

Current Report

To: Financial Supervisory Authority
Bucharest Stock Exchange

Current report in compliance with the stipulations of the Law no. 24/2017 (republished) and of the FSA Regulation no.5/2018 (including the subsequent amendments) regarding the issuers of financial instruments and market operations

Date of report: **August 13, 2025**

Name of issuer: **ALUM S.A.**

Headquarters: **Tulcea, 82 Isaccei Street, Tulcea County**

Telephone/ fax number: **+40 240 535 740 / +40 240 535 495**

Sole registration number at the Trade Register Office: **RO 2360405**

Trade Register Number: **J1991000029364**

The European Unique Identifier (EUID): **ROONRC.J1991000029364**

Legal Entity Identifier (LEI): **254900TPAV17KVG33J81**

Subscribed and paid-in share capital: **488,412,907.85 RON**

Regulated market on which the issued shares are traded: **AeRO (market symbol: BBGA)**

Class, type, number and main details about securities issued by ALUM S.A.: **82,086,203 shares at a nominal value of 5.95 lei/share**

We hereby inform all persons who may be interested about the following **important event to be reported:**

Communiqué regarding the publication of the Half-Year Report for the six months ended 30 June 2025

ALUM S.A. ("ALUM") informs shareholders and investors on the **release of the financial results of ALUM for the six months ended 30 June 2025**, as follows:

- **The Half-Year Report for the period ended 30 June 2025 (unaudited)**, prepared in accordance with the Ministry of Public Finance Order no. 1194/2025 for the approval of the Accounting Reporting System for the economic operators will be available starting with **13 August 2025, after 8:30 (Bucharest time)**.
- ALUM Half-Year Report for the six months ended 30 June 2025 is not audited and will be available on:
 - ✓ Bucharest Stock Exchange website, www.bvb.ro – symbol BBGA;
 - ✓ Alum's website, category "Investor Relations", section "Reports":
<http://www.alum.ro/en/ir/alum/reports>.

Năstase Genoveva
Chairman of the Board of Directors

Duralia Mihaela
Chief Financial Officer

**Report of the directors
and
their discharge from liabilities**

- June 2025 -

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Report of the directors for first semester 2025 and their discharge from liabilities

General information

ALUM S.A. (the 'Company', the 'Entity') is a joint-stock company set up under the Romanian law. The Company was initially established in March 1972, ALUM S.A. Tulcea being the largest producer of calcined alumina in Romania. The Company's administrative and managerial offices are located in Romania.

ALUM is listed on Bucharest Stock Exchange, on the ATS segment, AeRO category, BBGA symbol, since May 2015 and is governed in a unitary system. The Board members are elected based on the vote of shareholders under OGSM and by full compliance with the legal requirements in force. ALUM does not have fiscally registered branch offices.

The major shareholder of ALUM S.A. is ALRO S.A. Slatina. At 30 June 2025, the majority shareholder of ALRO S.A. was Vimetco PLC, a private limited liability company registered under the laws of Cyprus, based in Navarinou 18, Navarinou Business Centre, Agios Andreas, 1100, Nicosia, Cyprus. The company is ultimately controlled by Maxon Limited (Bermuda).

Shareholding structure and share capital

SHAREHOLDERS	Number of shares	Owned percentage (%)
ALRO SA SLATINA	81,595,860	99.4026%
Other shareholders – natural persons	469,158	0.5716%
Other shareholders – legal persons	21,185	0.0258%
TOTAL	82,086,203	100%

The statutory share capital as of June 30, 2025 is in amount of RON 488,412,908 representing 82,086,203 shares having a nominal value of RON 5.95 per share.

Financial and economic review

Operational overview

ALUM has a production capacity of 600,000 tons of alumina per year, being the sole alumina producer in Romania and one of the largest in Central and Eastern Europe.

Since 2022, due to the escalation of electricity and natural gas prices, ALUM and the group to which it belongs developed and implemented scenarios for operating at a minimum break-even point or reducing financial losses by suspending certain production activities and switching some production equipment to stand-by. Thus, ALRO has reduced the primary aluminum production by 60% by shutting down three electrolysis pot rooms and ALUM has revised its manufacturing schedule according to the level of calcined alumina required for ALRO, subsequently suspending alumina production operations starting on 1st August 2022, while retaining its key specialists.

