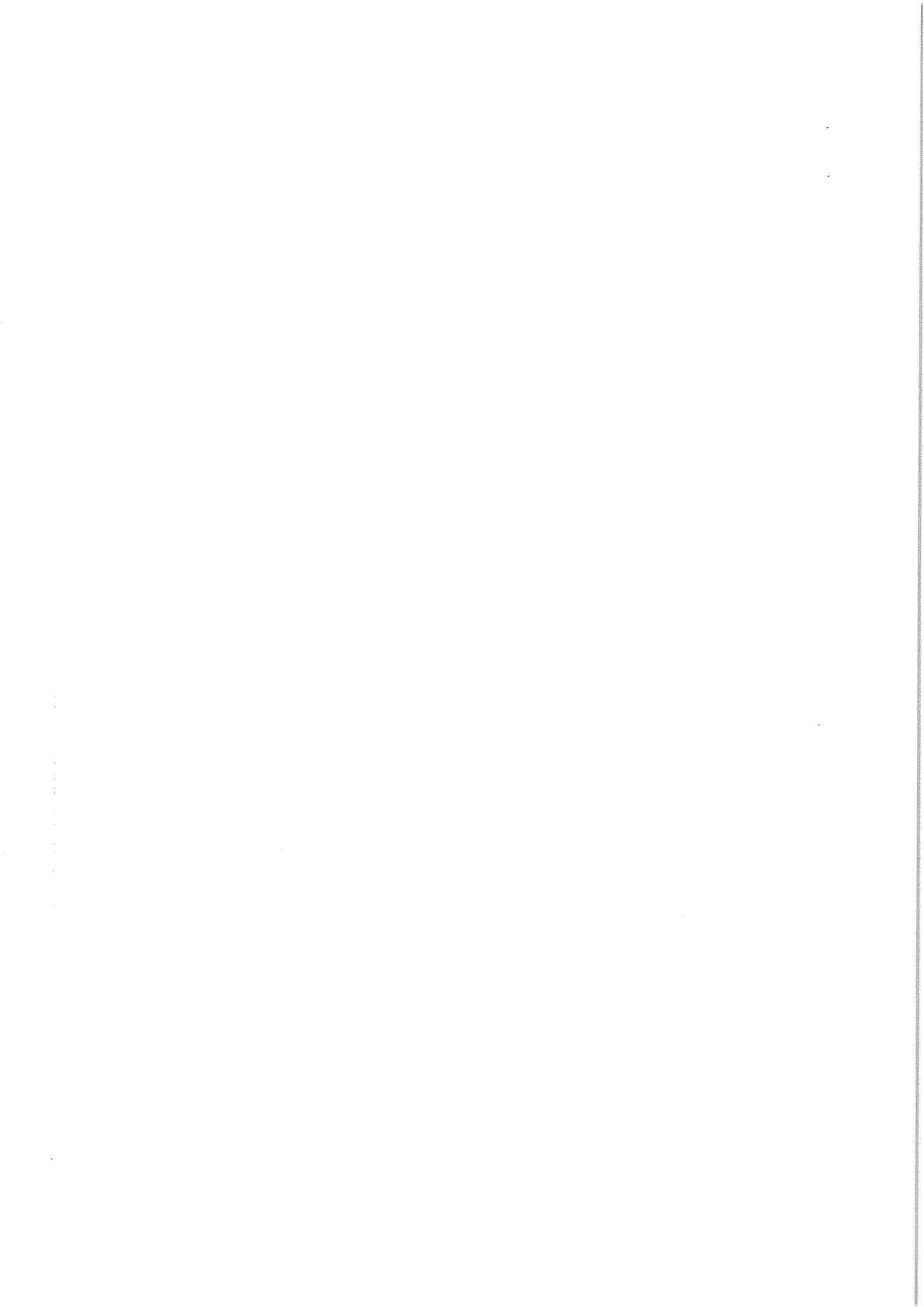


ALUMIL ALBANIA SHPK
Financial Statements as of
31 December 2020



ALUMIL ALBANIA Sh.p.k
Income Statement as of 31 December 2020

Independent Auditor Report	1
Balance sheet	2
Income Statement	3
Shareholder's Equity Statement	4
Notes to the Financial Statements	
I. General	5
II. Bases of Preparation	5-6
III. Important Accounting policies	6-14
IV. Fincance Risk Management	14-15
2. Long Term Material Assets	16
3. Long Term Non-material Assets	17
4. Inventory	17-18
5. Account receivables	18
6. Other receivables	18-19
7. Monetary Assets	19
8. Equity	19
9. Reserves	20
10. Short-term borrowings (current portion of long term borrowings)	20
12. Suppliers	20
13. Short-term borrowings	20
14. Long Term recivebles	21
16. Other Accounts Payable	21
17. Income Tax	21-22
19. Financial Investments	22
20. Joint-stock enterprises	22
21. Revenues and Expenses	23-24



INDEPENDENT AUDITOR'S REPORT

To the Shareholders of "ALUMIL ALBANIA" Shpk

Address: Autostrada Tirane-Durres, Kilometri 7, Tirane

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of "ALUMIL ALBANIA" Shpk, which comprise the statement of financial position as at December 31, 2020, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, (or give a true and fair view of) the financial position of the Company "ALUMIL ALBANIA" Shpk as at December 31, 2020, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

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

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

Key Audit Matters

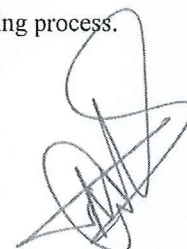
Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS, 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.

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



Auditor's 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 ISAs will always detect a material misstatement when it exists.

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

Report on Other Legal and Regulatory Requirements

We commitment our audit to Financial Statements of "ALUMIL ALBANIA" Shpk no other claims by Management to be reported by us.

The engagement partner on the audit resulting in this independent auditor's report is:

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Doriana Mamillo

ERK AUDITING SHPK

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Data 12.03.2021

Njësia Administrative Nr.7, Rruga Islam Alla, Ndërtesa Nr.67, kati 3, Apartamenti Nr. 10, 1001Tirane



ALUMIL ALBANIA Sh.p.k.

