverability of existing bank guarantee or pledged assets, customer risk profile and future information.

The amount of expected credit loss for trade receivables is sensitive to changes in circumstances and projections of future economic conditions. In this regard, the Company's historical experience with credit losses on trade receivables may differ from their actual "default rates" in the future.

Financial assets are derecognised when there is no reasonable expectation that the contractual cash flows will be collected. Write-off has the treatment of derecognition of financial assets..

Cash Equivalents and Cash

Cash and cash equivalents in the Company's financial statements include cash in hand and current account balances and other cash available for up to three months.

Financial Liabilities

Financial liabilities are initially recognized at cost, which is the fair value of the consideration received. Subsequent to initial recognition, financial liabilities are stated at amortized cost using the effective interest method, except for financial liabilities at fair value through profit or loss. The amortized cost of a financial liability is the amount at which the liabilities are initially measured, less principal repayments..

2. BASIS FOR THE PREPARATION AND PRESENTATION OF FINANCIAL STATEMENTS (continued)

Financial Liabilities (continued)

The effective interest method is a method of calculating the amortized cost of a financial asset or a financial liability and of allocating interest expense or income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts over the expected life of the financial instrument or, where appropriate, over a shorter period to its net carrying amount on initial recognition.

Financial liabilities include long-term and short-term liabilities based on loans approved from banks, parent companies and related parties, operating liabilities and other short-term liabilities. The liability is short-term if it is expected to be settled in the regular course of the Company's business cycle, i.e. which matures within 12 months after the balance sheet date. All other liabilities are classified as non-current.

In order to correctly present long-term and short-term financial liabilities, a part of long-term financial liabilities maturing within one year from the balance sheet date is differentiated from long-term liabilities to short-term financial liabilities - part of long-term loans maturing up to one year.

Operating Liabilities

Trade and other short-term payables are measured at amortized cost, which due to the short-term nature of these liabilities corresponds to their nominal value..

Termination of financial liability recognition

Financial liability terminates to be recognized when the Company fulfills the obligation or when the obligation provided or in the contract has been cancelled or expired

In the case where the existing financial liability is replaced by another liability to the same creditor, but under significantly changed conditions, or if the conditions of the existing liability are significantly changed, such replacement or change of conditions is treated as cessation of recognition of the original liability. the difference between the original and the new value of the liability is recognized in the statement of comprehensive income.

Income tax

Current income tax

Current income tax is calculated in accordance with the fiscal regulations in the Republic of Serbia, by applying the prescribed tax rate to the base determined in the tax balance. Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be refunded or paid to the tax authorities. Management periodically assesses the applied tax treatment of individual items in the tax balance sheet for which the applicable tax regulations are subject to different interpretations and accordingly records provisions if necessary.

ALUMIL YU INDUSTRY A.D. NOVA PAZOVA
NOTES TO FINANCIAL STATEMENTS FOR 2020

2. BASIS FOR THE PREPARATION AND PRESENTATION OF FINANCIAL STATEMENTS (continued)

2.3. Summary of significant accounting policies (continued)

Income tax (continued)

Deferred taxes

Deferred income taxes are calculated and recognized using the liability method on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their present value for financial reporting purposes:

Deferred tax liabilities are recognized for all taxable temporary differences, except:

- if deferred tax liabilities arise from the initial recognition of goodwill or assets and liabilities in a transaction that is not a business combination and, at the time of inception, have no effect on accounting profit or taxable profit or loss; and
- taxable temporary differences related to participation in subsidiaries, associates and joint ventures where the timing of the cancellation of temporary difference can be controlled and it is certain that the temporary difference will not be eliminated in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences and transferred unused tax credits and tax losses to the extent that it is certain that the level of expected future taxable profits is sufficient to use all temporary differences, unused tax credits and unused tax losses, except:

- if deferred tax assets relating to temporary differences arise from the initial recognition of assets or liabilities in a transaction that is not a business combination and, at the time of inception, have no effect on accounting profit or taxable profit or loss; and
- taxable temporary differences related to participation in subsidiaries, associates and joint ventures where the timing of the cancellation of temporary difference can be controlled and it is certain that the temporary difference will not be eliminated in the foreseeable future and that the level of expected future taxable profits is sufficient for all temporary differences to be used,

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that future taxable profits is sufficient for the total value or part of the value of the deferred tax assets to be utilized. Deferred tax assets that are not recognized are measured at each balance sheet date and are recognized to the extent that it is probable that that the level of expected future taxable profits is sufficient for the deferred tax assets to be utilized.

Deferred tax assets and liabilities are calculated by applying the tax rate that is expected to be effective in the year in which the tax reliefs are realized, ie settlement of deferred tax liabilities, on the basis of official tax rates and regulations on or after the balance sheet date.

Deferred income tax relating to items previously recognized directly in equity is recognized in equity, not in the income statement.

Deferred tax assets and deferred tax liabilities may be presented in the offset amount if there is a legally defined right to present the current tax assets and current tax liabilities in the offset amount and if the deferred taxes relate to the same taxpayer and the same tax jurisdiction.

Revenues, expenses and assets are recognized in the net amount without value added tax, except in cases when the amount of value added tax incurred in the purchase of goods and services cannot be reimbursed by the tax authorities, in which case value added tax is recognized as part of the purchase value of the asset or part of the cost.

The net amount of value added tax recoverable from or payable to the tax authorities is included as part of the receivables or liabilities in the balance sheet.

2. BASIS FOR THE PREPARATION AND PRESENTATION OF FINANCIAL STATEMENTS (continued)

2.3. Summary of significant accounting policies (continued)

Pension and other employee benefits

Short-term employee benefits

As part of its regular operations, the Company charges and pays contributions for pension and health insurance, unemployment insurance contributions and income tax, calculated on the basis of gross earnings of employees, as well as meal allowances, advance payments and recourses, in accordance with the law.

The Company pays these contributions at the rates established by law, in favor of the relevant state funds, on the basis of gross earnings of employees. All contribution costs are recognized in the income statement in the period to which they relate. The Company has no additional obligations for compensation of employees on this basis.

The Company is not included in other forms of pension plans or similar benefit plans, and therefore has no liabilities on these grounds. Additionally, the Company has no obligation to finance other benefits to its current and/or former employees.

Employee benefits after termination of employment and other long-term employee benefits

In accordance with the Labor Law, the Company has the obligation to pay compensation to employees upon retirement in the amount of two average gross monthly salaries earned in the Republic of Serbia in the month preceding the month of retirement. Retirement benefits are not covered by the fund. The cost of these fees is determined using the actuarial method of the projected credit unit..

Actuarial gains and losses are recognized as components of other results in the period in which they arise. These items are not reclassified to the income statement in subsequent periods.

The Company has made an actuarial assessment of the present value of this legal obligation and, in this regard, has made provisions on that basis in the presented financial statements..

Management remuneration

Remuneration paid to the executive management of the Company for their services performed during regular working hours includes salary under the contract and performance bonus, which is determined in accordance with the achieved business results.

Donations

Donations are recognized at their fair value when there is a reasonable degree of assurance that the donation will be accepted and other accompanying conditions are met. A cost-related grant is recognized as income over the period required to link the grant on a systemic basis to the costs to be reimbursed. When a grant relates to an asset, the fair value of the grant is recorded in the deferred revenue accounts, which are then recognized in the income statement over the estimated useful live cycles of the asset in equal annual amounts..

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any impairment losses. The purchase value is the invoiced value, increased by all costs incurred until the asset is brought to the appropriate condition and location.

Repair and maintenance costs are recognized as an expense in the period in which they are incurred.

ALUMIL YU INDUSTRY A.D. NOVA PAZOVA
NOTES TO FINANCIAL STATEMENTS FOR 2020

2. BASIS FOR THE PREPARATION AND PRESENTATION OF FINANCIAL STATEMENTS (continued)

2.3. Summary of significant accounting policies (continued)

Property, plant and equipment

Depreciation is calculated using the straight-line method over their estimated useful live cycles using the annual depreciation rates, as follows:

Property	Depreciation rate
Building facilities	2% - 3%
Production equipment	5% - 33%
Vehicles	16% - 17%
Furniture	7% - 20%

Property, plant and equipment are derecognised upon disposal or when no future economic benefits are expected from the continued use of that asset. Gains or losses on derecognition of assets (as the difference between net realizable value and net book value) are recognized in the income statement for the period.

Impairment of non-monetary assets

At each balance sheet date, the Company assesses whether there is any indication that an asset may be impaired. If any, the Company formally assesses its recoverable amount. If it is determined that the carrying amount is greater than the recoverable amount, a reduction is made to the level of the estimated recoverable amount. The recoverable amount of an asset or "cash-generating unit", if the asset does not generate cash flows independently of other assets or groups of assets, is higher than the net sale or use value. For purposes of determining use value, estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An appropriate valuation technique is used to determine fair value less sale costs.

Inventories

Finished goods and work in progress are valued at the lower of cost or net realizable value. The cost price includes the direct costs of materials and labor and a proportional part of the overheads based on the normal degree of capacity utilization without including borrowing costs.

Inventories of materials and spare parts as well as purchased property intended for resale are valued at cost or net realizable value, whichever is lower. Cost includes the invoice value of the supplier, import duties, transportation costs, handling costs and other costs that may be associated with bringing the inventory to its existing location and condition. Discounts, rebates and other similar items are deducted in determining procurement costs. The calculation of the output of stocks of materials and spare parts is done by the method of weighted average price.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of finalizing the product and the estimated costs of selling.

Provisions

Provisions are recognized when the Company has a present obligation (legal or contractual) that results from past events and it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate of the obligation can be made. If the time value of money is significant, provisions are stated at the discounted amount of expected future cash flows, using a pre-tax discount rate that reflects current market conditions and any specific risks associated with the contingent liability for which the provision is recognized.

ALUMIL YU INDUSTRY A.D. NOVA PAZOVA
NOTES TO FINANCIAL STATEMENTS FOR 2020

3. REVENUES FROM SALES OF GOODS

	2020	<i>RSD '000</i> 2019
Sales of merchandise to parent companies and subsidiaries - foreign market (note 34)	15.878	19.169
Sales of merchandise to other associated companies - foreign market (note 34)	77.353	67.963
Sales of merchandise at domestic market	584.725	543.591
Sales of merchandise at foreign market	23.018	15.758
Total	700.974	646.481

4. SALES OF FINISHED GOODS AND SERVICES

	2020	<i>RSD '000</i> 2019
Sales of finished goods and services to parent companies and subsidiaries at foreign market (note 34)	434.071	495.802
Sales of finished goods and services to other related parties at foreign market (note 34)	257.036	179.266
Sales of finished goods and services at domestic market	1.517.948	1.606.370
Sales of finished goods and services at foreign market	1.732.143	1.766.500
Total	3.941.198	4.047.938

5. INCOME FROM PREMIUMS, SUBSIDIES, GRANTS, DONATIONS

	2020	<i>RSD '000</i> 2019.
Income from subsidies	4.316	4.552
Total	4.316	4.552

6. OTHER OPERATING INCOME

	2020	<i>RSD '000</i> 2019
Other operating income	4.913	3.220
Total	4.913	3.220

7. PURCHASE VALUE OF SOLD MERCHANDISE

	2020.	<i>RSD '000</i> 2019.
Purchase value of sold merchandise	573.913	535.787
Total	573.913	535.787

ALUMIL YU INDUSTRY A.D. NOVA PAZOVA
NOTES TO FINANCIAL STATEMENTS FOR 2020

8. COSTS OF MATERIALS

	2020	<i>RSD '000</i> 2019
Direct material	2.757.505	2.796.350
Spare parts and small tools	10.503	5.009
Other consumables	54.319	44.620
Total	2.822.327	2.845.979

9. FUEL AND ENERGY COSTS

	2020	<i>RSD '000</i> 2019
Fuel and energy costs	116.572	125.058
Total	116.572	125.058

10. COSTS OF SALARIES, FRINGE BENEFITS AND OTHER PERSONAL EXPENSES

	2020	<i>RSD '000</i> 2019
Salaries - gross	434.073	369.133
Contributions on salaries charged to employer	67.820	59.010
Other personal expenses and remunerations	8.665	9.727
Total	510.558	437.870

11. COSTS OF PRODUCTION SERVICES

	2020	<i>RSD '000</i> 2019
Rental costs	25.924	23.541
Costs of transport, postage, telephone	77.897	78.884
Maintenance services costs	18.457	21.949
Marketing and fair exhibits costs	39.632	21.746
Costs of other production services	52.593	65.315
Total	214.503	211.435

12. DEPRECIATION COSTS

	2020	<i>RSD '000</i> 2019
Depreciation of property, plant and equipment (Note 23)	119.558	156.286
Depreciation of intangible assets (Note 22)	1.550	1.917
Total	121.108	158.203

ALUMIL YU INDUSTRY A.D. NOVA PAZOVA
NOTES TO FINANCIAL STATEMENTS FOR 2020

13. LONG-TERM PROVISIONS

The cost of long-term provisions relates to provisions for severance pay.