During the first half of 2025, as market conditions continued being challenging, the calcined alumina production remained suspended. In this period, were continued maintenance works to ensure the equipment and installations are ready for restarting, as well as the research activity. Special attention is paid to the red mud lake through continuous monitoring in order to comply with the provisions of the Environmental Permit. Alum paid all its debts in due time and incurred minimum operational expenditures.

Since March 2024, Alum has changed its business model of procurement of alumina to ALRO from sale for a margin to sale for a commission. The Company ALUM acts as an agent in procuring calcined alumina from the local international market, in the appropriate quantity and quality, at a competitive price, for the Company ALRO.

Also, during the reporting period, revenues were obtained from the sale of calcined alumina and various types of hydrate from the stock or from the sale of bauxite and scrap iron recovered from the plant.

This is a free translation from the official Romanian version

In the next period, ALUM's management is focused on identifying new sources of development and diversification of the activity that will increase the company's revenues to overcome this challenging period.

Notwithstanding the challenges and uncertainties, the management expects that, based on the most recent forecasts, support from its shareholder and ability to adapt its cash-flows, when necessary, the Company will succeed in generating adequate cash flows to allow it to continue its operations, and has concluded that there are no material uncertainties that may cast significant doubt on their ability to continue as a going concern.

In 2025, Alum continued the research activity in the installations within the project financed from European funds and within the European project, ReActiv.

In 2024, the monitoring timeframe for the project co-financed under the Competitiveness Operational Program 2014-2020 supported by the European Union ended.

As of June 30, 2025, there were no contingent liabilities related to this contract.

ReActiv project „Industrial Residue Activation for sustainable cement production”, where ALUM is one of the industrial partners together with 6 other international companies in the alumina industry and 14 academic partners, is coordinated by Lafarge Center De Recherche and took place between 01.10.2020 - 30.04.2025.

This project aims to modify the properties of bauxite residue turning it into an active material used to obtain new cements with a low CO2 footprint.

In May 2025, was submitted the last progress report, and in June, in Athens, took place the final meeting of the members of the ReActiv project consortium.

Currently, the reports submitted by the consortium members are being reviewed.

Between 2020 – 30.06.2025 the company collected non-refundable funds in the amount of EUR 145,622 (out of the approved total of EUR 171,320).

In the first half of 2025, investment works worth USD 21 thousand were performed.

In February 2025, the Company Alum, contributed RON 18 thousand to the establishment of a joint-stock company named Stocare Energie Tulcea S.A. (“SET”), with a share capital of RON 90 thousand. SET is owned 80% by Vimetco Management Romania S.R.L. and 20% by Company Alum, with its registered office in Tulcea. The company was founded with the purpose of developing a battery energy storage facility.

Financial review

In the first semester 2025 ALUM had a turnover in amount of RON 13,499 thousand, compared to RON 66,818 thousand in the first semester 2024, structured as follows:

	S1 2024	S1 2025	
✓ Sales of alumina	54,563	830	th RON
✓ Sales of hydrate	3,245	1,407	th RON
✓ Revenues from the agent contract	4,133	8,681	th RON
✓ Revenues from sales of scrap iron and wastes	1,024	291	th RON
✓ Revenues from sales of utilities	722	1,046	th RON
✓ Other revenues	3,132	1,244	th RON

In the first months of 2024, the activity of ALUM consisted of purchasing alumina from the market and selling it to ALRO to meet its production requirements. Starting from March 2024, the Company ALUM provides intermediary services (agent agreement) in procuring calcined alumina from the international market, in the appropriate quantity and quality, for the Company ALRO.

In the first semester 2025, the Company incurred a loss of RON 7,653 thousand, compared to the net profit of RON 5,190 thousand in the first semester 2024 (generated by revenues obtained from the sale of CO2 emission certificates in the amount of RON 21,023 thousand).