Balance sheet as of 31 December 2020

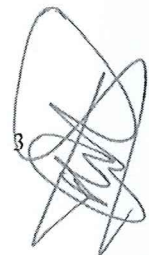
	ASSETS	Notes	31 December 2020	31 December 2019
I	CURRENT ASSETS			
	Monetary Assets	7	89,356,216	56,226,205
	Trade Receivables	5	102,436,391	107,592,510
	Other receivables and Prepayments	6	51,655,749	279,973
	Inventory	4	462,730,556	440,703,973
	Deferred Tax	14	22,695,367	19,184,747
	Deferred Expense		6,644,545	5,918,389
	Total Current Assets (I)		735,518,822	629,905,798
II	LONG TERM ASSETS			
	Investment in subsidiaries	19	44,057,600	44,057,600
	Property land and equipment	2	965,789,483	1,022,784,292
	Intangible assets	3	923,671	1,199,669
	Deferred Tax			
	Total long term assets (II)		1,010,770,755	1,068,041,561
	TOTAL ASSETS (I+II)		1,746,289,577	1,697,947,359
	LIABILITIES AND STOCKHOLDERS' EQUITY			
I	CURRENT LIABILITIES			
	Trade payables	12	112,534	168,569
	Other Short term payables	16	19,804,063	23,907,143
	Short term borrowings	13	61,850,000	70,373,616
	Current portion of long term borrowings	10		
	Income tax payable	17/a		
	Total current liabilities (I)		81,766,597	94,449,327
II	LONG TERM LIABILITIES			
	Long term borrowings	10	0	0
	Government grants	15		
	Provisions	11		
	Total long term liabilities (II)		0	0
III	STOCKHOLDERS' EQUITY			
	Share capital	8	1,481,601,000	1,481,601,000
	Share premium	Ste		
	Reserves	9	16,309,452	16,309,452
	Retained earnings	Ste	105,587,579	69,556,346
	Result of the period		61,024,948	36,031,233
	Total stockholders' equity (III)		1,664,522,980	1,603,498,031
	TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY (I+II+III)		1,746,289,577	1,697,947,359

The balance sheet should be interpreted considering the notes to the financial statements on page 4 through 25 as they provide additional detailed accounting information related to financial statements.

ALUMIL ALBANIA Sh.p.k
Income Statement as of 31 December 2020

	Notes	31 December 2020	31 December 2019
Revenues	1a	1,919,181,635	2,045,447,787
Cost of sales	1c	(1,324,722,025)	(1,452,277,883)
Gross profit		594,459,610	593,169,903
Other operating income	1b	61,157,868	39,032,257
Other expenses	1d	(187,140,055)	(222,714,978)
Staff costs	1e	(279,875,540)	(244,803,740)
Depreciation and amortization	1f	(110,022,233)	(111,996,682)
Foreign exchange gains/losses	1g	(2,493,911)	(4,955,186)
Profit or loss from the activity		76,085,739	47,731,574
Financial costs	1h	(2,282,985)	(3,404,773)
Financial incomes	1h		
Net Finance income/cost		(2,282,985)	(3,404,773)
Income before taxes		73,802,753	44,326,801
Deferred tax	17/b	3,510,619	4,222,651
Income tax	17/a	(16,288,424)	(12,518,219)
Net Income		61,024,948	36,031,233

The income statement should be interpreted considering the notes to the financial statements on page 5 through 25 as they provide additional detailed accounting information related to financial statements.

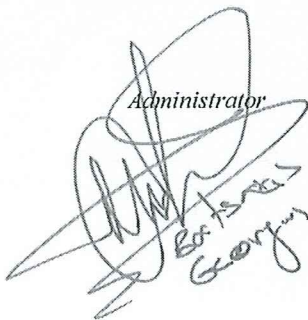



ALUMIL ALBANIA Sh.p.k.

Equity Statement as of 31 December 2020

	Shareholders' Capital	Legal Reserves	Retained Earnings	Total
Beginning Balance, January 1, 2020	1,481,601,000	16,309,452	105,587,579	1,603,498,031
Net Income during the period	-	-	61,024,948	61,024,948
Increase in shareholders' equity	-	-	-	-
Dividends	-	-	-	-
Transfers to reserves	-	-	-	-
Others	-	-	-	-
Total Balance, December 31, 2020	1,481,601,000	16,309,452	166,612,528	1,664,522,980
Beginning Balance, January 1, 2019	1,481,601,000	16,309,452	69,556,346	1,567,466,798
Net Income during the period	-	-	36,031,233	36,031,233
Increase in shareholders' equity	-	-	-	-
Dividends	-	-	-	-
Transfers to reserves	-	-	-	-
Others	-	-	-	-
Total Balance, December 31, 2019	1,481,601,000	16,309,452	105,587,579	1,603,498,031

The changes on owners' equity statement should be interpreted considering the notes to the financial statements on page 4 through 25 as they provide additional detailed accounting information related to financial statements.

Administrator

 Administrator

Chief Financial Officer





ALUMIL ALBANIA Sh.p.k.

Notes of the financial statements as of 31 December 2020

1 Introduction

The company named "ALUMIL ALBANIA" Ltd is established as a business structure with limited responsibility (meaning the shareholders responsibility for company debt is limited to the amount invested into the company) based on the court decision of Tirana district Nr. 19911, date 17.08.1998. The founding shareholders consist of: "ALUMIL GROUP" LTD, Mr. Jeorjios Salpingjidhis, Mr. Joanis Bulios, Mr. Sotirios Bulios, Mr. Georgios Mylonas, Mrs. Evangjelia Mylonas Mrs. Majlinda Kalludhi and her children, Enea Kalludhi and Dhimitra Kalludhi.

The activities and responsibilities of the company could be amended under the Law nr. 9901 dated 14.04.2008 on "Traders and trading companies" approved by the Albanian legislation. The main activities of the company include: Production and trade (import-export) of aluminium product line, accessories and other components related to the production of this line.

As of December 31, 2020, the company operates its activities from its head office in Tirana in the following address: Tirana-Durres highway, km.7, in addition to 6 branches in other cities of Albania.

The initial capital invested is in Albanian All.