	2020	<i>RSD '000</i> 2019
Provisions for severance pay	4.255	6.938
Total	4.255	6.938

14. NON PRODUCTION COSTS

	2020	<i>RSD '000</i> 2019
Costs of taxes and other duties	11.953	11.047
Bank services costs	1.962	2.700
Representation costs	5.967	5.849
Insurance costs	7.432	4.011
Security costs	10.388	9.472
Other non production costs	88.263	83.846
Total	125.965	116.925

15. FINANCIAL INCOME

	2020	<i>RSD '000</i> 2019
Interest income (by third parties)	1.141	2.375
Foreign exchange gains and positive effects of currency clause	140	3.996
Financial income from relationship with related parties	50.884	54.946
Total	52.165	61.317

16. FINANCIAL EXPENSES

	2020	<i>RSD '000</i> 2019
Interest expense (to third parties)	6.519	12.400
Foreign exchange losses and negative effects of currency clause	131	4.198
Financial expenses from relationship with related parties	4.514	2.595
Total	11.164	19.193

17. OTHER INCOME

	2020	<i>RSD '000</i> 2019
Sales of materials	4.937	1.940
Other income	10.357	5.602
Total	15.294	7.542

ALUMIL YU INDUSTRY A.D. NOVA PAZOVA
NOTES TO FINANCIAL STATEMENTS FOR 2020

18. INCOME FROM ADJUSTMENTS OF VALUE

	2020	<i>RSD '000</i> 2019
Income from reversal of previous impairments	12.017	8.214
Income from collection of provisions for receivables (note 26)	29.882	10.237
Total	41.899	18.451

19. OTHER EXPENSES

	2020	<i>RSD '000</i> 2019
Shortages, expenses, write-offs, extraordinary expenses	2.435	3.756
Writing-offs of receivables	4.082	176
Losses on disposals and writing-off of property	3.019	11.165
Impairment of property, plant and equipment	106.235	321
Impairment of materials and merchandise	4.369	1.801
Other expenses	7.127	1.790
Total	127.267	19.009

20. EXPENSES FROM VALUE ADJUSTMENT

	2020	<i>RSD '000</i> 2019
Loan discount expenses Alumil International	921	2.011
Expenses of doubtful and disputable receivables(note 26)	23.263	8.761
Total	24.184	10.772

21. INCOME TAX

The basic components of income tax for 2020 and 2019 are as follows:

	2020	<i>RSD '000</i> 2019
Current income tax	(5.589)	(7.660)
Deferred tax income (expense) of the period	(10,977)	16.592
Total	(16.566)	8.932

ALUMIL YU INDUSTRY A.D. NOVA PAZOVA
NOTES TO FINANCIAL STATEMENTS FOR 2020

21. INCOME TAX (continued)

The reconciliation of income taxes and products of operating results before tax and the prescribed tax rate is given as follows:

	<i>RSD '000</i>	
	2020	2019
Profit before tax	108.271	208.322
Accrued liability by applying the prescribed rate of 15%	21.203	31.248
Tax depreciation effect	1.899	7.950
Tax effects of expenses and income that are not recognized for tax purposes	15.351	6.292
Current tax liability	33.490	46.127
Reduction of liability based on the utilization of tax credits	27.901	38.467
Current tax	5.589	7.660

Income tax receivable based on advance payments as at December 31, 2020 amounts to RSD 49,414 thousand (December 31, 2019: RSD 55,003 thousand) and is presented within the item Other receivables.

Overpayment of income tax as of December 31, 2020 amounts to RSD 49,414 thousand and will be used in the coming years for advance payments of income tax for the current year until it is used.

Based on the tax incentive under Article 50.a of the Law on Profit Tax, the Company uses the reduction of calculated tax, which for 2020 amounts to 72.29% and can use this incentive in the next 7 years.

The components of deferred taxes are shown as follows:

	Balance Sheet		Profit and Loss	
	31.12.2020	31.12.2019	31.12.2020	31.12.2019
Deferred tax assets				
Temporary differences on fixed assets and intangible assets	33.377	43.776	(10.399)	16.592
The effect of first application of IFRS 9	2.313		(578)	
Total deferred tax assets	35.690	43.776	(10.977)	16.592

In accordance with the provisions of the Law on Profit Tax, in 2013 the Rulebook on transfer prices and methods applied on the principle of "out of reach" in determining the prices of transactions between related parties entered into force. In accordance with this Law and the Rulebook, the Company, together with the tax balance for 2020, will submit a study of transfer prices, on the basis of which it made a correction of taxable profit for the amount of RSD 9,249 thousand.

ALUMIL YU INDUSTRY A.D. NOVA PAZOVA
NOTES TO FINANCIAL STATEMENTS FOR 2020

22. INTANGIBLE ASSETS

	<i>Software and license</i>	<i>RSD '000 Total</i>
<i>Purchase value</i>		
As at January 1, 2019	20.183	20.183
Purchases	2.102	2.102
Alienations and write-offs	(280)	(280)
As at December 31, 2019	22.005	22.005
Purchases	545	545
Alienations and write-offs		
As at December 31, 2020	22.550	22.550
<i>Value adjustment</i>		
As at January 1, 2019	14.817	14.817
Depreciation (note 12)	1.917	1.917
Alienations and write-offs	(281)	(281)
As at December 31, 2019	16.453	16.453
Depreciation (note 12)	1.550	1.550
Alienations and write-offs		
As at December 31, 2020	18.003	18.003
Current value as at December 31, 2020	4.547	4.547
Current value as at December 31, 2019	5.552	5.552

ALUMIL YU INDUSTRY A.D. NOVA PAZOVA
NOTES TO FINANCIAL STATEMENTS FOR 2020

23. PROPERTY, PLANT AND EQUIPMENT

						<i>RSD '000</i>
	Land	Building facilities	Equipment	Investment in foreign property, plants and equipment	Ongoing investments and advances for fixed assets	Total
Purchase value						
Balance, January 1, 2019	87.272	1.049.964	1.452.253	36.471	334.426	2.960.386
Purchases	8.501	1.212	50.551	-	53.778	114.042
Transfers (note 25)	-	246.199	72.988	-	(377.598)	(58.411)
Alienations and write-offs	-	-	(29.198)	-	-	(29.198)
Closing of advances	-	-	-	-	(9.872)	(9.872)
Balance, December 31, 2019	95.773	1.297.375	1.546.594	36.471	734	2.976.947
Purchases	211	-	57.186	5.903	67.549	130.849
Transfers (note 25)	-	-	65.742	-	(65.742)	-
Alienations and write-offs	(303)	-	(29.197)	-	-	(29.500)
-	-	-	-	-	-	-
Balance, December 31, 2020	95.681	1.297.375	1.640.325	42.374	2.541	3.078.296
Value adjustment						
Balance, January 1, 2019	-	250.587	1.189.182	7.294	-	1.447.063
Depreciation (note 12)	-	29.031	119.960	7.295	-	156.286
Alienations and write-offs	-	-	(24.560)	-	-	(24.560)
Balance, December 31, 2019	-	279.618	1.284.582	14.589	-	1.578.789
Depreciation (note 12)	-	32.135	80.130	7.293	-	119.558
Alienations and write-offs	-	-	(23.910)	-	-	(23.910)
Balance, December 31, 2020	-	311.753	1.340.802	21.882	-	1.674.437
Current value as at December 31, 2020	95.681	985.622	299.523	20.492	2.541	1.403.859
Current value as at December 31, 2019	95.773	1.017.757	262.012	21.882	734	1.398.158

ALUMIL YU INDUSTRY A.D. NOVA PAZOVA
NOTES TO FINANCIAL STATEMENTS FOR 2020

24. LONG-TERM INVESTMENTS AND OTHER LONG -TERM RECEIVABLES

Based on the Decision of the General Assembly on February 13, 2017, the company acquired 102 new shares of Alumil International AG by paying the amount of CHF 102,000. As it was a recapitalization with the right of pre-emption, the structure of participation did not change, which is 51% of the shares of Alumil International AG Switzerland (original name "Aluyu AG") acquired by the Share Purchase Agreement of September 25, 2015. The rest of the investment structure is a consequence of the investment during 2015, when 49.99% of Alumil Buildings Systems SA (originally named Alusys Hellas SA) was acquired by the Share Purchase Agreement. Then, by the Agreement of October 30, 2015, it acquired 95.24% of the shares of LMG European Technologies Ltd Cyprus. During 2016, with the purchase of shares of LMG European Technologies Ltd Cyprus by Alumil International AG Swiss, this share decreased to 54.82%.

Long-term financial investments as at December 31, 2020 and December 31, 2019 relate to equity investments of the following legal entities:

Name of legal entity	31.12.2020			31.12.2019	
	Equity investments	Share value adjustment	Investments net	Equity investments	Investments
Alpro Vlasenica a.d. Vlasenica	61.37%	12.435	80.139	61.37%	92.574
Alumil Montenegro doo Podgorica	100.00%		3.706	100.00%	3.706
LMG European Technologies Ltd Cyprus	54.82%	15.288	104.986	54.82%	120.274
Alumil Buildings Systems SA	49.99%		123.138	49.99%	123.138
Alumil International AG Swiss	51.00%	16.314	1.183	51.00%	17.497
Total		44.037	313.152		357.189

Subsidiary Alpro Vlasenica a.d. Vlasenica is engaged in the production of aluminum profiles, subsidiaries, LMG European Technologies Ltd Cyprus, Alumil Buildings Systems SA Alumil Montenegro doo trade in aluminum profiles and aluminum goods, while Alumil International AG Swiss is engaged in investments.

Based on the Agreement on the transfer of shares and withdrawal from the limited liability company dated November 4, 2017, the Company transferred its founding share in the amount of KM 1900, or 19% of the Company's capital to the acquirer SEU INVESTMENT Ltd from Nicosia, Cyprus.

By the decision of the General Meeting of Shareholders of AD "Alpro" Vlasenica dated September 14, 2018 on the purchase of 100% ownership (founding) share in the capital of the Limited Liability Company BH Aluminium Vlasenica at a price equal to the nominal value of capital of KM 10,000.00 from MARLICOUS LIMITED Nicosia, Cyprus and thus becomes the owner of a 100% stake in BH Aluminium, which was registered in the District Commercial Court of East Sarajevo, by Decision No. 06 I -0-Reg-1 8-000 804, on November 15, 2018.

Based on the decision of the General Meeting of the Company on February 13, 2017 that the Company may participate in the increase of the share capital of Alumil International AG, Switzerland paid an additional 102 shares with a nominal value of CHF 1,000, which did not change the participation percentage of 51%.

ALUMIL YU INDUSTRY A.D. NOVA PAZOVA
NOTES TO FINANCIAL STATEMENTS FOR 2020

Based on the loan agreement dated September 25, 2015, the Company made available to the subsidiary Alumil International AG, Switzerland the amount of EUR 3,500,000 with a repayment period of two years and an interest rate of 2% per annum. The annex to the loan agreement from January 24, 2017, extended the repayment period to five years, and the interest rate was reduced to 1% per year. Annex to the Loan Agreement dated September 21, 2020, extended the repayment period to two years.

24. LONG-TERM INVESTMENTS AND OTHER LONG -TERM RECEIVABLES (continued)

The Company's management performed the reduction of share value for Alumil International Swiss by RSD 16,314 thousand, LMG European Technologies Cypris by RSD 15,288 thousand and Alrpo Vlasenica by RSD 12,435 thousand as at December 31, 2020. and recognized a total value adjustment in the amount of RSD 44,037 thousand.

Pursuant to the Decision of the General Meeting of Alumil Yu Industry dated February 13, 2017 and Annex IV to the Loan Agreement dated September 30, 2015, a part of the loan of EUR 3,500,000 in the amount of EUR 655,928 (or CHF 700,000) was converted at the exchange rate as at February 13, 2017 in favor of other capital of Alumil International AG Switzerland

Based on the Loan Agreement dated 12 December 2016, the Company made available to the subsidiary Alumil International AG Switzerland the amount of EUR 400,000 with a repayment period of five years, interest-free.

