Aleris Switzerland GmbH

Zurich

Report of the statutory auditors to the Partners' Meeting

on the financial statements 2020

pwc

Report of the statutory auditors

on the limited statutory examination to the Partners' Meeting of

Aleris Switzerland GmbH
Zurich

As statutory auditors, we have examined the financial statements of Aleris Switzerland GmbH, which comprise the balance sheet, income statement and notes, for the year ended 31 December 2020. The limited statutory examination of the prior year financial statements was performed by another auditor.

These financial statements are the responsibility of Management. Our responsibility is to perform a limited statutory examination on these financial statements. We confirm that we meet the licensing and independence requirements as stipulated by Swiss law.

We conducted our examination in accordance with the Swiss Standard on Limited Statutory Examination. This standard requires that we plan and perform a limited statutory examination to identify material misstatements in the financial statements. A limited statutory examination consists primarily of inquiries of company personnel and analytical procedures as well as detailed tests of company documents as considered appropriate in the circumstances. However, the testing of the operational processes and the internal control system, as well as inquiries and further testing procedures to detect fraud or other legal violations, are not within the scope of this examination.

Based on our limited statutory examination, nothing has come to our attention that causes us to believe that the financial statements and the proposed appropriation of available earnings do not comply with Swiss law and the company's articles of incorporation.

PricewaterhouseCoopers AG

Daniel Anliker
Audit expert
Auditor in charge

Fabio Zanon
Audit expert

Zürich, 29 June 2021

Enclosures:

- Financial statements (balance sheet, income statement and notes)
- Proposed appropriation of available earnings

PricewaterhouseCoopers AG, Birchstrasse 160, Postfach, CH-8050 Zürich, Switzerland
Telefon: +41 58 792 44 00, Telefax: +41 58 792 44 10, www.pwc.ch

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ALERIS SWITZERLAND GmbH, Zurich

BALANCE SHEET

		31.12.2020	31.12.2019
		CHF	CHF
ASSETS			
Current assets			
Cash and cash equivalents		401'195	653'533
Other current receivables	3.1	12'238'340	2'374'494
Accrued income and prepaid expenses		0	2'172
Total current assets		**12'639'535**	**3'030'199**
as a percentage of total assets		78%	45%
Non-current assets			
Shareholdings	3.2	3'486'670	3'496'316
Tangible fixed assets		0	94'108
Intangible assets		0	53'695
Total non-current assets		**3'486'670**	**3'644'119**
as a percentage of total assets		22%	55%
TOTAL ASSETS		**16'126'204**	**6'674'318**

		31.12.2020	31.12.2019
		CHF	CHF
EQUITY AND LIABILITIES			
Current liabilities			
Trade payables due to third parties		-19'126	-41'848
Other current liabilities	3.3	-1'098	-304'603
Deferred income and accrued expenses	3.4	-10'381'408	-331'880
Other short-term interest-bearing liabilities		0	-98'982
Provision for unrealized translation gains	3.5	-1'577'812	-1'596'077
Total current liabilities		**-11'979'444**	**-2'373'390**
as a percentage of total assets		74%	36%
Total liabilities		**-11'979'444**	**-2'373'390**
as a percentage of total assets		74%	36%
Equity			
Share capital		-20'000	-20'000
Legal capital reserves		-10'000	-10'000
Voluntary retained earnings			
Profit carryforward		-4'270'928	-3'884'157
Net result for the year		154'167	-386'771
Retained earnings		**-4'116'761**	**-4'270'928**
Total equity		**-4'146'761**	**-4'300'928**
TOTAL EQUITY AND LIABILITIES		**-16'126'204**	**-6'674'318**

ALERIS SWITZERLAND GmbH, Zurich

INCOME STATEMENT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER

	2020	2019
	CHF	CHF
INCOME STATEMENT		
Income statement		
Net proceeds from sales of goods and services	0	-1'101'330
Other operating income	-1'461'868	-2'043'755
Cost of materials	0	1'090'729
Gross margin	-1'461'868	-2'054'356
Personnel expenses	1'174'456	1'128'898
Other operating expenses	375'190	768'521
Earnings before interest, tax, depreciation and amortization (EBITDA)	87'778	-156'937
Amortization, depreciation and impairment of non-current assets	108	33'524
Earnings before interest and tax (EBIT)	87'886	-123'413
Financial cost	52'873	32'538
Financial income	0	-230'196
Currency loss / (gain)	20'791	-76'290
Earnings before taxes	161'550	-397'361
Direct taxes	-7'383	10'591
Net result for the year	**154'167**	**-386'771**

ALERIS SWITZERLAND GmbH, Zurich

NOTES TO THE FINANCIAL STATEMENTS AS OF 31 DECEMBER 2020

1. General information

The purpose of the Aleris Switzerland GmbH ("the Company") is to act as representative of European group companies of the Aleris Corporation, out of Switzerland. In addition, the Company purpose is to provide centralized metal trade and hedging services.