Since December 31, 2020, the shareholders' equity is distributed as follows:

Shareholder	Number of shares or Pieces	Value of shares or Pieces	Percentage
ALUMIL GROUP LTD	1	1,470,222,000	99.23%
Jeorjios Salpingjidhis	1	4,564,500	0.31%
Sotirios Boulios	1	2,236,500	0.16%
Joanis Boulios	1	2,148,000	0.15%
Georgios Mylonas	1	810,000	0.05%
Evangjelia Mylonas	1	810,000	0.05%
Majlinda Kalludhi (and her two children)	1	810,000	0.05%
Total	7	1,481,601,000	100%

As of December 31, 2020, the number of employees recorded is 200.

II. Basic Practice Framework

(a) Compliance Requirement Standard

Financial Statements are prepared in compliance with the International Financial Reporting Standards (IFRS) according to the Standard nr. 9228 dated 29.04.2008 "On Accounting and Financial Statements" as the company is listed among the enterprises which based on decision of the Council of Ministers Nr. 783 dated 22.11.2006 should implement the latest IFRS accounting standards in preparing the financial statements.

ALUMIL ALBANIA Sh.p.k.

Notes of the financial statements as of 31 December 2020

II. Basic Practice Framework (continues)

(b) Cost Measurement Requirement

The financial statements are compiled based on historical cost basis.

(c) Functional Currency Requirement

The financial statements are compiled in Albanian All.

Valuation Method and Judgement

Compilation of the financial statements require management views, evaluations and assumptions which influence the functioning of the decisions taken as well as the assessment of the assets, liabilities, revenues and expenses reported and accounted. Appraisals and assumptions are based on the historical experience in addition to other factors which are considered to be rational under certain circumstances. The results of the above mentioned judgements create the ground in determining the remaining figures related to claims and liabilities. Nevertheless, the actual outcomes might be different as a result of the projected assumptions. Yet, the appraisals and underlying assumptions are reviewed on periodic basis. The reviewed and updated accounting assumptions are recognized at the time when the revisions are made as well as it reflects the upcoming periods. In particular, the information regarding certain aspects made under uncertainty evaluation principle and critical judgment in compliance with accounting standards which have considerable impact on the financial statements items are foreseen on the notes to financial statements section, note number 5.

Accounting standards stated below are applied to all accounting periods of the financial statements presented in the report.

III. Summary of the Accounting Standards

(a) Transactions in Foreign Currency

Transactions made in foreign currency are reported with the exchange rate at the value date. Monetary assets and liabilities valued in foreign currency are reported based on the end of financial year exchange rate. Variations in the exchange rates are recognized in the income statement under item "net results from foreign exchange transactions". Non-monetary assets and liabilities in foreign currency recognized at market value are reported with the exchange rate at the date when the market value is set.

The exchange rate of the Albanian All against key foreign currencies as of December 31, 2020 and December 31, 2019 are as follows:

	<u>December 31,2020</u>	<u>December 31,2019</u>
1 EUR	123.70	121.77
1 USD	100.84	108.64

ALUMIL ALBANIA Sh.p.k.

Notes of the financial statements as of 31 December 2020

III. Summary of the Accounting Standards (continues)

(b) Financial Instruments

Financial instruments (non-derivative) include investments in capital shares, accounts receivable and other receivables, monetary assets in cash and kind, claims and liabilities, accounts payable and other payables. There are no derivative financial instruments on December 31, 2020 and December 31, 2019. The financial assets are priced considering the direct transaction costs associated to them. The recognition of the non-derivative financial assets is described below.

Monetary assets in cash and kind include the surpluses in cash. The overdrafts paid out at a request represent an integral part in monetary assets administration in terms of cash flows. The accounting registration regarding financial revenues and expenses are clarified under the note III.k.

Financial instruments for joint-stock enterprises.

Joint-stock enterprises are defined as entities on which the enterprise has control on the capital invested from where they receive profits in proportion to the number of shares they own. However, it does not have any influence on the operational and financial regulations and procedures of the entity.

Shareholders' Equity

Shareholders' equity is recognized at nominal value.

Dividends

Dividends are recognized as liabilities at the time when they are declared.

Others

Other financial assets are valued at the amortization costs applying the effective interest rate as well as subtracting losses from depreciation.

(c) Long Term Material Assets

Time of Recording and measurement

Items of Long term material assets are recorded on historical cost basis. The company does not reassess long term material assets.

Costs consider all the direct expenses attributed to the acquisition of an asset. The costs associated to the assets build by the company comprise material costs, labor costs, other costs associated directly with proper functioning of the asset as well as costs related to reallocation of the assets. The financial costs linked to the acquisition or building of certain assets is recognized in the income statement at the time of occurring.

The parts of an item which have a depreciation period different from depreciation period of the long term material asset itself, the parts are recorded as a separate item under long term material assets.

7

ALUMIL ALBANIA Sh.p.k.

Notes of the financial statements as of 31 December 2020

III. Summary of the Accounting Standards (continues)

The income or loss generated from the sale an item of the long term material assets is recorded balancing the monetary incomes from the sale of the fixed asset with the retained value of the fixed material assets. This is recognized as net value under "other income" account of the income statement for the period.

(ci) Accumulated Depreciation Costs

The costs of partially substituting the value of a material long term assets is recognized with the accumulated cost of the item in order to allow for the remaining parts of the item to be recongnized as future revenues which might be used within the company and the costs of which could be measured. The accumulated cost value of the substituted parts is not recognized.

The costs of daily services for the long term material assets is recongnized in the income statement at the time of occurring.

(cii) Amortization

Amortization for all assets, during the year 2020, isrecongnized in the income statement based on straight line depreciation method according to the IFRS while the buildings and general installations are recognized on straight line depreciation method over the useful life-time of each part of an item under the fixed long term material asset. Whereas, the declining balance method is used for machinery and equipment, transport equipments, office supplies, computer supplies and other assets falling under the amortization line described below. Amortization is not recongnized for land and work in process. The following represents approximations for the useful life of the assets:

	31.12.2020	31.12.2019
<u>Straight Line Method</u>	(in years)	(in years)
• Building	30	30
• General installation/maintenance	30	30
• Technical installation, machinery and Equipment	5,8,10,20	5,8,10,20
• Transport equipments	5,8	5,8
• Furniture and office equipment	5	5
• Computer equipments	3	3
• Other assets	5	5

(d) Long Term Non-material Assets

Business consulting expenses and other independent auditors' service expenses are classified and are capitalized as long term non-material assets. No assessments are made to observe whether research expenses are classified under accounting standard IAS 38. In addition, no feasibility analyses on trading and technological activity is made.