Based on the Loan Agreement dated April 6, 2017, the Company made available to the subsidiary Alumil International AG Switzerland the amount of USD 425,000 with a repayment period of March 31, 2019, interest-free.

The balance on other long-term receivables during 2020 and 2019 was as follows:

	31.12.2020	<i>RSD '000</i> 31.12.2019
Receivables on long-term foreign currency loan to subsidiary Alumil International AG Swiss	332.538	89.617
Other long-term investments Alumil International AG Swiss	81.641	81.346
Balance as at December 31, 2020	414.179	170.963

25. INVENTORIES

	31.12.2020	<i>RSD '000</i> 31.12.2019
Finished products - aluminum profiles	437.204	413.546
Unfinished production	110.290	137.466
Material, spare parts, tools and inventories	133.268	143.858
Merchandise	218.427	200.092
Advances given to suppliers	326.212	142.710
Fixed assets held for sale (note 23)	-	58.411
Total	1.225.401	1.096.083

ALUMIL YU INDUSTRY A.D. NOVA PAZOVA
NOTES TO FINANCIAL STATEMENTS FOR 2020

26. TRADE RECEIVABLES

	31.12.2020	<i>RSD '000</i> 31.12.2019
Trade receivables - foreign parent companies and subsidiaries (note 34)	139.802	134.584
Trade receivables - other related parties (note 34)	85.389	106.283
Trade receivables - domestic third party	308.367	454.297
Trade receivables - foreign third party	272.789	297.869
Other trade receivables	-	4.704
Total, bruto	806.347	997.737
Impairment of trade receivables	(193.700)	(322.795)
Trade receivables, neto	612.647	674.942

The Company reconciled with its customers as of October 31, 2020 and out of a total of 450 customers in the total amount of RSD 256 million, unreconciled receivables amount to RSD 1,745 thousand (October 31, 2019 RSD 5,596 thousand).

Table of changes in value adjustments of receivables::

	2020.	<i>RSD '000</i> 2019.
Balance as at January 1	322.795	327.828
Added value adjustment in current period (note 20)	23.263	8.761
Collection of provisions for receivables (note 18)	(29.882)	(10.237)
Reversal of provisions in current period	(122.476)	(3.557)
Balance as at December 31	193.700	322.795

27. SHORT - TERM FINANCIAL INVESTMENTS

Short-term financial investments refer to the maturity of accrued interest on a long-term foreign currency loan to the subsidiary Alumil International AG and to the maturity of a long-term foreign currency loan to the subsidiary Alumil International AG from October 2015 in the amount of EUR 2,844,072 maturing in October 2022.

	31.12.2020	<i>RSD '000</i> 31.12.2019
Part of long-term financial investments that matures up to one year	88.395	341.846
Total	88.395	341.846

ALUMIL YU INDUSTRY A.D. NOVA PAZOVA
NOTES TO FINANCIAL STATEMENTS FOR 2020

28. CASH AND CASH EQUIVALENTS

	<i>RSD '000</i>	
	31.12.2020	31.12.2019
RSD funds in accounts with banks	78.837	157.123
Foreign currency funds in accounts with banks	56.873	81.736
Total	135.710	238.859

29. CAPITAL

As at December 31, 2020, the Company reported share capital in the amount of RSD 1,337,816 thousand (December 31, 2019: RSD 1,337,816 thousand).

The stated amount of capital is harmonized with the share capital registered in the Central Securities Depository and the Business Registers Agency.

	<i>RSD '000</i>		
	Učešće	Number of shares	Stanje udela
Alusys International AG	50,94%	732.764	681.470
Alumil Aluminium Industry S.A	48,35%	695.572	646.882
Alumil Group LTD	0,71%	10.187	9.474
Total as at December 31, 2020	100,00%	1.438.523	1.337.826

On November 23, 2016, the General Meeting of Shareholders of the Company made a decision to increase the capital by converting the debt (note 1) into share capital. According to this decision 732,372 shares (nominal value RSD 930 in the total amount of RSD 681,106 thousand) were issued. The acquirer of shares is ALUSYS INTERNATIONAL AG, Wenginstrasse, Zurich, Switzerland, which converted receivables from loans in the total amount of EUR 5,600 thousand (RSD 681,106 thousand at the exchange rates on the day of payment) in the above number of shares and the amount of share capital. On May 20, 2016, this Decision was registered with the Business Registers Agency. The newly issued shares are registered in the Central Securities Depository as well as in the Business Registers Agency by Decision number BD50162/2020 on June 21, 2017, which registered the increase of share capital, and the structure of subscribed and paid-in share capital as at December 31, 2016 is shown in the following table:

	<i>RSD '000</i>		
	Stake	Number of shares	Investment stake
Alumil Aluminium Industry S.A	50,94%	732.764	681.470
Alusys International AG	48,35%	695.572	646.882
Alumil Group LTD	0,71%	10.187	9.474
Total as at December 31, 2019	100,00%	1.438.523	1.337.826

ALUMIL YU INDUSTRY A.D. NOVA PAZOVA
NOTES TO FINANCIAL STATEMENTS FOR 2020

30. CREDITS AND LOANS

	Loan amount in EUR	Interest rate	Release date	Maturity date	Balance 31.12.2020	RSD '000 Balance 31.12.2019
Procredit banka ad	1.000.000	6M EURIBOR +2.8%	February 2017	08.03.2020.	-	10.197
Procredit banka ad	1.000.000	6M EURIBOR +2.44%	February 2019	25.02.2022.	71.251	102.312
Procredit banka ad	800.000	6M EURIBOR +2.8%	April 2019	15.05.2022.	63.252	91.033
Procredit banka ad	1.500.000	6M EURIBOR +2.16%	February 2018	20.02.2028.	147.783	161.521
Procredit banka ad	800.000	6M EURIBOR +2.52%	July 2018	05.07.2021.	31.867	60.239
Total received credits and loans					314.153	425.302

Credits and advances received by maturity are shown in the following table:

	31.12.2020	RSD '000 31.12.2019
Part of the loan that matures up to one year	135.145	149.771
Part of the loan that matures over one year	179.008	275.531
Total primljeni krediti	314.153	425.302

Long-term loan from ProCredit bank a.d. Belgrade denominated in euros was approved in February 2017 with an interest rate of 2.8% per year, and matured in March 2020. The security instrument is an executive extrajudicial mortgage on the building and factory land owned by the Company .

ALUMIL YU INDUSTRY A.D. NOVA PAZOVA
NOTES TO FINANCIAL STATEMENTS FOR 2020

30. CREDITS AND LOANS (continued)

Long-term loan from ProCredit bank a.d. Belgrade in dinars was approved in December 2019 with an interest rate of 3.3% per year, and matured in December 2020. The security instrument is an executive extrajudicial mortgage on the facility and factory land owned by the Company. The loan was repaid in full early on December 12, 2020.

Long-term loan from ProCredit bank a.d. Belgrade denominated in euros was approved in February 2018 with an interest rate of 2.23% per year, and matures in February 2028. The security instrument is an executive extrajudicial mortgage on the facility and factory land owned by the Company.

Long-term loan from ProCredit bank a.d. Belgrade denominated in euros was approved in April 2019 with an interest rate of 2.85% per year, and matures in May 2022. The security instrument is an executive extrajudicial mortgage on the facility and factory land owned by the Company.

Long-term loan from ProCredit bank a.d. Belgrade denominated in euros was approved in February 2019 with an interest rate of 2.8% per year, and matures in February 2022. The security instrument is an executive extrajudicial mortgage on the facility and factory land owned by the Company.

Long-term loan from ProCredit bank a.d. Belgrade denominated in euros was approved in July 2018 with an interest rate of 2.6% per year, and matures in July 2021. The security instrument is an executive extrajudicial mortgage on the facility and factory land owned by the Company

The purpose of the loan is to settle trade payables, and the security instrument is an executive extrajudicial mortgage on the facility and factory land owned by the Company and can be further analyzed as follows:

	31.12.2020	<i>RSD '000</i> 31.12.2019
Current maturity of bank loan - Pro Credit bank ad Beograd	-	-
Current maturity of bank loan - Pro Credit bank ad Beograd	-	10.196
Current maturity of bank loan - Pro Credit bank ad Beograd	-	-
Current maturity of bank loan - Pro Credit bank ad Beograd	18.433	18.224
Current maturity of bank loan - Pro Credit bank ad Beograd	31.867	37.778
Current maturity of bank loan - Pro Credit bank ad Beograd	47.241	46.582
Current maturity of bank loan - Pro Credit bank ad Beograd	37.604	36.991
Total	135.145	149.771

ALUMIL YU INDUSTRY A.D. NOVA PAZOVA
NOTES TO FINANCIAL STATEMENTS FOR 2020

31. OPERATING LIABILITIES

The structure of operating liabilities as at December 31, 2020 and December 31, 2019 is shown in the following table:

	31.12.2020	RSD '000 31.12.2019
Domestic trade payables	50.779	41.226
Foreign trade payables	11.717	1.251
Trade payables - parent companies and subsidiaries - foreign (note 34)	26.944	-
Total	89.440	42.477

at December 31, 2020, the Company has an unmatched amount of liabilities to suppliers in the amount of RSD 24,034.

32. ACCRUALS AND DEFERRED INCOME

	31.12.2020	RSD '000 31.12.2019
Deferred income from subsidies	88.884	92.026
Accruals and deferred income	2.215	2.206
Calculated costs	3.654	8.364
Total	94.753	102.596

Deferred income from received subsidies as at December 31, 2020 in the amount of RSD 88,884 thousand (December 31, 2019): RSD 92,026 thousands) and relate to subsidies from the Greek Government, received to cover part of the cost of building the factory.

Changes in deferred income based on donations received during 2020 and 2019 were as follows: Deferred revenues from subsidies received as at December 31, 2020 in the amount of RSD 88,884 thousand (December 31, 2019: RSD 92,026 thousand) and relate to subsidies from the Greek Government, received to cover part of the costs of building the factory.

Changes in deferred income based on donations received during 2020 and 2019 were as follows:

	31.12.2020	RSD '000 31.12.2019
Balance as at January 1	92.026	95.168
Reversal in favor of income	(3.142)	(3.142)
Balance as at December 31, 2020	88.884	92.026

33. CONTINGENT LIABILITIES AND COMMITMENTS

As of December 31, 2020, there are no lawsuits filed against the Company.

As at December 31, 2020, the Company has commitments for borrowings for which the collateral set out in Notes 30 has been established.

ALUMIL YU INDUSTRY A.D. NOVA PAZOVA
NOTES TO FINANCIAL STATEMENTS FOR 2020

34. RELATED PARTIES

As disclosed in Note 1, the majority owner of the Company is ALUSYS INTERNATIONAL AG, Zurich, Switzerland. Other related parties include members of the Alumil Group.

The following table shows the balance of receivables and liabilities and the total amount of transactions performed with related parties during 2020 (transactions based on participation and loans are shown in the previous notes):

Related Party	<i>RSD '000</i>			
	Sale to related party (notes 3 and 4)	Purchase from related parties	Receivables from related parties (note 26)	Liabilities to related parties (note 31)
Alumil Aluminium SA	202.432	2.495.361	85.389	-
Alpro Vlasenica ad	99.064	301.942	10.652	26.944
Alumil Montenegro	330.092	653	34.018	-
Alumil Croatia	14.901	-	95.132	-
BH Aluminium	6.097	281	-	-
Alumil Yug	131.752	-	-	-
GA Plastic	-	-	-	-
Alumil Building Systems SA	-	-	-	-
Alumil Albania shpk	-	-	-	-
BMP Hellas SA	-	13.396	-	-
Total	784.338	2.811.633	225.191	26.944

Apart from the said liabilities to related party Alumil Aluminium SA an advance of RSD 321.164 thousands with given in 2020.

The following table shows the balance of receivables and liabilities and the total amount of transactions performed with related parties during (transactions based on participation and loans are shown in the previous notes):

In addition to the stated receivables, the related legal entity Alumil Aluminum SA in 2020 was given an advance of RSD 321,164 thousand.