The Company is incorporated in Zurich, Switzerland. The Company is wholly owned by Aleris Aluminum Netherlands B.V. and itself a subsidiary of the ultimate parent company Aleris Corporation.
The ultimate parent company, Aleris Corporation was acquired on April 14th 2020 by Novelis Inc., a subsidiary of Hindalco Industries Limited.

2. Valuation principles

1 Principles of financial reporting	These financial statements have been prepared in accordance with the provisions on commercial accounting laid down in articles 957 – 963b Swiss Code of Obligations (CO) (effective 1 January 2013). Where not prescribed by law, the significant accounting and valuation principles are described as follows.
2 Foreign currency items	The Company's functional currency is EUROS (EUR) since most of its transactions are denominated in this currency. Transactions in foreign currencies are converted into the functional currency using the exchange rate prevailing at the transaction date. Assets and liabilities outstanding at month end are converted at month end rates. The resulting differences from the translation are recorded in the income statement.

ALERIS SWITZERLAND GmbH, Zurich

NOTES TO THE FINANCIAL STATEMENTS AS OF 31 DECEMBER 2020

3. Information relating to items on the balance sheet and income statement

3.1 Other current receivables

	31.12.2020	31.12.2019
From third parties	6'169	85'824
Group companies cash pool receivables	11'956'634	2'234'145
Other group companies receivables	275'536	54'524
Total	**12'238'340**	**2'374'494**

3.2 Overview of shareholdings

		31.12.2020	31.12.2019
Aleris Aluminum France SAS, Paris			
	Share in capital	100%	100%
	Share in voting rights	100%	100%
Aleris Aluminum Denmark ApS, Hellebaek			
	Share in capital	100%	100%
	Share in voting rights	100%	100%
Aleris Asia Pacific Int. (Barbados) Ltd., Bridgetown			
	Share in capital	100%	100%
	Share in voting rights	100%	100%
Aleris Aluminum Poland Sp. zo. O., Katowice			
	Share in capital	100%	100%
	Share in voting rights	100%	100%
Aleris Aluminum Japan Ltd., Tokyo			
	Share in capital	100%	100%
	Share in voting rights	100%	100%
Aleris Aluminium UK Ltd., Swansea			
	Share in capital	100%	100%
	Share in voting rights	100%	100%

3.3 Other current liabilities

	31.12.2020	31.12.2019
Group companies cash pool payables	0	0
Other group companies payables	-1'098	-304'603
Total	**-1'098**	**-304'603**

3.4 Deferred income and accrued expenses

	31.12.2020	31.12.2019
Deferred income and accrued expenses	-10'381'408	-331'880

This position includes a prepayment of € 9'405'705 received from Alvance Duffel (former Aleris Duffel) for the Automotive stock at Aleris Shanghai Trading Co according to the Asset Sale and Transfer Agreement of 23/09/2020. According to this agreement the amount has to be paid back to Alvance after fulfillment of all conditions as set out in the agreement. According to the amendment (30/04/2021) of the agreement, the payback is expected on 31/10/2021.

3.5 Currency translation

These financial statements have been prepared in Swiss Francs (CHF). In line with article 958d of the Swiss Code of Obligations, the assets and liabilities have been converted into CHF with the currency rate as of 31 December 2020 of 1.08443 EUR/CHF (prior year 1.08743 EUR/CHF). Revenue and expenses have been translated with the average currency rate of 1.07057 EUR/CHF (prior year 1.112721 EUR/CHF). Share capital and statutory reserves have been converted at the historical currency rate. The result from the translation to the presentation currency is deferred and recorded as a provision for unrealised translation gains in the balance sheet.

3.6 Pledged assets

Pledged assets	31.12.2020	31.12.2019
Other pledged assets	-	300'000
Total	**-**	**300'000**

3.7 The average number of full-time equivalents for the year was:

The annual average number of full-time equivalents for the reporting year was below 10 as in the previous year.

3.8 Contingent Liabilities

In 2014, a former employee of Aleris Switzerland GmbH (the “Company”) filed a legal action in Switzerland against the Company alleging gender based discrimination. On January 20, 2020 the Swiss court of first instance ruled against the Company, awarding CHF 287'495 in lost earnings, plus legal interest and legal fees, to the former employee. The Company filed an appeal and the Court of Appeal ruled in its favor and awarded the Company reimbursement of legal fees in the amount of 43K CHF, in November 2020. The former employee filed an appeal of this decision with the Highest Federal Court in February 2021. Accruals have been recorded to cover the expected defence costs.

ALERIS SWITZERLAND GmbH, Zurich

PROPOSED APPROPIATION OF AVAILABLE EARNINGS

	31.12.2020	31.12.2019
	CHF	CHF
Retained earnings opening balance	-4'270'928	-3'884'157
Net loss / (income)	154'167	-386'771
	-4'116'761	-4'270'928
Balance carried forward	-4'116'761	-4'270'928
Retained earnings to be carried forward	**-4'116'761**	**-4'270'928**