Amortization costs are recognized in the income statement based on straigh line depreciation method over the useful life of the long term non-material assets. The useful life of the long term non-material assets as of Decemeber 31, 2020 is estimated to be 10 years (2019; 10 years).

ALUMIL ALBANIA Sh.p.k.

Notes of the financial statements as of 31 December 2020

III. Summary of the Accounting Standards (continues)

(e) Inventory

Inventory is appraised at the lowest cost of the cost and the realized value. The inventory cost is based on the weighted average cost and it includes all the expenses made for the acquisition of the inventory, production cost or inventory transformation cost as well as other costs associated with the final inventory (in case of production and the production in process, the costs include also part of the general production expenses based on the normal business capacity).

(f) Impairment

(i) Financial Activities

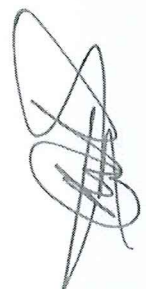
A financial activity is appraised at the financial statement closure date in order to determine if there is any indication of the financial impairment of the asset. A financial asset is considered distressed if there is objective evidence indicating that one or more than one occasions have had a negative impact on estimated future flows of the asset.

A loss associated to the distress of the asset recongnized based on the amortization cost is calculated as a difference between the remaining value of the asset and the current value of future flows estimated, discounted at the effective interest rate. Losses derved from the impairment of the tradable financial assets is calculated referring its fair value. Financial activities which are considered large independently are appraised separately to estimate the impairment value. The other financial activities are evaluated in groups, having the same characteristics in terms of credit risk. All the losses from the financial impairment are recongnized in the income statement. The accumulated losses related to any other tradable financial activity (previouslyconsidered under the capital account) is transfered in the income statement. A loss from the impairment is stagnated if the stagnation is objectively linked to an event ocured after the recongnition of losses from impairment phase. In terms of the financial activities valued based on their amortization costs as well as the tradable financial activities (debt shares), the stagnation is recongnized in the income statement. Regarding the tradable financial activities, capital shares, the stagnation is recongnized directly on shareholders' equity.

(ii) Non-financial Activities

The accounting value of the non-financial activities of the company, except inventory and deferred tax activities are revised every reporting date in order to determine if there is any variable indicating impairment of the activity. If such an indicator exists, then theevaluation of the remaining value of the activity is made. The value of goodwill and other intangible activities with no maturity date are estimated on the date of the reporting of the financial statements.

The remaining value of an asset generating income is known to be the highest value between its value-in-use and the fair value minus the sale cost. During the estimation of the value-in-use, the expected future inflows are discounted at the actual price using a discounted rate before taxes which shows the actual market value and the risks associated directly to the asset. For the purpose of testing the impairment of an asset, the assets are grouped together in the smallest asset group generating incoming cash flows for the other assets or groups of assets ("cash generating units").



ALUMIL ALBANIA Sh.p.k.

Notes of the financial statements as of 31 December 2020

III. Summary of the Accounting Standards (continues)

Losses from impairment of an asset are recognized if the accounting value or its cash generating unit exceeds the estimated remaining value of the asset. These losses are recorded in the income statement of the company. The impairment losses of the asset recognized from the cash generating unit are used to reduce the accounting value of goodwill and then to further reduce the accounting value of other units respectively. The accumulated impairment losses are valued at the financial statement reporting date for those indicators reflecting reduction of losses or for those indicators which are not any longer present. The impairment losses are stagnated if changes were estimated in order to determine the remaining value. The impairment value is stagnated until the accounting value of the asset does not exceed the accounting value estimated minus the depreciation or amortization cost.

(g) Employee Benefits

(i) Mandatory Social Security Contributions

The company is obliged to pay only the mandatory social security contributions of the employees which is known as a pension fund plan. The Albanian government is responsible for the minimum guaranteed funds established by legislation on pension funds in Albania based on a pension fund plan. The company's contributions in the pension fund plan are recognized in the income statement at the time of occurrence.

(ii) Paid Holiday Entitlement

The company recognizes as an expense the real value of the costs associated to the paid holiday benefits which is expected to be paid in return of the services provided by the employees.

(h) Risk Provisions

Provisioning is recognized when as a result of a past event, the company has a current legal obligation which could be measured and, when it is possible to claim an outgoing flow of economic benefits. Provisions are determined by discounting the expected future cash flows with a rate of return prior to taxes which indicates the current evaluations of the market value of cash and specific risks associated with the obligation.

(i) Restructuring

Provisions for restructuring costs are recognized when the company has approved a detailed authorized restructuring plan and when restructuring has started or is at least made available publicly. Provisions are not estimated for future operational costs.

(ii) Land Restoration

In accordance with the environmental policy of the company as well as based on the legal power and legal rights, provisioning of the land restoration and the respective expenses are recognized when the land is contaminated.

ALUMIL ALBANIA Sh.p.k.

Notes of the financial statements as of 31 December 2020

III. Summary of the Accounting Standards (continues)

(iii) Agreement "onerous"

Provisions related to agreements "onerous" are recognized when the expected benefits of the company coming from the agreement are lower than the costs associated with fulfilling terms and conditions of the agreement. Provisions are estimated as the current value of the lowest cost between the the expected cost in case of breach of agreement and the expected net costs associated with the continuation of the agreement. Prior to provisioning, the company recognizes all losses derived from the impairment of the assets associated to the agreement.

(i) Revenue Realization Principle

(i) Goods Sold

The revenues generated for goods sold are computed based on the fair value of the received cash payments or receivables, less taxes paid on sales and income taxes (excise tax, transport tax, etc.). The revenues are recognized when ownership risks and benefits are transferred to the buyer, when cash payments are achievable, costs associated with goods return could be estimated in a reliable manner, when there is no third parties involved in the management of the goods and when the total revenues could be computed based on a consistent approach. Risk and benefit transfers are subject to change depending on the terms and conditions of the sale agreement.

(ii) Services

Service revenues are recognized as profit or loss respectively at the accounting year end transaction date. The last phase is computed referring to the final check of the transaction occurred.

(iii) Rent Income

Revenues generated from the rent are recognized as profit or loss based on the straight line recognition method along the duration of rent service. The incentives provided during the rent service period are recognized as an integral part of the total revenues generated from the rent during the period.

(j) Operational Expenses

Operational expenses are recognized when incurred.