The following table shows the balance of receivables and liabilities and the total amount of transactions performed with related parties during 2019 (transactions based on participation and loans are shown in the previous notes):

Related Party	<i>RSD '000</i>			
	Sale to related party (notes 3 and 4)	Purchase from related parties	Receivables from related parties (note 26)	Liabilities to related parties (note 31)
Alumil Aluminium SA	129.732	2.693.790	106.232	-
Alpro Vlasenica ad	90.562	319.123	51	-
Alumil Montenegro	401.612	1.433	40.111	-
Alumil Croatia	9.259	-	94.473	-
BH Aluminium	13.442	-	-	-
Alumil Yug	117.475	-	-	-
GA Plastic	-	-	-	-
Alumil Building Systems SA	-	-	-	-
Alumil Albania shpk	118	-	-	-
BMP Hellas SA	-	18.597	-	-
Total	762.200	3.032.943	240.867	-

ALUMIL YU INDUSTRY A.D. NOVA PAZOVA
NOTES TO FINANCIAL STATEMENTS FOR 2020

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company is exposed to various financial risks in its operations. These risks include market risk, credit risk, as well as liquidity risk. The Company does not use derivative financial instruments or other forms of hedging these risks due to the underdevelopment of the financial market in which the Company operates. Banks in the Republic of Serbia are in the process of initial offer of derivative financial instruments to companies.

The management policies for each of these risks are explained below.

Market risks

Market risk includes the risk that the fair value of future cash inflows from financial instruments will fluctuate due to changes in market prices. Market prices include three types of risk: interest rate risk, exchange rate risk and other price risks such as capital risk. Financial instruments affected by market risk include deposits, loans and borrowings, trade receivables and trade payables.

Interest rate risk

In order to hedge against this type of risk, the Company's policy is to monitor the existing conditions on the financial market and the realization of loans conditioned by the movement of market interest rates (Euribor and Belibor).

Based on the financial results from 2020, it is estimated that any change in the interest rate of 1 pp would lead to a change in the net financial result by RSD 12,184 thousand.

Based on the financial results from 2019, it is estimated that any change in the interest rate of 1pp would lead to a change in the net financial result by RSD 6,288 thousand.

Exchange rate risk

Exchange rate risk is the risk that the fair value of future cash inflows from financial instruments will fluctuate due to changes in foreign exchange rates. The exposure to the risk of changes in the Company's exchange rates primarily relates to loans denominated in foreign currency, and then to business activities, for receivables and liabilities denominated in a currency other than the Company's functional currency. The Company does not use instruments to hedge against risks associated with exchange rate fluctuations.

The following table shows the sensitivity of the Company's profit before tax (due to changes in the fair value of financial assets and liabilities) to reasonably possible changes in foreign exchange rates, assuming that all other variables are constant:

	<u>exchange rate change</u>	<u>Effect on profit before tax</u> RSD'000
2020	15%	27.874
	-15%	(27.874)
2019	15%	262,704
	-15%	(262,704)

ALUMIL YU INDUSTRY A.D. NOVA PAZOVA
NOTES TO FINANCIAL STATEMENTS FOR 2020

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Credit risk

Credit risk includes the risk that borrowers will fail to meet their obligations under financial instruments or contracts, resulting in financial losses. The Company is exposed to credit risk from ordinary activities (mainly based on trade receivables) and from financing activities (primarily deposits with banks).

Credit risks related to receivables

The Company does not have a significant concentration of credit risk. The maximum exposure to credit risk at the balance sheet date is in the amount of the net value of receivables set out in Note 26.

The structure of gross receivables as at December 31, 2020 according to the days of arrears is given in the following table:

		<i>RSD '000</i>				
	Total	Up to 30 days	31 to 60 days	61 to 90 days	91 to 120 days	Over 120 days
Receivables - related parties	225.191	39.384	39.002	29.506	21.005	96.294
Domestic trade receivables	308.367	135.466	61.164	16.641	5.418	89.678
Foreign trade receivables	272.789	106.277	133.658	20.357	-	12.497
Other trade receivables	-	-	-	-	-	-
Total	806.347	281.127	233.824	66.504	26.423	198.469

The structure of gross receivables as at December 31, 2019 by days of arrears is given in the following table:

		<i>RSD '000</i>				
	Total	Up to 30 days	31 to 60 days	61 to 90 days	91 to 120 days	Over 120 days
Receivables - related parties	240.867	40.540	23.832	9.264	14.533	152.698
Domestic trade receivables	454.297	133.127	48.257	56.337	1.660	214.916
Foreign trade receivables	297.869	106.638	147.618	25.798	-	17.815
Other trade receivables	4.704	4.704	-	-	-	-
Total	997.737	285.009	219.707	91.399	16.193	385.429

Credit risk related to cash and cash deposits - Credit risk that exists on the basis of balances on bank accounts is managed in such a way that surplus money is deposited only with approved banks.

ALUMIL YU INDUSTRY A.D. NOVA PAZOVA
NOTES TO FINANCIAL STATEMENTS FOR 2020

36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Liquidity risk

Prudent liquidity risk management means maintaining a sufficient amount of cash and availability of funding sources. The Company's goal is to maintain a balance between continuity of funding and flexibility through constant monitoring of projected and actual cash flows.

The table below summarizes the Company's financial liabilities at maturity as at December 31, 2020 and December 31, 2019.

	<i>RSD '000</i>				
As at 31.12.2020	Up to 3 months	3 to 12 months	1 to 5 years	Over 5 years	Total
Long-term liabilities - loans	-	-	127.949	51.059	179.008
Other short-term liabilities		135.145	-	-	135.145
Suppliers	87.707	1.733	-	-	89.440
Other liabilities	21.123		-	-	21.123
Total	108.830	136.878	127.949	51.059	424.716
	Up to 3 months	3 to 12 months	1 to 5 years	Over 5 years	Total
As at 31.12.2019	Up to 3 months	3 to 12 months	1 to 5 years	Over 5 years	Total
Long-term liabilities - loans	-	-	209.349	66.182	275.531
Other short-term liabilities		149.771	-	-	149.771
Suppliers	39.917	2.560	-	-	42.477
Other liabilities	19.448		-	-	19.448
Total	59.365	152.331	209.349	66.182	487.227

37. FAIR VALUE

There is not enough market experience, stability and liquidity in the Republic of Serbia when it comes to the procurement and sale of financial assets and liabilities, and official market information is not currently available. Accordingly, in the absence of an active market and as required by IFRS, fair value cannot be reliably determined. For the purpose of determining fair value, future cash inflows are discounted to net present value by applying a discount rate equal to the agreed interest rate, which equates net present value and nominal value.

As at December 31, 2020, the Company's management believes that the fair value of the Company's financial assets and liabilities does not differ materially from the value determined in the financial statements. As at December 31, 2020 and December 31, 2019, the Company has no financial assets and liabilities carried at fair value at the balance sheet date.

ALUMIL YU INDUSTRY A.D. NOVA PAZOVA
NOTES TO FINANCIAL STATEMENTS FOR 2020

38. EVENTS AFTER THE BALANCE SHEET

Other receivables in the amount of RSD 15,456 thousand relate to receivables for property in Montenegro based on contracts for debt collection and extrajudicial settlement with customers Rapex I Alubox on February 1, 2021, on the basis of which as property intended for sale a three bedroom apartment in Podgorica was registered on March 9, 2021.

During the first and second waves of coronavirus in 2020, the Company managed to maintain its financial position without significantly affecting cash flows. In 2021, despite the continuation of the pandemic, the Company managed to operate at a profit. The Company's management believes that the third wave of coronavirus in 2021 will not have a significant negative impact on the Company's ability to service its liabilities or long-term impact on the Company's revenues and operations that would threaten the possibility of continuing operations in the foreseeable future.

In addition to the above, after December 31, 2020, there were no significant events that would require adjustments or disclosures in the accompanying financial statements.

In Nova Pazova, 25.06.2021

stamp ALUMIL YU INDUSTRY A.D.
NOVA PAZOVA

Director of the Company
Stylios Tsoktouridis

ALUMIL YU INDUSTRY A.D. NOVA PAZOVA

**Annual Business Report
December 31, 2020**

Nova Pazova, 25.06.2021

1. INTRODUCTION

General information about the Company

Alumil Yu Industry, with a factory and regional logistics center in Nova Pazova, is the absolute leader of the region in the production and distribution of a wide range of aluminum systems. It has been present on the Serbian market since the mid-1990s.

By purchasing 78,000 m² of land in the industrial zone in Nova Pazova in 2002, Alumil began its first Greenfield investment in Serbia. In the first phase, about 20,000 m² of production and warehouse halls were built. Since 2005, the factory has started operating at full capacity in the following plants:

- Extrusion line (1870 MT) - with an annual production capacity of 7,000 tons of aluminum profiles
- Line for plasticization of aluminum profiles - with an annual production capacity of 8,000 tons
- 2 thermal break lines - with an annual production capacity of 4,000 tons
- Regional distribution center - capacity over 1,500 tons.

The second phase of the investment began in 2012. During the second phase, an additional 7,000 m² of production halls were built, and at the beginning of 2013, final works were being carried out on the installation of a new extrusion line (1800 MT). In mid-2013, a new press started operating, increasing the extrusion capacity by an additional 7,000 tons of profiles. From the regional logistics center in Nova Pazova, 6 sales and distribution centers in Serbia are supplied with profiles and accompanying equipment.

2. DESCRIPTION OF BUSINESS ACTIVITIES, OVERVIEW OF DEVELOPMENT AND ORGANIZATIONAL STRUCTURE

Alumil Yu Industry a.d., Nova Pazova (hereinafter referred to as: Company) was incorporated on July 12, 2001. and registered with the Commercial Court in Kraljevo on August 17, 2001 under number Fi 1519/2001, with share capital in the amount of EUR 4,547,021.19.

The core activity of the Company is the production and sale of aluminum profiles. The factory of the Company for the production of aluminum profiles is located in Nova Pazova. The headquarters of the Company are in Nova Pazova, 3 Vojački put.

On July 30, 2009, there was a status change of the absorption-type merger of Alumil Coating Srb d.o.o., Nova Pazova with Alumil YU Industry a.d., Nova Pazova, which increased the share capital of the Company by EUR 2,405,325.90.

ALUMIL YU INDUSTRY AD NOVA PAZOVA

Annual Business Report for the year that ended December 31, 2020

(all amounts are designated in RSD'000, except if not stated otherwise)

On March 29, 2012, the Agreement on absorption-type merger of the company Alumil Technic doo, Belgrade with Alumil YU Industry a.d., Nova Pazova was signed, according to which it was defined that the merger-fusion absorption process would be performed as of March 31, 2012, and April 1, 2012 was set as the Merger Settlement Date. With the Merger Agreement, the value of the share capital was increased by EUR 100,000.

Pursuant to the status change, the taken over company Alumil Technic d.o.o., Belgrade was deleted from the Register of Business Entities, by the Decision of the Business Registers Agency number BD 58496/2012 of May 8, 2012.

On January 21, 2014, the Agreement on absorption-type merger of the company Alumil Srb d.o.o., Čačak with the company Alumil YU Industry a.d., Nova Pazova was signed, according to which it was defined that the merger-fusion absorption process would be performed as January 1, 2014. With the Merger Agreement, the value of the share capital was increased by RSD 677,970.

By the Decision of the Business Registers Agency number BD 110979/2014 dated December 31, 2014, the status change of the merger of Alumil Srb doo, Čačak with the company Alumil YU Industry ad, Nova Pazova was registered and on the same day by the Decision number BD 111440/2014 the taken over company Alumil Srb doo Čačak was deleted from the register.

On November 23, 2015, the General Meeting of Shareholders of the Company made a decision to increase the capital by converting the debt into share capital. With this Decision, 732,372 shares were issued (nominal value RSD 930) in the total amount of RSD 681,106 thousand. The acquirer of the shares is ALUSYS INTERNATIONAL AG, Wenginstrasse, Zurich, Switzerland, which converted the receivable on the basis of granted loans in the total amount of EUR 5,600 thousand (RSD 681,106 thousand at exchange rates on the date of payment) into the above number of fractions and the amount of share capital. On May 20, 2016, this Decision was registered with the Business Registers Agency. By the Decision of the Business Registers Agency number BD50162/2018 on June 21, 2016, an increase in the share capital was registered. As of December 31, 2020, the majority owner of the Company is ALUSYS INTERNATIONAL AG, Zurich, Switzerland.

As at December 31, 2020, the Company employs 339 workers (December 31, 2019: 311 workers).