Status of synthetic indicators defining company's activity as compared to the income and expenditure budget

SYNTHETIC INDICATORS	Actual H1 2024	Budget H1 2025	Actual H1 2025	Difference as compared to Budget	%	Difference as compared to 2024	%
	th. RON	th. RON	th. RON	th. RON		th. RON	
Turnover	66,818	16,112	13,499	(2,613)	84	(53,319)	20
Total operating revenues	81,846	14,890	12,595	(2,295)	85	(69,251)	15
Total operating expenses	75,118	21,233	19,526	(1,707)	92	(55,592)	26
of which: raw material and material expenses	2,529	836	318	(519)	38	(2,211)	13
- other expenses (inventory objects)	199	57	46	(11)	80	(153)	23
- energy, gas and water expenses	2,082	2,566	2,591	25	101	509	124
- staff expenses	10,608	6,303	6,630	328	105	(3,978)	63
- depreciation expenses	2,338	1,886	1,884	(2)	100	(454)	81
- third parties services	8,370	8,661	7,423	(1,238)	86	(947)	89
- merchandise expenses	50,717	871	492	(379)	56	(50,225)	1
- other expenses (penalties, disposal of fixed assets)	364	53	150	97	282	(215)	41
- value adjustments	-2,090	-	(8)	(8)		2,082	0
Operating result	6,728	(6,344)	(6,932)	(588)	109	(13,659)	(103)
Financial revenues	835	-	41	41	-	(794)	5
Financial expenses	1,481	699	763	63	109	(719)	51
Financial result	(647)	(699)	(722)	(22)	103	(75)	112
Total revenues	82,681	14,890	12,636	(2,254)	85	(70,045)	15
Total expenses	76,600	21,933	20,289	(1,644)	93	(56,310)	26
Gross profit	6,081	(7,043)	(7,653)	(610)	109	(13,735)	(126)
Minimum turnover tax	891	-	-	-		(891)	
Net profit	5,190	(7,043)	(7,653)	(610)	109	(12,843)	(147)

The turnover was below the budgeted value mainly due to the lower quantities sold than the forecasted ones, the main variations being as follows:

		Value:	
turnover	-	2,613	th RON
The difference from forecasts was mainly determined by:			
- alumina sales	+	224	th RON
- hydrate sales	-	2,143	th RON
- revenues from the agent contract	-	1,285	th RON
- revenues from scrap sales	-	155	th RON
- revenues from utilities sales	+	198	th RON
- other revenues	+	548	th RON
other operating revenues			
- revenues from fixed assets sales	+	28	th RON
- revenues from stored production	+	268	th RON
- other operating revenues	+	22	th RON

In 2025 the category Other operating revenues includes an amount of RON 189 thousand (H1 2024: RON 189 thousand), representing government grants from EU funds received by the Company for purchasing of equipments for research and development activities. The grants are recognized as income linearly during the useful life of the equipments for which they were received.

Operational expenses were lower than the budget by RON 1,707 thousand, the main variations being as follows:

		Value:
- raw materials and materials expenses	-	519 th RON
- raw materials expenses	-	408 th RON
- other material expenses (fuel, spare parts, auxiliary materials)	-	111 th RON
- energy and water expenses	+	38 th RON
- natural gas expenses	-	14 th RON
- staff expenses	+	328 th RON
- value adjustments (provisions)	-	8 th RON
- depreciation expenses	-	2 th RON
- other expenses (penalties, ceased assets, other operating expenses)	+	85 th RON
- third parties services (commissions, insurances, transport, processing, advertising, import – export services, etc.)	-	1,238 th RON

The financial revenues were exceeded by RON 41 thousand, due to revenues from exchange rate differences (unbudgeted).

The financial expenses were exceeded by RON 63 thousand, due to expenses with exchange rate differences (unbudgeted).

The Company's **total assets** were RON 175,936 thousand as of 30 June 2025, lower than RON 182,368 thousand as of 31 December 2024.

The Company's **non-current assets** were RON 70,796 thousand as of 30 June 2025 versus RON 72,520 thousand as of 31 December 2024, the decrease is mainly due to the depreciation of the fixed assets.