(k) Rent Expenses

Minimum financial rent expenses are divided into financial expenses and reductions of the existing obligations. Financial expenses are distributed at end reporting periods during the rental period in order to apply a fixed interest rate over the outstanding liabilities. Probable rent expenses are recorded considering the minimum down payment throughout the remaining maturity period.

ALUMIL ALBANIA Sh.p.k.

Notes of the financial statements as of 31 December 2020

III. Summary of the Accounting Standards (continues)

(l) Financial Incomes and Expenses

Financial income includes the income generated from balanced bank interest and the income generated from the foreign exchange transactions which are recorded as profits or losses. Interest income is computed using the effective interest rate method.

Financial expenses include losses due to foreign exchange.

(m) Income Tax

Income tax includes the current tax and the deferred tax. Income tax is recognized in the income statement. It excludes the income tax associated directly to capital where tax is recognized as part of capital gains or losses.

Current tax is the tax computed on the yearly generated income using tax laws and regulations in power at the time of preparing the financial statements in addition to tax adjustments associated with previous accounting periods.

Deferred income tax is computed using the liability tax allocation method where it measures the temporary differences between book income and taxable income for the financial reporting purposes. In other words, this method focuses on measuring the deferred tax liability on the balance sheet. The income statement number is the difference between the current year liability and the previous year's liability.

A deferred income tax is recognized only if profits are realized against which the assets could be used. Deferred tax assets are abolished at the time when profits associated to the asset are not realized.

(n) New Accounting Standards and Interpretations Applied

On the stated date of the certified financial statements, new interpretations and amendments important for the main activity of the company were enforced and applied in preparing these financial statements as follows:

IFRS 7 Financial Instruments; Guidelines.

This standard requires detailed clarifications related to financial instruments of the company. The new standard replaces the SNK 30 on "Notes to the financial statements of banks and financial institutions". The standard is applicable to all units preparing the financial statements in compliance with the SNRF. The company believes that the additional notes to the financial statements will be associated to the objectives, policies and procedures of managing its financial risk.

IFRS 8 Operational Segments/Units

This standard requires detailed clarifications on the unit based on the components of the unit that management supervises during the decision making process related to operational matters. Operational segments are components of a unit which allows for available financial information that is continuously appraised by the person in charge of operational decision making process. The

12

ALUMIL ALBANIA Sh.p.k.

Notes of the financial statements as of 31 December 2020

III. Summary of the Accounting Standards (continues)

Decisions regarding the distribution of the resources and the performance evaluation are done at this stage. The company believes that the requirements of the standard will have a positive influence on the financial statements.

IFRIC 7 Application of IAS 29 Financial reporting in hyperinflationary economies

Financial reporting in hyperinflationary economies requires the compliance with IAS 29 where an economy initially is transformed into an inflationary economy, specifically in terms of recording the deferred income tax. IFRIC 7 which is a mandatory requirement in preparing the financial statements does not have an impact in the financial statements of 2020 for our company.

IFRIC 8 The purpose of IFRS 2 The share based payment addresses the issue of recording a transaction in which the entity acquires goods or services either as consideration for its equity instruments or by incurring liabilities for amounts based on the price of the entity's shares or other equity instruments of the company. The accounting requirements for the share-based payment depend on how the transaction will be settled, that is, by the issuance of equity, cash, or equity or cash. IFRIC 8, which is a mandatory standard, does not have any influence on preparing the financial statements of our company for the year 2020.

IFRIC 9 Reassessment of Embedded Derivatives requires an entity, when it first becomes a party to a hybrid contract, to assess whether any embedded derivatives contained in the contract are required to be separated from the host contract and accounted for as if they were stand-alone derivatives. IFRIC 9, which is a mandatory standard, does not have any influence on preparing the financial statements of our company for the year 2020.

IFRIC 10 Interim Financial Reporting and Impairment states that an entity shall not reverse an impairment loss recognised in a previous interim period in respect of goodwill or an investment in either an equity instrument or a financial asset carried at cost. IFRIC 10, which is a mandatory standard, does not have any influence on preparing the financial statements of our company for the year 2020.

IFRIC 11 IFRS 2 Group and treasury share transactions which require share-based payment involving an entity's own equity instruments in which the entity chooses or is required to buy its own equity instruments (treasury shares) to settle the share-based payment obligation. In addition, a parent grants rights to its equity instruments to employees of its subsidiary and finally a subsidiary grants rights to equity instruments of its parent to its employees. IFRIC 11, which is a mandatory standard, does not have any impact on preparing the financial statements of our company for the year 2020.

IFRIC 12 service concession arrangements guides the entities on recognizing and computing issues arising in accounting related to arrangements of concession services between the public sector and the private sector. IFRIC 12, which is a mandatory standard, does not have any impact on preparing the financial statements of our company for the year 2020.



ALUMIL ALBANIA Sh.p.k.

Notes of the financial statements as of 31 December 2020

III. Summary of the Accounting Standards (continues)

Amendment of IAS 1 Presentation of financial statements; supplementary amendment of IFRS 7. The standard requires additional notes regarding the shareholders equity of the entity. However, the company does not require essential clarifications regarding the capital structure of the company.

IFRIC 13 Customer Loyalty Programmes addresses the accounting treatment of the entities which operate or are involved in customer loyalty programmes. The client can gain additional goods and services at a lower cost or at no cost. IFRIC 13, which is a mandatory standard, does not have any impact on preparing the financial statements of our company for the year 2020.

IFRIC 14 IAS 19-Prepayments of a Minimum Funding Requirement explains that compensation and reductions of the future contributions in association with the prepayment funding requirements should be recognized and it provides guidelines to the minimum funding of the asset. IFRIC 14, which is a mandatory standard, does not have any impact on preparing the financial statements of our company for the year 2020.

IV. Managing Financial Risk

General Overview

The company is exposed to the following risks due to activities related to financial instruments:

- Credit risk
- Liquidity risk
- Market risk

The section provides information regarding the exposure of the company to the above mentioned risks, objectives of the company, policies and procedures used to compute the administration risk as well as the manage the shareholders' equity. Additional qualitative and quantitative notes are included in the financial statements.

The management is responsible for the establishment and control system of running the risk. The management reports its activities periodically to the supervisory council

Policies for risk management of the company are approved in order to identify and analyse risks encountered by the company, to identify the necessary controls for each and every risk type and finally to monitor risk and application of the constraints.