ALUMIL YU INDUSTRY AD NOVA PAZOVA**Annual Business Report for the year that ended December 31, 2020***(all amounts are designated in RSD'000, except if not stated otherwise)*

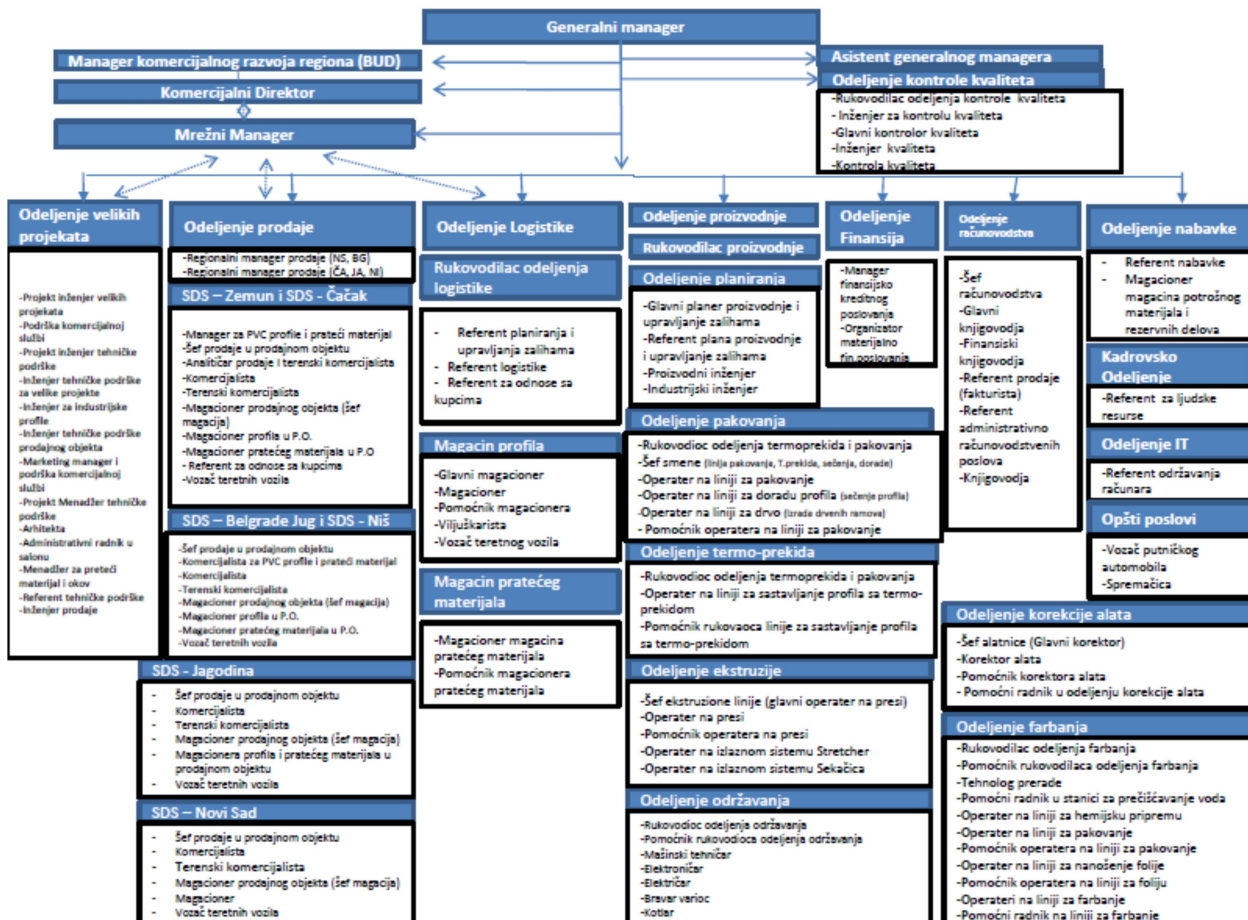
Demographic characteristics		
		2020
Age Structure		
Up to 20 years	6	1.85%
20 – 30 years	45	13.89%
30 – 40 years	101	31.17%
40 – 50 years	98	30.25%
50 – 60 years	66	20.37%
Over 60 years	8	2.47%
TOTAL	324	100.00%
Men-Women		
Men	260	80.25%
Women	64	19.75%
	324	100.00%
Level of Education		
Primary Education	27	8.33%
Secondary education	245	70.99%
College level education	22	6.79%
University level higher education	45	13.89%
TOTAL	339	100.00%

ALUMIL YU INDUSTRY AD NOVA PAZOVA

Annual Business Report for the year that ended December 31, 2020

(all amounts are designated in RSD'000, except if not stated otherwise)

A graphical representation of the organizational structure is given below.



ALUMIL YU INDUSTRY AD NOVA PAZOVA**Annual Business Report for the year that ended December 31, 2020***(all amounts are designated in RSD'000, except if not stated otherwise)*

3. STATEMENT OF FINANCIAL POSITION AND OPERATING RESULTS**3.1. BASIC BALANCE SHEET INDICATORS**

Description/Business year	% of share	Current year	Previous year
Operating income	-1.08%	4,651,401	4,702,191
Operating expenses	-0.95%	4,488,932	4,532,205
Operating profit	-4.42%	162,469	169,986
Profit before tax	-48.03%	108,271	208,322
Current income tax	-27.04%	5,589	7,660
Net profit	-57.79%	91,705	217,254
Operating assets	-1,55%	4,321,641	4,389,530
Share capital	-	1,337,826	1,337,826
Retained profits	0.59%	2,437,262	2,422,944
EBITDA*	-37.75%	235,898	378,925
EBITDA margin	-37.16%	5.07%	8.07%
Number of employees		339	311

ALUMIL YU INDUSTRY AD NOVA PAZOVA**Annual Business Report for the year that ended December 31, 2020***(all amounts are designated in RSD'000, except if not stated otherwise)***3.2. STRUCTURE AND DISTRIBUTION OF OPERATING INCOME**

Ordinal number	Item	Amounts per year		Structure per years	
		Current	Previous	Current	Previous
1	Income from sales in the country	2,102,673	2,149,961	45.30%	45.80%
2	Income from sales abroad	2,539,499	2,544,458	54.70%	54.20%
3	Income from sales (1 + 2)	4,642,172	4,694,419	100.00%	100.00%
4	Other operating income	4,913	3,220	0.11%	0.07%
5	Income from state donations	4,316	4,552	0.09%	0.10%
6	Operating income (3 + 4 + 5)	4,651,401	4,702,191		
7	Purchase value of sold merchandise	573,913	535,787	12.79%	11.83%
8	Income from the own use of products, services and merchandise	-	30	0.00%	0.00%
9	Increase of inventory value	27,445	1,016	0.61%	0.02%
10	Decrease of inventory value	27,176	95,056	0.61%	0.021
11	Costs of materials	2,822,327	2,845,979	62.87%	62.86%
12	Fuel and energy costs	116,572	125,058	2.60%	2.76%
13	Costs of salaries	510,558	437,870	11.37%	9.67%
14	Costs of production services	214,503	211,435	4.78%	4.67%
15	Depreciation costs and provisions	121,108	158,203	2.70%	3.49%
16	Long-term provisions costs	4,255	6,938	0.09%	0.15%
17	Non production costs	125,965	116,925	2.81%	2.58%
18	Operating expenses (7 do 17)	4,488,932	4,532,205	100.00%	100.00%
19	Operating profit (6 - 18)	162,469	169,986		
20	Operating loss (18 - 6)				

ALUMIL YU INDUSTRY AD NOVA PAZOVA**Annual Business Report for the year that ended December 31, 2020***(all amounts are designated in RSD'000, except if not stated otherwise)***3.3. OPERATING INDICATORS**

	Current year	Previous year
TOTAL INCOME	4,760,759	4,789,530
TOTAL EXPENSES	4,652,488	4,581,208
OPERATING INCOME	4,651,401	4,702,191
OPERATING EXPENSES	4,488,932	4,532,205

INCOME AND EXPENSES STRUCTURE INDICATORS

	2020	2019
Operating income / Total income	97.70%	98,18%
Income from sales / Total income	97.51%	98,01%
Income from sales at domestic market / Total income	44.17%	44,89%
Income from sales at foreign market/ Total income	53.34%	53,13%
Financial income / Total income	1.10%	1,28%
Other income / Total income	0.32%	0,16%
Deferred tax revenues / Total income	0.00%	0,35%
Operating expenses/ Total expenses	96.48%	98,93%
Financial expenses / Total expenses	0.24%	0,42%
Other expenses / Total expenses	2.74%	0,41%
Tax expenses / Total expenses	0.36%	0,16%

GROSS AND NET FINANCIAL RESULT AND PROFITABILITY INDICATORS

	2020	2019
Financial result / Total income	0.84%	0.88%
Financial result / Total assets	0.94%	0.96%
Interest expense (to third parties)/ Financial result	15.90%	29.44%

TURNOVER INDICATORS

	2020	2019
Average current assets / Sales revenue for the current year	49,16%	46,26%
Average total inventories / Sales revenue for the current year	25%	22,33%

LIQUIDITY AND FINANCIAL STABILITY INDICATORS

	2020	2019
Coefficients of financial stability:		
Cash / Short-term liabilities	38.12%	69.04%
Current assets / Short-term liabilities	603.95%	697.73%
Current assets without inventories / Short-term liabilities	259.76%	380,91%

ALUMIL YU INDUSTRY AD NOVA PAZOVA

Annual Business Report for the year that ended December 31, 2020

(all amounts are designated in RSD'000, except if not stated otherwise)

3.4. OVERVIEW OF BALANCE ITEMS

The Company keeps records and compiles financial statements in accordance with the Law on Accounting of the Republic of Serbia ("Official Gazette of the RS", No. 73/2019) and other applicable legislation in the Republic of Serbia.

In accordance with the Law on Accounting, large legal entities, legal entities that have the obligation to compile consolidated financial statements (parent legal entities), public companies, ie companies preparing to become public in accordance with the Capital Market Law of the Republic of Serbia, regardless of size, apply the International Financial Reporting Standards (IFRS) for the recognition, valuation, presentation and disclosure of items in the financial statements, the Serbian translation of which has been published by the ministry in charge of finance.

International Financial Reporting Standards published in Serbian by the Ministry of Finance include the Conceptual Framework for Financial Reporting, International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as well as interpretations of standards issued by the International Financial Reporting Interpretations Committee but do not include the basis for conclusions, illustrative examples, application instructions, comments, dissenting opinions or other supporting materials except where they are explicitly included as an integral part of the standard or interpretation.

IAS, IFRS and interpretations published by the International Accounting Standards Board and the International Financial Reporting Interpretations Committee were officially translated by the decision of the Ministry of Finance of the Republic of Serbia on determining the translation of International Financial Reporting Standards (Decision Number 401-00-4980/2019-16) and published in the Official Gazette of the Republic of Serbia, Number 92 on November 21, 2019 and are applied during the preparation of financial reports for the annual period ending on or after December 31, 2020.

New or amended IFRS and interpretations adopted by the Decision of the Ministry of Finance of the Republic of Serbia on determining the translation of International Financial Reporting Standards published in the Official Gazette of the Republic of Serbia No. 123/2020 on October 13, 2020 are applied in preparing financial statements for the annual period ending on or after December 31, 2021 and have not been applied in the preparation of the herein enclosed financial statements.

In addition, the attached financial statements have been prepared in accordance with the requirements of the Rulebook on the Chart of Accounts and the content of accounts for business companies, cooperatives and entrepreneurs; (Official Gazette of the Republic of Serbia No. 95/2014) and the Rulebook on the content and forms of financial statements for business companies, cooperatives and entrepreneurs (Official Gazette of the Republic of Serbia No. 95/2014 and 144/2014). These regulations governing the presentation of financial statements take precedence over the requirements defined in this regard by IFRS published by the Ministry of Finance.