The current assets of the Company were RON 105,140 thousand at 30 June 2025 (31 December 2024: RON 109,848 thousand). This decrease was mainly generated by the decrease in the inventory of merchandises (calcined alumina) and collection of trade receivables balance at the end of the year.

The Company's **total liabilities** registered a slight increase (of approximately 1.5%) reaching RON 49,262 thousand as of 30 June 2025 compared to RON 48,550 thousand as of 31 December 2024.

In the first semester 2025, the **net cash flow used in operating activities** was RON 44 thousand (RON 14,009 thousand in the first semester 2024).

The net cash used in investing activities was RON 147 thousand in the first semester 2025 and RON 268 thousand in the first semester 2024.

In the first semester of 2025 we had no net cash flows used in financing activities (in the first semester of 2024 they were RON 1,538 thousand and represented the repayment of loans).

As of June 30, 2025, cash and cash equivalents were RON 357 thousand (December 31, 2024: RON 779 thousand).

At the end of the first semester of 2025, the statutory net assets are below half of its share capital. The management is aware of the Company legal requirements, and is currently reviewing the current capital structure and options to resolve the capital deficit. The analysis performed by the Company management indicates that the activity will generate positive cash-flows from operation and will become profitable in the following years.

Sustainable development and Corporate Social Responsibility (CSR)

Sustainable development

The constant involvement in environmental protection activities is part of the ALRO Group's and ALUM Company's long-term development strategy. The Company permanently monitors its environmental footprint and takes the necessary measures to comply with the specific environmental rules.

ALUM holds the Integrated Environmental Authorisation, permanently under monitoring and reporting obligations.

It also has about 44 other authorisations, certifications, attestations, and accreditations, among which we mention the following:

- certificate for quality management system according to SR EN ISO 9001:2015;
- certificate for environmental management system according to SR EN ISO 14001:2015;
- certificate for occupational health and safety management according to SR EN ISO 45001:2023;
- energy management system certificate according to SR EN ISO 50001: 2019;
- In October 2022, ALUM recertified the integrated quality - environment - health and safety at work - energy management system according to the following reference standards: SR EN ISO 9001: 2015; SR EN ISO 14001: 2015, SR EN ISO 45001: 2018 and SR EN ISO 50001: 2019. In 2023 and 2024, ALUM obtained the annual visa, following surveillance audits I and II.
- Increasing the energy performance in ALUM is another primary objective of ALRO Group. Starting with 2017, we have implemented in ALUM an energy management system based on the ISO 50001 standard. Over the years, we have conducted various energy audits that have helped us improve our energy performance management. More information can be found in ALRO Group's Sustainability Report, available on the ALRO and ALUM websites.
- Starting with the 3rd quarter of 2024, ALUM started the definition and implementation within SMI (Quality-Environment - OSH - Energy) of the standards: SA 8000:2014 Social responsibility management system and SR EN ISO/IEC 27001:2023 – Information technology, cyber security and privacy protection - Information security management systems and alignment with the standards: ISO 55001:2024.
- Asset management — Asset management system, SR EN ISO/ IEC 17025:2018 - General requirements for the competence of testing and calibration laboratories and Aluminum Stewardship Initiative (ASI) – Performance Standard V3 (2022).

Currently, the Company is not involved in lawsuits concerning the impact of its activities on the environment and does not expect such situations that might include any violation of environmental protection legislation.

Environmental responsibility

Alum's main goals regarding the environment are the following:

- Compliance with the environmental law adopted under the requirements of the European Directives and strictly respect all legal regulations applicable to the company;
- Continuous improvement of activities, processes, products and environmental performance;
- Preparation for emergencies situations and the ability to respond, organizing and conducting simulation exercises for incidents involving dangerous substances;
- Pollution prevention and combat the environmental factors through investments, organizational measures, maintenance and repairs and technological changes;

The Company continuously takes measures to operate following the highest environmental standards which apply to its activity. Another objective refers to environmental protection and ensuring the welfare of the Company's communities. Thus, Management has continued to invest in modernization and efficiency of its activity by implementing several measures, such as:

- monitoring emissions on the premises;
- promoting an organizational culture and an environmental protection mindset among employees, efficient waste management; ensuring the protection of human settlements and improving ecosystems.