(i) Credit Concentration Risk

The business activities of the company are related mainly to production, distribution and marketing of the industrial products through trading of all goods available involving all the stakeholders. In addition to the head office in the Tirana-Durres highway where the main activity of the company is located, the company holds 6 other branches (Tirana, Lapraka, Shkodra, Elbasan, Korca and Gjirokastra) dealing with trading. The company has diversified its clients and in addition it does not have receivables from third parties.

ALUMIL ALBANIA Sh.p.k.

Notes of the financial statements as of 31 December 2020

IV. Managing Financial Risk (continues)

The financial state of the customers and their relationship in the future might have a significant impact on the financial position of the company.

The credit risk is the risk of financial losses of the company if a customer or a financial instrument does not fulfill the contractual obligations. It comes mainly as a result of obligations from the customers as well as from the investments stocks.

Customers and other liabilities

The exposure of the company against credit risk is affected mainly by the individual characteristics of its customers. The customer individual ground in the company including the industry risk of the long term non material assets, has a lower influence in the credit risk.

However, there is no geographic concentration of the credit risk.

The company has not applied any crediting policy to its clients.

The trade receivables are related to clients of the company. The goods and services are sold holding the risks and rewards while the company does request collateral to back up its trade credits.

The company has determined a loss margin, approved by the shareholders' assembly, which represents the loss estimations from trade credits and other related credits. The main indicators refer to specific losses related to largest individual exposures.

Investments

The company does not have financial investments.

(ii) Liquidity Risk is the risk that arises when the company faces difficulty in meeting its financial obligations at maturity. In order to manage liquidity, the company ensure enough liquidity in order to pay off all the due obligations at the maturity date under expected and unexpected circumstances without incurring any substantial loss to the company.

(iii) Market Risk

Market risk is the risk that the value changes as exchange rate changes or interest rate changes will have an impact on the income of the company or will influence the value of its financial instruments. The goal of managing market risk is to administer and control the exposure of the company against the market risk, holding it within the approved limits.

Currency Risk

Currency exchange risk, in terms of sales, exposes the company to a certain degree of risk however; the currency exchange risk is significant in terms of acquisitions as the company makes most of its purchases in foreign currency. (Raw materials are imported from abroad). Other important transactions are made in currencies as Euro and USD. The loans to and borrowings from are recorded in the currency in which the transaction takes place, generally Euros.

ALUMIL ALBANIA Sh.p.k.

Notes of the financial statements as of 31 December 2020

2. Long Term Material Assets

As of 31 December, 2019 and 31 December 2020 the Long Term Material Assets are as follows:

	Land	Building and Instalations	Machinery	Transport Equipments	Computer Equipments	Work/Building in Process	TOTAL
LTMA Gross Value							
Beginning period 01.01.2020	135,612,023	863,514,836	1,193,371,641	57,192,289	86,261,773	24,583,729	2,360,536,291
Increases	-	18,437,023	20,413,685		15,273,888	936,177	55,060,773
Decreases	-		(10,477,163)	(21,650,157)			(32,127,320)
Other	-						
Ending period 31.12.2020	135,612,023	881,951,859	1,203,308,163	35,542,132	101,535,662	25,519,906	2,383,469,744
ACCUMULATED DEPRECIATION							
BEGINNING PERIOD 01.01.2020	-	398,459,972	830,819,000	42,529,092	65,943,936	-	1,337,752,000
Increases	-	28,899,081	65,528,898	5,883,884	9,434,372		109,746,236
Decreases	-		(9,746,480)	(20,071,494)			(29,817,974)
Others	-						
Ending period 31.12.2020	-	427,359,053	886,601,419	28,341,482	75,378,308	-	1,417,680,262
Net remaining value							
Beginning period 01.01.2020	135,612,023	465,054,864	362,552,641	14,663,198	20,317,837	24,583,729	1,022,784,292
Ending period 31.12.2020	135,612,023	454,592,806	316,706,744	7,200,651	26,157,354	25,519,906	965,789,483

There are some additions to buildings where the construction was done for the indoor department in the amount of 18,437,023 all. There have been additions to machinery during 2020 machinery worth 20,413,685 all, matrix 15,364,254.23 ALL, various production machinery worth 5,049,430.77, etc. There have been additions to office equipment and computers in the amount of 15,273,888 all. The remaining 730,683 all was approved by the Verification Act in February 2021. Depreciation was calculated according to IFRS norms and the values according to local norms were also calculated, deriving the difference between these norms which was deducted for tax purposes and deferred taxes were calculated.

ALUMIL ALBANIA Sh.p.k.

Notes of the financial statements as of 31 December 2020

3. Long Term Non-material Assets

As of December 31, 2019 and December 31, 2020 the long term non-material assets are as follows:

Costs	31/12/2020	31/12/2019
Beginning period 01.01.2020 (softwares)		
Beginning period 01.01.2020 (other assets)	3,379,175	3,379,175
Increases during the period/year (softwares)		
Increases during the period/year (other assets)		
Ending period 31.12.2020	3,379,175	3,379,175
Accumulated Depreciation		
Beginning period 01.01.2020 (softwares)		
Beginning period 01.01.2020 (other assets)	2,179,506	1,899,548
Depreciation during the period (year) for softwares		
Depreciation during the period (year) for other assets	275,997	279,957
Ending period 31.12.2020	2,455,503	2,179,505
Net accumulated value at the end of the period (other assets)	923,671	1,199,670
Total accumulated net value at the end of the period /year	923,671	1,199,670

4. Inventory

The inventory balance during January 1, 2020 – December 31, 2020 is as follows:

	Inventory at the beginning of the period	Purchases	Inventory at the end of the period	Cost of sale
Final products	257,589,023	-	224,680,398	32,908,625
Raw materials and consumables	115,637,070	1,010,955,873	135,313,229	991,279,714
Merchandises, goods for resale	77,929,192	335,792,734	80,812,088	332,909,838
By-products and scrap	8,819,820	-	41,195,972	(32,376,152)
Subtotal	459,975,104	1,346,748,607	482,001,687	1,324,722,025
Impairment of old inventory	19,271,131	-	19,271,131	-
Total	440,703,973	1,346,748,607	462,730,556	1,324,722,025

Provision for obsolete period-end inventories analyzed as follows:

	31 December 2020	31 December 2019
Finished goods.	11,962,706	11,962,706
Raw materials, consumables, spare parts.	0	0
Merchandises, goods for re-sale.	7,308,425	7,308,425
By-products and scrap.	0	0
Total	19,271,131	19,271,131

ALUMIL ALBANIA Sh.p.k.