ALUMIL YU INDUSTRY AD NOVA PAZOVA**Annual Business Report for the year that ended December 31, 2020***(all amounts are designated in RSD'000, except if not stated otherwise)***PROFIT AND LOSS**

Balance item	% change	Absolute change	Current year	Previous year
OPERATING INCOME	-1.08%	-50,790	4,651,401	4,702,191
Sales of merchandise	8.43%	54,493	700,974	646,481
Sales of finished goods and services	-2.64%	-106,740	3,941,198	4,047,938
INCOME FROM PREMIUMS, SUBSIDIES, GRANTS, DONATIONS, etc.	-5.18%	-236	4,316	4,552
Other operating income	52.58%	1,693	4,913	3,220
OPERATING EXPENSES	-0.95%	-43,273	4,488,932	4,532,205
Purchase value of sold merchandise	7.12%	38,126	573,913	535,787
Income from the own use of products, services and merchandise	-100.00%	-30	-	30
Changes in the value of inventories of unfinished and finished products and unfinished services	-100,29%	94,309	269	(94,040)
Costs of materials	-0.83%	-23,652	2,822,327	2,845,979
Fuel and energy costs	-6.79%	-8,486	116,572	125,058
Costs of salaries, fringe benefits and other personal expenses	16.60%	72,688	510,558	437,870
Costs of production services	1.45%	3,068	214,503	211,435
Depreciation costs	-23.45%	-37,095	121,108	158,203
Long-term provisions costs	-38.67%	-2,683	4,255	6,938
Non production costs	7.73%	9,040	125,965	116,925
OPERATING PROFIT	-4.42%	-7,517	162,469	169,986
FINANCIAL INCOME	-14.93%	-9,152	52,165	61,317
FINANCIAL EXPENSES	-41.83%	-8,029	11,164	19,193
LOSS FROM FINANCING	-	-	-	-
PROFIT FROM FINANCING	-2.67%	-1,123	41,001	42,124
OTHER INCOME	102.78%	7,752	15,294	7,542
OTHER EXPENSES	569.5%	108,257	127,266	19,009
INCOME FROM ADJUSTMENTS OF VALUE OF OTHER ASSETS VALUED AT FAIR VALUE THROUGH PROFIT AND LOSS	127.08%	23,488	41,899	18,451
EXPENSES FROM VALUE ADJUSTMENT OF OTHER ASSETS VALUED AT FAIR VALUE THROUGH PROFIT AND LOSS	124.51%	13,412	24,184	10,772
OPERATING PROFIT BEFORE TAX	-47.57%	-99,109	109,213	208,322
NET LOSS OF DISCONTINUED OPERATIONS, CHANGES OF CHANGES IN ACCOUNTING POLICIES AND CORRECTIONS FROM PREVIOUS PERIODS	-	942	942	-
NET PROFIT BEFORE TAX	-48.03%	-100,051	108,271	208,322
TAX EXPENSE OF THE PERIOD	-27.04%	-2,071	5,589	7,660
DEFERRED TAX EXPENSE FOR THE PERIOD	-	10,977	10,977	-
DEFERRED TAX REVENUES FOR THE PERIOD	-100.00%	-16,592	-	16,592
NET PROFIT	-57.79%	-125,545	91,705	217,254

ALUMIL YU INDUSTRY AD NOVA PAZOVA**Annual Business Report for the year that ended December 31, 2020***(all amounts are designated in RSD'000, except if not stated otherwise)*

An overview of individual categories of revenues and expenditures is given below:

SALES OF GOODS

	2020	RSD '000 2019
Sales of merchandise to parent companies and subsidiaries		
- foreign market	15.878	19.169
Sales of merchandise to other associated companies		
- foreign market	77.353	67.963
Sales of merchandise at domestic market	584.725	543.591
Sales of merchandise at foreign market	23.018	15.758
Total	700.974	646.481

SALES OF FINISHED GOODS AND SERVICES

	2020	RSD '000 2019
Sales of finished goods and services to parent companies and subsidiaries at foreign market	434.071	495.802
Sales of finished goods and services to other related parties		
at foreign market	257.036	179.266
Sales of finished goods and services at domestic market	1.517.948	1.606.370
Sales of finished goods and services at foreign market	1.732.143	1.766.500
Total	3.941.198	4.047.938

ALUMIL YU INDUSTRY AD NOVA PAZOVA

Annual Business Report for the year that ended December 31, 2020

(all amounts are designated in RSD'000, except if not stated otherwise)

INCOME FROM PREMIUMS, SUBSIDIES, GRANTS, DONATIONS

	2020	<i>RSD '000</i> 2019
Income from subsidies	<u>4.316</u>	<u>4.552</u>
Total	<u>4.316</u>	<u>4.552</u>

OTHER OPERATING INCOME

	2020	<i>RSD '000</i> 2019
Other operating income	<u>4.913</u>	<u>3.220</u>
Total	<u>4.913</u>	<u>3.220</u>

PURCHASE VALUE OF SOLD MERCHANDISE

	2020	<i>RSD '000</i> 2019
Purchase value of sold merchandise	<u>573.913</u>	<u>535.787</u>
Total	<u>573.913</u>	<u>535.787</u>

ALUMIL YU INDUSTRY AD NOVA PAZOVA**Annual Business Report for the year that ended December 31, 2020***(all amounts are designated in RSD'000, except if not stated otherwise)***COSTS OF MATERIALS**

	2020	RSD '000 2019.
Direct material	2.757.505	2.796.350
Spare parts and small tools	10.503	5.009
Other consumables	54.319	44.620
Total	2.822.327	2.845.979

FUEL AND ENERGY COSTS

	2020	RSD '000 2019
Fuel and energy costs	116.572	125.058
Total	116.572	125.058

COSTS OF SALARIES, FRINGE BENEFITS AND OTHER PERSONAL EXPENSES

	2020	RSD '000 2019
Salaries - gross	434.073	369.133
Contributions on salaries charged to employer	67.820	59.010
Other personal expenses and remunerations	8.665	9.727
Total	510.558	437.870

ALUMIL YU INDUSTRY AD NOVA PAZOVA**Annual Business Report for the year that ended December 31, 2020***(all amounts are designated in RSD'000, except if not stated otherwise)***COSTS OF PRODUCTION SERVICES**

	2020	RSD '000 2019
Rental costs	25.924	23.541
Costs of transport, postage, telephone	77.897	78.884
Maintenance services costs	18.457	21.949
Marketing and fair exhibits costs	39.632	21.746
Costs of other production services	52.593	65.315
Total	214.503	211.435

DEPRECIATION COSTS

	2020.	RSD '000 2019.
Depreciation of property, plant and equipment	119.558	156.286
Depreciation of intangible assets	1.550	1.917
Total	121.108	158.203

LONG-TERM PROVISIONS

The cost of long-term provisions relates to provisions for severance pay.

	2020	RSD '000 2019
Provisions for severance pay	4.255	6.938
Total	4.255	6.938

ALUMIL YU INDUSTRY AD NOVA PAZOVA**Annual Business Report for the year that ended December 31, 2020***(all amounts are designated in RSD'000, except if not stated otherwise)***NON PRODUCTION COSTS**

	2020	RSD '000 2019
Costs of taxes and other duties	11.953	11.047
Bank services costs	1.962	2.700
Representation costs	5.967	5.849
Insurance costs	7.432	4.011
Security costs	10.388	9.472
Other non production costs	88.263	83.846
Total	125.965	116.925

FINANCIAL INCOME

	2020	RSD '000 2019
Interest income (by third parties)	1.141	2.375
Foreign exchange gains and positive effects of currency clause	140	3.996
Financial income from relationship with related parties	50.884	54.946
Total	52.165	61.317

ALUMIL YU INDUSTRY AD NOVA PAZOVA**Annual Business Report for the year that ended December 31, 2020***(all amounts are designated in RSD'000, except if not stated otherwise)***FINANCIAL EXPENSES**

	<i>RSD '000</i>	
	<u>2020</u>	<u>2019</u>
Interest expense (to third parties)	6.519	12.400
Foreign exchange losses and negative effects of currency clause	131	4.198
Financial expenses from relationship with related parties	4.514	2.595
Total	<u>11.164</u>	<u>19.193</u>

OTHER INCOME

	<i>RSD '000</i>	
	<u>2020</u>	<u>2019</u>
Sales of materials	4.937	1.940
Other income	10.357	5.602
Total	<u>15.294</u>	<u>7.542</u>

INCOME FROM ADJUSTMENTS OF VALUE

	<i>RSD '000</i>	
	<u>2020</u>	<u>2019</u>
Income from reversal of previous impairments	12.017	8.214
Income from collection of provisions for receivables	29.882	10.237
Total	<u>41.899</u>	<u>18.451</u>

OTHER EXPENSES

	<i>RSD '000</i>	
	<u>2020</u>	<u>2019</u>
Shortages, expenses, write-offs, extraordinary expenses	2.435	3.756
Writing-offs of receivables	4.082	176
Losses on disposals and writing-off of property	3.019	11.165
Impairment of property, plant and equipment	106.235	321
Impairment of materials and merchandise	4.369	1.801
Other expenses	7.127	1.790
Total	<u>127.267</u>	<u>19.009</u>

EXPENSES FROM VALUE ADJUSTMENT

	<i>RSD '000</i>	
	<u>2020</u>	<u>2019</u>
Loan discount expenses Alumil International	921	2.011
Expenses of doubtful and disputable receivables	23.263	8.761
Total	<u>24.184</u>	<u>10.772</u>

ALUMIL YU INDUSTRY AD NOVA PAZOVA**Annual Business Report for the year that ended December 31, 2020***(all amounts are designated in RSD'000, except if not stated otherwise)***BALANCE SHEET**

Balance item	% change	Absolute change	Current year	Previous year
FIXED ASSETS	12.83%	247,912	2,179,774	1,931,862
Intangible assets	-18.10%	-1,005	4,547	5,552
Property, plants and equipment	0.41%	5,701	1,403,859	1,398,158
Long-term investments	37.71%	199,179	727,331	528,152
DEFERRED TAX ASSETS	-18.47%	-8,086	35,690	43,776
CURRENT ASSETS	-10.92%	-263,678	2,150,214	2,413,892
INVENTORIES	11.80%	129,318	1,225,401	1,096,083
Material, spare parts, tools and inventories	-7.36%	-10,590	133,268	143,858
Unfinished production and unfinished services	-19.77%	-27,176	110,290	137,466
Finished products	5.72%	23,658	437,204	413,546
Merchandise	9.16%	18,335	218,427	200,092
Fixed assets held for sale	-100.00%	-58,411	-	58,411
Paid advances for inventories and services	128.58%	183,502	326,212	142,710
TRADE RECEIVABLES	-9.23%	-62,295	612,647	674,942
Trade receivables - foreign parent companies and subsidiaries	15.16%	6,079	46,190	40,111
Trade receivables –other related parties	-24.62%	-26,172	80,111	106,283
Trade receivables - foreign third party	-7.02%	-19,661	260,392	280,053
Trade receivables - domestic third party	-7.32%	-17,837	225,394	243,791
OTHER RECEIVABLES	17.92%	9,926	65,309	55,383
Other short-term investments	-74.14%	-253,451	88,395	341,846
CASH AND CASH EQUIVALENTS	-43.18%	-103,149	135,710	238,859
VALUE ADDED TAX	331.15%	15,498	20,178	4,680
PREPAYMENTS AND ACCRUED INCOME	22.63%	475	2,574	2,099
OPERATING ASSETS	-1.55%	-67,889	4,321,641	4,389,530
CAPITAL	0.38%	14,318	3,775,416	3,761,098
Equity	0.00%	-	1,337,826	1,337,826
Reserves	0.00%	-	328	328
Retained earnings	0.59%	14,318	2,437,262	2,422,944
LONG-TERM PROVISIONS AND LONG-TERM LIABILITIES	-32.66%	-92,268	190,201	282,469
Long-term provisions	61.33%	4,255	11,193	6,938
LONG-TERM LIABILITIES-Domestic loans	-35.03%	-96,523	179,008	275,531
SHORT-TERM LIABILITIES	2.91%	10,061	356,024	345,963
Short-term financial liabilities	-9.77%	-14,626	135,145	149,771
Received advances, deposits	-40.91%	-9,806	14,162	23,968
OPERATING LIABILITES	110.56%	46,963	89,440	42,477
Trade payables – foreign parent companies and subsidiaries	-	26,944	26,944	-
Domestic trade payables	23.17%	9,553	50,779	41,226
Foreign trade payables	836.61%	10,466	11,717	1,251
OTHER SHORT-TERM LIABILITIES	8.61%	1,675	21,123	19,448
LIABILITIES BASED ON VALUE ADDED TAX	-81.81%	-6,302	1,401	7,703
ACCRUALS AND DEFERRED INCOME	-7.64%	-7,843	94,753	102,596
TOTAL LIABILITIES	-1.55%	-67,889	4,321,641	4,389,530