Notes of the financial statements as of 31 December 2020

4. Inventory (continues)

The Inventory is increased from the beginning of the year. The value 19,271,131.38 all is for provisions of inventory accessories.

5. Receivables

As of December 31, 2019 and December 31, 2020 the receivables are listed as below:

	31 December 2020	31 December 2019
Clients (Alumil Group)	33,952,617	62,117,695
Other clients	96,829,003	89,191,818
TOTAL	130,781,620	151,309,513
Less: Allowance for doubtful balances	(28,345,229)	(43,717,002)
TOTAL(NET)	102,436,391	107,592,510
The movement in the allowance for doubtful balances is as follows:		
Balance at 1 January	43,717,002	28,065,639
Additional Provision in the year	0	15,653,475
Provision utilised for write off of bad debts	(15,271,763)	(2,112)
Reversal of provision in the year	(100,011)	0
Balance at end of period/year	28,345,229	43,717,002

Most of the receivables from Alumil Group are Alumil Kosovo with a value of 274 475.48 euros or 33,952,616.88 all, Apulumuil Sky with a value of 200,516.26 euros or 24,803,860.87 all, Grupo Koni shpk with a value of 49,989.68 euros or 6,183,723.65 all (end of the year 1 euro = 123.7 All) The rest are customers within the country. During 2017 the company has made an impairment of customers in the amount of 15 653 475 all, during 2019 were collected 2,112.00 all from the customers. During 2020 the decision was made to write off the amount of 15,271,762.72 all. Was also collected a value of 100,011 all from the list of provisions.

6. Other receivables

As of December 31, 2019 and December 31, 2020 other receivables are stated as below:

	31 December 2020	31 December 2019
Advances to suppliers	37,427,942	177,353
Advances to personnel	40,048	
Prepaid and withhold taxes	581,168	
VAT receivable		
Other receivables	13,606,590	102,620
Accrued income (insurance income prediction)		
Subtotal	51,655,749	279,973
Less: Allowance for doubtful other receivables.		
Total	51,655,749	279,973
The movement in the allowance for other receivables is as follows:		
Balance at 1 January	-	-
Reversal of provision in the year.	-	-
Balance at end of period/year	-	-

ALUMIL ALBANIA Sh.p.k.

Notes of the financial statements as of 31 December 2020

The amount of 13,606,590 is the amount of VAT paid at customs in advance. Prepayments for Supplier of goods or services is in the amount of 37,427,942.00 all, advance payment for employees in the amount of 40,048 all and Profit Tax balance in the amount of 581,168 all.

6/1. Deferred Expense

As of December 31, 2019 and December 31, 2020 deferred Expense are stated as below:

	31 December 2020	31 December 2019
Deferred Expense	6,644,545	5,918,389
Total	6,644,545	5,918,389

Expenditures for future periods are expenses that have been made for warehouses that have been rented and repairs have been made to the building, expenses for memberships in chambers of commerce, electricity bill for December 2020, various expenses for the activity that are for the year 2021.

7. Cash and cash equivalents

As of December 31, 2019 and December 31, 2020 the balance of monetary assets is recorded below:

	31 December 2020	31 December 2019
Cash in hand	5,109,956	2,120,476
Cash at bank	84,246,260	54,105,729
Total	89,356,216	56,226,205

Cash and Bank are evaluated with exchange rate 1 euro=123.70 and 1 dollar = 100.84 all.

8. Shareholders' Equity

As of December 31, 2020, shareholders' equity is represented as follows:

	31 December 2020	31 December 2019
Authorized capital and paid-up capital	1,481,601,000	1,481,601,000
Nominal value of shares	1,500	1,500

Shareholder	Number of shares	Percentage of shares	Value of shares
ALUMIL GROUP LTD	980,148.00	99.23%	1,470,222,000
GeorgiosSalpingidhis	3,043.00	0.31%	4,564,500
SotiriosBoulios	1,491.00	0.15%	2,236,500
JoanisBoulios	1,432.00	0.14%	2,148,000
GeorgiosMylona	540.00	0.05%	810,000
EvangeliaMylona	540.00	0.05%	810,000
M/E/Dh Kalludhi	540.00	0.05%	810,000
	987,734.00	100.00%	1,481,601,000

No Changes in Share Capital.

19

ALUMIL ALBANIA Sh.p.k.

Notes of the financial statements as of 31 December 2020

9. Reserves

As of December 31, 2019 and December 31, 2020, reserves are stated as follows:

	31 December 2020	31 December 2019
Statutory reserves	16,309,452	16,309,452
Legal reserves	-	-
Reserves from revaluation	-	-
Total	16,309,452	16,309,452

The Reserves didn't change during 2020.

12. Suppliers

As of December 31, 2019 and December 31, 2020 the balance of suppliers recorded as follows:

	31 December 2020	31 December 2019
Suppliers (ALUMIL GROUP)		
Suppliers (Domestic)	112,534	168,569
Total	112,534	168,569

Creditors are evaluated with 31.12.2020 exchange rate 1 euro = 123.70 All. In the local Supplier we have liabilities: in the amount of 112,534.27 lek, Liabilities to suppliers have decreased compared to 2019

13. Short-term borrowings

	Currency	31 December 2020	31 December 2019
Pro Credit Bank (500,000) 22.02.2019	EUR	61,850,000	70,373,616
Total		61,850,000	70,373,616

In 22.02.2019 Alumil-Albania has receive from Procredit Bank an overdraft 500 000 euro and with an effective interest rate 4.09 % and maturity 3.5 % for 1 year. Short terms loan evaluated with exchange rate 1 euro = 121.77 all

14. Long term recivebles

	31 December 2020	31 December 2019
Defereed tax	22,695,367	19,184,747
Total	22,695,367	19,184,747

The deferred tax is calculated 15% of the difference between depreciation calculated with IFRS rates and Local tax purpose rates.

16. Othershort term payables

	31 December 2020	31 December 2019
Customer advances	2,879,962	2,051,676
Social security payable	4,239,121	3,970,676
Taxes payable (VAT, Payroll, w/tax)	11,480,415	16,819,938
Accruals (future periods)	1,204,565	1,064,852

ALUMIL ALBANIA Sh.p.k.

Notes of the financial statements as of 31 December 2020

Total	19,804,063	23,907,143
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Social securities and other taxes are paid on January 2021, the prepayments of customers in the amount of 2,879,962 lek are prepayments from customers abroad are revalued at the rate of 123.7 all.

17/a Income tax

As of December 31, 2019 and December 31, 2020 the income tax is stated as below:

	31 December 2020	31 December 2019
Estimated income tax	16,288,424	12,518,219
Income tax paid during the year		
Plus / Minus		(3,543,050)
Income tax	-	-
Profit before tax	73,802,753	44,326,801
Plus:		
Unrecognized expenses	31,275,549	73,126,744
Other expenses		
Taxes & penalties	796	20,000
Total	31,276,345	73,146,744
Taxable Income	105,079,098	117,473,545
Minus:	0	38,241,406
Non-taxable income		
Total	0	38,241,406
Taxable benefits	105,079,098	117,473,545
Income tax rate	15%	15%
Income tax	(16,288,424)	(12,518,219)
NET INCOME		

ALUMIL ALBANIA Sh.p.k.

Notes of the financial statements as of 31 December 2020

17/a Income tax (continues)

In the calculation of profit tax are taken into account the expenses that are not known for fiscal effects according to tax legislation, In the amount of 31,275,549 lek are included: amortization above the norms (difference of the calculation between the applied and allowed norms) in the amount of 23,404,128 lek, fine to you different 796lek and the rest are expenses without regular tax invoices or unknown

19. Financial Investments

Nr.	Company Name	31 December 2020	31 December 2019
1	AlumilKosova	44,057,600	44,057,600
Total		44,057,600	44,057,600

No changes on Investments in subdiaries.

20. Joint-Stock Enterprises (transactions between branches)

The company has made transactions with other related companies. In analytical manner the transactions between the joint-stock enterprises are given below:

Name of the Company	Currency	Sales			Acquisitions				Total		
		Fixed Assets	Other	Inventory	Fixed Assets	Services	Inventory	Other	Payable	Payable (loans ect).	receivables
Alumil SA	EUR			1,308,868	159,282	369,996	9,409,526	12,727			
Alumil Montenegro	EUR			149,024							
Alufond SA	EUR						399,752				
Alumil Kosovo	EUR			2,215,272							274,475
Alumil yu industry SA	EUR										
Bmp plastic	EUR						4,388				
Alumil Rom Industry SA				68,175							
GA Plastics SA	EUR						36,746				
Total				3,741,339	159,282	369,996	9,850,412	12,727	0	0	274,475

All the group transactions are confirmed.

ALUMIL ALBANIA Sh.p.k.

Notes of the financial statements as of 31 December 2020

1. Revenues and Expenses

As of December 31, 2019 and December 31, 2020 revenues and expenses of the company are reflected in the table below:

1/a. Sales

	31 December 2020	31 December 2019
Sale of products	1,589,614,869	1,714,643,326
Sale of semi-finished products	5,326,743	11,574,767
Merchandise sale	318,329,387	318,975,804
Rendering of services	5,910,636	253,889
Total	1,919,181,635	2,045,447,787

b) Other operating income

	31 December 2020	31 December 2019
Income from services to third parties		-
Gain on disposal of property plant and equipment	870,119	16,365,234
Other income	60,287,749	22,667,023
Total of : b) Other operating income	61,157,868	39,032,257

c) Cost of sales

	31 December 2020	31 December 2019
Cost of goods sold	1,324,722,025	1,452,277,883
Total of : c) Cost of sales	1,324,722,025	1,452,277,883

d) Other expenses

	31 December 2020	31 December 2019
Energy, water	32,659,704	33,511,559
Immovable purchases, materials, supplies	9,405,234	11,197,956
Rent	12,636,170	8,372,726
Maintenance and repairs	13,824,178	10,249,946
Insurance	11,242,380	10,707,456
Others	10,653,389	14,194,693
Staff from abroad	50,526,221	47,558,553
Expenses for concessions, patents, licenses	3,484,479	1,741,264
Advertising	12,152,215	17,194,239
Transfers, travel, diet	1,071,078	2,110,977
Postal and telecommunication expenses	2,851,334	2,913,118
Transport expenses	12,821,135	13,322,182
Expenses for banking services	2,908,150	2,953,542
Local taxes and fees	4,557,467	3,799,620
Registration fee	373,643	501,681
Expenditure on reception and representation	3,663,135	5,092,492

ALUMIL ALBANIA Sh.p.k.

Notes of the financial statements as of 31 December 2020

Fines and indemnities	796	20,000
Others	2,309,345	37,272,972
Total of: d) Other expenses	187,140,055	222,714,978

1. Revenues and expenses (continued)

e) Labor cost

	31 December 2020	31 December 2019
Gross salaries and wages	249,566,675	217,668,790
Employers' social security contributions	27,812,171	27,134,950
Total	277,378,846	244,803,740
Other staff cost	2,496,694	
Pension charge for the year		
Total of: e) Labor Cost	279,875,540	244,803,740

f) Depreciation and amortization

	31 December 2020	31 December 2019
Depreciation of non-current assets	110,022,233	111,996,682
Provisions for impairment of financial assets		
Other expenses (losses from revaluation of assets)		
Total of: f) Depreciation and amortization	110,022,233	111,996,682

g) Currency exchange (gains) / losses

	31 December 2020	31 December 2019
Exchange (gains) / losses arising during the year	27,895,111	36,845,357
Exchange (gains) / losses arising from year-end valuation of receivables / payables	(30,389,021)	(41,800,543)
Total of: g) Currency exchange (gains)/losses	(2,493,911)	(4,955,186)

h) Net Finance cost-income

	31 December 2020	31 December 2019
Interest on long-term debt		
Interest on short-term borrowing	2,282,985	3,404,773
Other financial expenses		
Total financial cost	2,282,985	3,404,773
Interest income		
Income from investments		
Other interest and related income		
Total financial income		
Total net financial (cost) income	(2,282,985)	(3,404,773)