ALUMIL YU INDUSTRY AD NOVA PAZOVA**Annual Business Report for the year that ended December 31, 2020***(all amounts are designated in RSD'000, except if not stated otherwise)*

An overview of individual categories of balance sheet items is given below:

INTANGIBLE ASSETS

	Software and license	RSD '000 Total
<i>Purchase value</i>		
As at January 1, 2019	20.183	20.183
Purchases	2.102	2.102
Alienations and write-offs	(280)	(280)
As at December 31, 2019	22.005	22.005
Purchases	545	545
Alienations and write-offs		
As at December 31, 2020	22.550	22.550
<i>Value adjustment</i>		
As at January 1, 2019	14.817	14.817
Depreciation (note 12)	1.917	1.917
Alienations and write-offs	(281)	(281)
As at December 31, 2019	16.453	16.453
Depreciation (note 12)	1.550	1.550
Alienations and write-offs		
As at December 31, 2020	18.003	18.003
Current value as at December 31, 2020	4.547	4.547
Current value as at December 31, 2019	5.552	5.552

ALUMIL YU INDUSTRY AD NOVA PAZOVA

Annual Business Report for the year that ended December 31, 2020

(all amounts are designated in RSD'000, except if not stated otherwise)

PROPERTY, PLANT AND EQUIPMENT

						<i>RSD '000</i>
	Land	Building facilities	Equipment	Investment in foreign property, plants and equipment	Ongoing investments and advances for fixed assets	Total
Purchase value						
Balance, January 1, 2019	87.272	1.049.964	1.452.253	36.471	334.426	2.960.386
Purchases	8.501	1.212	50.551	-	53.778	114.042
Transfers (note 25)	-	246.199	72.988	-	(377.598)	(58.411)
Alienations and write-offs	-	-	(29.198)	-	-	(29.198)
Closing of advances	-	-	-	-	(9.872)	(9.872)
Balance, December 31, 2019	95.773	1.297.375	1.546.594	36.471	734	2.976.947
Purchases	211	-	57.186	5.903	67.549	130.849
Transfers (note 25)	-	-	65.742	-	(65.742)	-
Alienations and write-offs	(303)	-	(29.197)	-	-	(29.500)
-	-	-	-	-	-	-
Balance, December 31, 2020	95.681	1.297.375	1.640.325	42.374	2.541	3.078.296
Value adjustment						
Balance, January 1, 2019	-	250.587	1.189.182	7.294	-	1.447.063
Depreciation (note 12)	-	29.031	119.960	7.295	-	156.286
Alienations and write-offs	-	-	(24.560)	-	-	(24.560)
Balance, December 31, 2019	-	279.618	1.284.582	14.589	-	1.578.789
Depreciation (note 12)	-	32.135	80.130	7.293	-	119.558
Alienations and write-offs	-	-	(23.910)	-	-	(23.910)
Balance, December 31, 2020	-	311.753	1.340.802	21.882	-	1.674.437
Current value as at December 31, 2020	95.681	985.622	299.523	20.492	2.541	1.403.859
Current value as at December 31, 2019	95.773	1.017.757	262.012	21.882	734	1.398.158

ALUMIL YU INDUSTRY AD NOVA PAZOVA**Annual Business Report for the year that ended December 31, 2020***(all amounts are designated in RSD'000, except if not stated otherwise)***INVENTORIES**

	31.12.2020	RSD '000 31.12.2019
Finished products - aluminum profiles	437.204	413.546
Unfinished production	110.290	137.466
Material, spare parts, tools and inventories	133.268	143.858
Merchandise	218.427	200.092
Advances given to suppliers	326.212	142.710
Fixed assets held for sale (note 23)	-	58.411
Total	1.225.401	1.096.083

TRADE RECEIVABLES

	31.12.2020	RSD '000 31.12.2019
Trade receivables - foreign parent companies and subsidiaries(note 34)	139.802	134.584
Trade receivables - other related parties(note 34)	85.389	106.283
Trade receivables - domestic third party	308.367	454.297
Trade receivables - foreign third party	272.789	297.869
Other trade receivables	-	4.704
Total, bruto	806.347	997.737
Impairment of trade receivables	(193.700)	(322.795)
Trade receivables, net	612.647	674.942

The Company reconciled with its customers as of October 31, 2020 and out of a total of 450 customers in the total amount of RSD 256 million, unreconciled receivables amount to RSD 1,745 thousand (October 31, 2019 RSD 5,596 thousand).

Tabele of changes on provisions for receivables:

	2020.	RSD '000 2019.
Balance as at January 1	322.795	327.828
Added value adjustment in current period (note 20)	23.263	8.761
Collection of provisions for receivables (note 18)	(29.882)	(10.237)
Reversal of provisions in current period	(122.476)	(3.557)
Balance as at December 31	193.700	322.795

ALUMIL YU INDUSTRY AD NOVA PAZOVA**Annual Business Report for the year that ended December 31, 2020***(all amounts are designated in RSD'000, except if not stated otherwise)***CASH AND CASH EQUIVALENTS**

	31.12.2020	RSD '000 31.12.2019
RSD funds in accounts with banks	78.837	157.123
Foreign currency funds in accounts with banks	56.873	81.736
Total	135.710	238.859

CREDITS AND LOANS

	Loan amount in EUR	Interest rate	Release date	Maturity date	Balance 31.12.2020	RSD '000 Balance 31.12.2019
Procredit banka ad	1.000.000	<i>6M EURIBOR</i> +2.8%	Februar 2017.	08.03.2020.	-	10.197
Procredit banka ad	1.000.000	<i>6M EURIBOR</i> +2.44%	Februar 2019.	25.02.2022.	71.251	102.312
Procredit banka ad	800.000	<i>6M EURIBOR</i> +2.8%	April 2019.	15.05.2022.	63.252	91.033
Procredit banka ad	1.500.000	<i>6M EURIBOR</i> +2.16%	Februar 2018.	20.02.2028.	147.783	161.521
Procredit banka ad	800.000	<i>6M EURIBOR</i> +2.52%	Juli 2018.	05.07.2021.	31.867	60.239
Total received credits and loans					314.153	425.302

Received credits and loans according to maturity periods are shown in the table below:

	31.12.2020	RSD '000 31.12.2019
Part of the loan that matures up to one year	135.145	149.771
Part of the loan that matures over one year	179.008	275.531
Total received loans	314.153	425.302

Long-term loan from ProCredit bank a.d. Belgrade denominated in euros was approved in February 2017 with an interest rate of 2.8% per year, and matured in March 2020. The security instrument is an executive extrajudicial mortgage on the facility and factory owned by the Company.

ALUMIL YU INDUSTRY AD NOVA PAZOVA**Annual Business Report for the year that ended December 31, 2020***(all amounts are designated in RSD'000, except if not stated otherwise)***CREDITS AND LOANS (continued)**

Long-term loan from ProCredit bank a.d. Belgrade in dinars was approved in December 2019 with an interest rate of 3.3% per year, and matured in December 2020. The security instrument is an executive extrajudicial mortgage on the facility and factory owned by the Company. The loan was repaid in full early on December 12, 2020.

Long-term loan from ProCredit bank a.d. Belgrade denominated in euros was approved in February 2018 with an interest rate of 2.23% per year, and matures in February 2028. The security instrument is an executive extrajudicial mortgage on the facility and factory land owned by the Company.

Long-term loan from ProCredit bank a.d. Belgrade denominated in euros was approved in April 2019 with an interest rate of 2.85% per year, and matures in May 2022. The security instrument is an executive extrajudicial mortgage on the facility and factory land owned by the Company.

Long-term loan from ProCredit bank a.d. Belgrade denominated in euros was approved in February 2019 with an interest rate of 2.8% per year, and matures in February 2022. The security instrument is an executive extrajudicial mortgage on the facility and factory land owned by the Company.

Long-term loan from ProCredit bank a.d. Belgrade denominated in euros was approved in July 2018 with an interest rate of 2.6% per year, and matures in July 2021. The security instrument is an executive extrajudicial mortgage on the facility and factory land owned by the Company.

The purpose of the loan is to settle trade payables, and the security instrument is an executive extrajudicial mortgage on the facility and factory land owned by the Company and can be further analyzed as follows:

	31.12.2020	RSD '000 31.12.2019
Current maturity of bank loan - Pro Credit bank ad Beograd	-	-
Current maturity of bank loan - Pro Credit bank ad Beograd	-	10.196
Current maturity of bank loan - Pro Credit bank ad Beograd	-	-
Current maturity of bank loan - Pro Credit bank ad Beograd	18.433	18.224
Current maturity of bank loan - Pro Credit bank ad Beograd	31.867	37.778
Current maturity of bank loan - Pro Credit bank ad Beograd	47.241	46.582
Current maturity of bank loan - Pro Credit bank ad Beograd	37.604	36.991
Total	135.145	149.771

ALUMIL YU INDUSTRY AD NOVA PAZOVA**Annual Business Report for the year that ended December 31, 2020***(all amounts are designated in RSD'000, except if not stated otherwise)***OPERATING LIABILITIES**

The structure of operating liabilities as at December 31, 2020 and December 31, 2019 is shown in the following table:

	<i>RSD '000</i>	
	31.12.2020	31.12.2019
Domestic trade payables	50.779	41.226
Foreign trade payables	11.717	1.251
Trade payables - parent companies and subsidiaries - foreign	26.944	-
Total	89.440	42.477

The Company as at December 31, 2020 has an unmatched amount of liabilities to suppliers in the amount of RSD 24,034.

ACCRUALS AND DEFERRED INCOME

	<i>RSD '000</i>	
	31.12.2020	31.12.2019
Deferred income from subsidies	88.884	92.026
Accruals and deferred income	2.215	2.206
Calculated costs	3.654	8.364
Total	94.753	102.596

Deferred income from received subsidies as at December 31, 2020 in the amount of RSD 88,884 thousand (December 31, 2019): RSD 92.026 thousands) and relate to subsidies from the Greek Government, received to cover part of the cost of building the factory.

Changes in deferred income based on donations received during 2020 and 2019 were as follows:

	<i>RSD '000</i>	
	31.12.2020	31.12.2019
Balance as at January 1	92.026	95.168
Reversal in favor of income	(3.142)	(3.142)
Balance as at December 31, 2020	88.884	92.026

ALUMIL YU INDUSTRY AD NOVA PAZOVA**Annual Business Report for the year that ended December 31, 2020***(all amounts are designated in RSD'000, except if not stated otherwise)*

4. INVESTMENTS IN THE PURPOSE OF ENVIRONMENTAL PROTECTION

The entire business of the Company is regulated in accordance with the standards in the areas of quality management system, occupational health and safety management system, as well as the environmental management system. The Company's processes of development, production and quality control are certified and take place according to the relevant ISO standardization for the field of painting and production, development and sale of aluminum products.

The Company pays fees in accordance with the Law on Waste Management and the Law on Environmental Protection.

An overview of the companies and types of waste they dispose of during the year is given in the table below:

Name of Company	Type of Waste
Jakob Becker doo Srbija	Waste sludge from chemical water treatment
Jakob Becker doo Srbija	Waste powder from the Al profile plasticization process

<i>RSD '000</i>	
<u>2020</u>	<u>2019</u>
915	502
<u>1.463</u>	<u>1,167</u>

ALUMIL YU INDUSTRY AD NOVA PAZOVA

Annual Business Report for the year that ended December 31, 2020

(all amounts are designated in RSD'000, except if not stated otherwise)

5. SIGNIFICANT EVENTS AT THE END OF THE BUSINESS YEAR AND PLANNED FUTURE DEVELOPMENT

The Company plans to invest in new presses, as well as the construction of a logistics center.

Research and development for Alumil Yu Industry takes place in a related party, Alumil Aluminum Industry SA, Kilkis, Greece.

All designed and implemented steps when it comes to business development and the continuation and development of marketing campaigns are a solid basis for further progress of the company in 2020 and in the coming years.

The highlights of future development are as follows:

- Export targeting to Central and Western Europe, Africa and the countries of the former Soviet Union
- Fulfilling highly demanding sophisticated systems by promoting advanced product series
- Increase sales and earnings from powder paints
- Alumil range of accessories (handles and other accessories)

In accordance with the defined policy, the following goals have been set:

- Quality control
- Implementation of internal control
- Stabilization of production
- Reduction of costs and creation of profit
- Improvement of work skills through training and coaching

On March 15, 2020, the Government of the Republic of Serbia passed the Decision on declaring a state of emergency, which established a state of emergency on the entire territory of the state. The measures taken by the Government after the declaration of the state of emergency have conditioned that the conduct of regular business activities of the Company must be adjusted to the new circumstances.

In order to protect its liquidity, the Company accepted the measures proposed by the National Bank of Serbia contained in the Decision on Interim Measures to Preserve the Stability of the Financial System, addressed to commercial banks on the introduction of a moratorium on repayment of debtors' loans. Following the published offer of Procredit banka ad Belgrade from March 19, 2020, the Company suspended the repayment of the loan starting from the installment due on March 25, 2020, over a period of 90 days. Accordingly, the accrued interest during the suspension of loan repayment will be credited to the principal and the loan repayment period will be extended by 90 days. At the moment of accepting the offer, the Company has 4 active loans with Procredit Bank and the delay in repayment is applied to all 4 loans.

As an additional measure of liquidity protection, the Company made a decision to temporarily postpone all planned investments in fixed assets for the second half of the year and increase the rationalization of operating costs (reduction of monthly rents, reduction of fuel costs, etc.). As there were no restrictions in the procurement of raw materials from suppliers, the smooth flow of purchases and production was enabled.

ALUMIL YU INDUSTRY AD NOVA PAZOVA

Annual Business Report for the year that ended December 31, 2020

(all amounts are designated in RSD'000, except if not stated otherwise)

Other receivables in the amount of RSD 15,456 thousand relate to receivables for real estate in Montenegro based on the contract on taking over the debt and extrajudicial settlement with buyers Rapex I Alubox on February 1, 2021, on the basis of which a three bedroom apartment in Podgorica intended for sale was registered on March 9, 2021.

There are no other events after the balance sheet date that would require adjustments or disclosures in the Company's financial statements.

These events after the balance sheet have no impact on the financial position and results of the Company for the year ended December 31, 2020.

In addition to this, there are no other events after the balance sheet date that would require adjustments or disclosures in the Company's financial statements.

6. RELATED PARTIES

In 2015, ALUMIL YU INDUSTRY SA acquired a 41.32% stake in SYNTHETIC MATERIALS SA, which operates in the field of artificial materials, investing EUR 999,999, and after an agreement with shareholders, acquired control in the subsidiary. Subsequently, the share capital of the subsidiary LMG EUROPIAN TECHNOLOGIES LTD increased to a value of one million, leaving the already existing shareholder of the subsidiary ALUMIL GROUP LTD, in which ALUMIL YU INDUSTRY SA participated with the contribution of its participation.

Based on the Decision of the Assembly on February 13, 2017, the Company acquired 102 new shares of Alumil International AG by paying the amount of CHF 102,000. As it was a recapitalization with the right of pre-emption, the structure of participation did not change, which is 51% of the shares of Alumil International AG Switzerland (original name "Aluyu AG") acquired by the Share Purchase Agreement of September 25, 2016. The rest of the investment structure is a consequence of the investment during 2015, when 49.98% of Alumil Buildings Systems SA (originally called Alusys Hellas SA) was acquired by the Share Purchase Agreement.

Then, by the Agreement of October 30, 2015, it acquired 95.24% of the shares of LMG European Technologies ltd Cyprus. During 2016, with the purchase of shares of LMG European Technologies ltd Cyprus by Alumil International AG Swiss, this share decreased to 54.82%.

Long-term financial investments as at December 31, 2020 and December 31, 2019 relate to equity investments of the following legal entities:

Name of legal entity	31.12.2020			31.12.2019	
	Equity investments	Provisions for investment	Investments net	Equity investments	Investments
Alpro Vlasenica a.d. Vlasenica	61,37%	12,435	80,139	61,37%	92,574
Alumil Montenegro doo Podgorica	100,00%		3,706	100,00%	3,706
LMG European Technologies ltd Cyprus	54,82%	15,288	104,986	54,82%	120,274
Alumil Buildings Systems SA	49,99%		123,138	49,99%	123,138
Alumil International AG Swiss	51,00%	16,314	1,183	51,00%	17,497
Total		44,037	313,152		357,189

ALUMIL YU INDUSTRY AD NOVA PAZOVA

Annual Business Report for the year that ended December 31, 2020

(all amounts are designated in RSD'000, except if not stated otherwise)

Subsidiary Alpro Vlasenica a.d., Vlasenica is engaged in the production of aluminum profiles, while the company BH Aluminium doo, Vlasenica, LMG European Technologies Ltd, Cyprus, Alumil Buildings Systems SA, Alumil Montenegro d.o.o., Montenegro are engaged in trade in aluminum profiles and aluminum goods, while Alumil International AG, Swiss is engaged in investments.

Pursuant to the Agreement on the transfer of shares and withdrawal from the limited liability company dated November 4, 2017, the Company transferred its founding cash share in the amount of KM 1,900 or 19% of the company's capital to the acquirer SEU INVESTMENT Ltd from Nicosia, Cyprus.

Based on the decision of the General Meeting of the Company on February 13, 2017 that the Company may participate in the increase of the share capital of Alumil International AG, Switzerland paid an additional 102 shares with a nominal value of CHF 1,000, which did not change the participation percentage of 51%.

Based on the loan agreement dated September 25, 2015, the Company made available to the subsidiary Alumil International AG, Switzerland the amount of EUR 3,500,000 with a repayment period of two years and an interest rate of 2% per annum. The annex to the loan agreement from January 24, 2017, extended the repayment period to five years, and the interest rate was reduced to 1% per year.

Pursuant to the Decision of the General Meeting of the Company dated February 13, 2017 and Annex IV to the Loan Agreement dated September 30, 2015, a part of the loan of EUR 3,500,000 in the amount of EUR 655,928 (or CHF 700,000) was converted at the exchange rate as at February 13, 2017 in favor of other capital of Alumil International AG.

By the decision of the General Meeting of Shareholders of AD "Alpro" Vlasenica dated September 14, 2019 on the purchase of 100% ownership (founding) share in the capital of the Limited Liability Company BH Aluminium Vlasenica at a price equal to the nominal value of capital of KM 10,000.00 from MARLICIOUS LIMITED Nicosia, Cyprus. It thus becomes the owner of a 100% stake in BH Aluminium, which was registered in the District Commercial Court of East Sarajevo, by Decision No. 06 I -0-Reg-1 8-000 804, on November 15, 2019.

The Company's management performed the reduction of share value for Alumil International Swiss by RSD 16,314 thousand, LMG European Technologies Cypris by RSD 15,288 thousand and Alpro Vlasenica by RSD 12,435 thousand as at December 31, 2020 and recognized a total value adjustment in the amount of RSD 44,037 thousand.

ALUMIL YU INDUSTRY AD NOVA PAZOVA

Annual Business Report for the year that ended December 31, 2020

(all amounts are designated in RSD'000, except if not stated otherwise)

7. FINANCIAL INSTRUMENTS

Under the conditions of insufficiently developed financial market in the Republic of Serbia, the Company is forced to use deposits and receivables, as well as loans from banks and trade payables as the only financial instruments.

OBJECTIVES AND POLICIES OF FINANCIAL RISK MANAGEMENT

The Company is exposed to various financial risks in its operations. These risks include market risk, credit risk, as well as liquidity risk. The Company does not use derivative financial instruments or other forms of hedging these risks due to the underdevelopment of the financial market in which the Company operates. Banks in the Republic of Serbia are in the process of initial offer of derivative financial instruments to companies.

The management policies for each of these risks are explained below.

Market risks

Market risk includes the risk that the fair value of future cash inflows from financial instruments will fluctuate due to changes in market prices. Market prices include three types of risk: interest rate risk, exchange rate risk and other price risks such as capital risk. Financial instruments affected by market risk include deposits, loans and borrowings, trade receivables and trade payables.

Interest rate risk

In order to hedge against this type of risk, the Company's policy is to monitor the existing conditions on the financial market and the realization of loans conditioned by market interest rates (Euribor and Belibor).

Based on the financial results from 2020, it is estimated that any change in the interest rate of 1 pp would lead to a change in the net financial result by RSD 12,184 thousand.

Based on the financial results from 2019, it is estimated that any change in the interest rate of 1pp would lead to a change in the net financial result by RSD 6,288 thousand.

Exchange rate risk

Exchange rate risk is the risk that the fair value of future cash inflows from financial instruments will fluctuate due to changes in foreign exchange rates. The Company's exposure to the exchange rate risk relates primarily to loans denominated in foreign currencies, and then to business activities, to receivables and liabilities denominated in a currency other than the Company's functional currency. The Company does not use instruments to hedge against risks associated with exchange rate fluctuations.

The following table shows the sensitivity of the Company's profit before tax (due to changes in the fair value of financial assets and liabilities) to reasonably possible changes in foreign exchange rates, assuming that all other variables are constant:

	<u>Change of exchange rate</u>	<u>Effect to profit before tax</u> RSD'000
2020	15%	27,874
	-15%	(27,874)
2019	15%	262,704
	-15%	(262,704)

ALUMIL YU INDUSTRY AD NOVA PAZOVA**Annual Business Report for the year that ended December 31, 2020***(all amounts are designated in RSD'000, except if not stated otherwise)***Credit risk**

Credit risk includes the risk that borrowers will fail to meet their obligations under financial instruments or contracts, resulting in financial losses. The Company is exposed to credit risk from ordinary activities (mainly based on trade receivables) and from financing activities (primarily deposits with banks).

Credit risks related to receivables

The Company does not have a significant concentration of credit risk. The maximum exposure to credit risk at the balance sheet date is in the amount of the net value of receivables set out in Note 26.

The structure of gross receivables as at December 31, 2020 according as per days of arrears is given in the following table:

		<i>RSD '000</i>				
	Total	Up to 30 days	31 to 60 days	61 to 90 days	91 to 120 days	Over 120 days
Receivables - related parties	225,191	39,384	39,002	29,506	21,005	96,294
Domestic trade receivables	308,367	135,466	61,164	16,641	5,418	89,678
Foreign trade receivables	272,789	106,277	133,658	20,357	-	12,497
Other trade receivables	-	-	-	-	-	-
Total	806,347	281,127	233,824	66,504	26,423	198,469

The structure of gross receivables as at December 31, 2019 according as per days of arrears is given in the following table

		<i>RSD '000</i>				
	Total	Up to 30 days	31 to 60 days	61 to 90 days	91 to 120 days	Over 120 days
Receivables - related parties	240,867	40,540	23,832	9,264	14,533	152,698
Domestic trade receivables	454,297	133,127	48,257	56,337	1,660	214,916
Foreign trade receivables	297,869	106,638	147,618	25,798	-	17,815
Other trade receivables	4,704	4,704	-	-	-	-
Total	997,737	285,009	219,707	91,399	16,193	385,429

Credit risk related to cash and cash deposits - Credit risk that exists on the basis of balances on bank accounts is managed in such a way that surplus money is deposited only with approved banks.

ALUMIL YU INDUSTRY AD NOVA PAZOVA**Annual Business Report for the year that ended December 31, 2020***(all amounts are designated in RSD'000, except if not stated otherwise)***Liquidity risk**

Prudent liquidity risk management means maintaining a sufficient amount of cash and access to funding sources. The Company's goal is to maintain a balance between continuity of funding and flexibility through constant monitoring of projected and actual cash flows.

The table below summarizes the Company's financial liabilities at maturity as at December 31, 2020 and December 31, 2019.

	RSD '000				
As at 31.12.2020	Up to 3 months	3 to 12 months	1 to 5 years	Over 5 years	Total
Long-term liabilities - loans	-	-	127,949	51,059	179,008
Other short-term liabilities		135,145	-	-	135,145
Suppliers	87,707	1,733	-	-	89,440
Other liabilities	21,123		-	-	21,123
Total	108,830	136,878	127,949	51,059	424,716

	Up to 3 months	3 to 12 months	1 to 5 years	Over 5 years	Total
As at 31.12.2019	Up to 3 months	3 to 12 months	1 to 5 years	Over 5 years	Total
Long-term liabilities - loans	-	-	209,349	66,182	275,531
Other short-term liabilities		149,771	-	-	149,771
Suppliers	39,917	2,560	-	-	42,477
Other liabilities	19,448		-	-	19,448
Total	59,365	152,331	209,349	66,182	487,227

In Nova Pazova, on 25.06.2021

Director: Stylianos Tsoktouridis

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NOVA PAZOVA