The Company carries out a risk identification activity that considers environmental aspects and impacts and the attributes of each job, and simulations are performed to test the response capacity of employees in case of possible accidents.

Although the Company does not directly assess its suppliers' environmental and social impact, a reputational risk assessment is performed in the supplier evaluation process, which consists of verifying the information regarding the possible legal problems or conflicts in which the evaluated supplier is involved. If the supplier has a legal history of incidents and actions in court, including violations of environmental legislation, these issues will be considered reputational risks.

Starting with 2017, ALRO Group publishes, in addition to the Annual Report, a Sustainability Report in line with the G4 Core Global Reporting Initiative Guidelines (GRI). This report describes how ALRO Group performs, monitors and achieves the most important environmental, social and corporate governance issues.

The Sustainability Report enhances the information provided on the Group, Parent-Company and its main subsidiaries actions realised in the sustainability area in the same transparent manner as the Annual Report and adds value to shareholders, other stakeholders and to the communities in which the Group and its subsidiaries operate.

ALUM is part of ALRO Group and the mandatory requirement for preparing a Sustainability Report is covered by the fact that the Parent-Company, ALRO decided to prepare a Consolidated Sustainability I Report, i.e. ALRO Group's Sustainability Report. This Report is available for the public to consult on ALUM's website.

Corporate social responsibility (CSR)

The management team promotes the values that define the Company's organizational culture and mainly:

- **Performance**
In Alum continues the implementation of an efficient performance management system based on establishing department goals, derived from Company's goals, quantifiable and agreed between the managers and their subordinates
- **Competence**
Main performance competences will be identified in close relation with Company's strategic objectives, by means of real, financial, operational and behaviour indicators. The existing strong points that facilitate the implementation of this system consist in the good experience gathered in the field and in the human, financial and technical potential of the Company.
- **Rentability**, meaning the concern, on all decisional levels, for the increase of the profitability through measures that ensure the continuous improvement on technological, commercial at financial level
- **Ecological and social responsibility**, that presumes, among other things, the protection of the environment (compliance with the requirements from the Integrated Environmental Licence), the contribution to the local society development and for the general economic progress.

The concept of corporate social responsibility (CSR) refers to the involvement of companies in solving some problems of the communities in which they operate and represents the set of actions, principles and practices through which a company gets involved in a society, with the aim of ensuring a positive impact of its activity and contributing to the development of that society.

Within ALUM, social responsibility is the management process, as an integral part of the company's business strategy, through which it wants to contribute to the development of a sustainable and performing society in every area in which it operates. We respect human rights and promote diversity thus contributing to improving the quality of life for all employees and community members. Also, ALUM adheres to exemplary responsible business practices through its established policies, which include promoting integrity and ethical behavior, ensuring transparency and fairness, protecting employee dignity and rights, and committing to a positive social and environmental impact.

Beginning with 2024 and continuing with the first half of 2025, the company reviewed and updated its corporate social responsibility policy, with the aim of harmonizing it with the ALRO Group's Sustainability Strategy, of which ALUM is also a part. The themes and sub-themes were identified through a double materiality analysis, in accordance with the provisions of the European CSRD (Corporate Sustainability Reporting Directive). Double materiality facilitated the understanding of both ALUM's impact on the environment and society, as well as the effects of sustainability on the company's financial performance, based on the consultation process with stakeholders (suppliers, customers, community).

In order to implement CSR in Alum were made the following steps:

- In order to maintain a close and continuous relationship with the local community in which ALUM operates, a series of internal procedures have been developed: for the development of the mechanism regarding the resolution of petitions (procedure for the resolution of petitions), the organization of hearings, as well as the procedure regarding the relationship with mass media. In this way, the Company shows its openness to listening and solving the problems of the community and/or other interested parties (citizens, employees, local authorities, collaborating companies, etc.). The society is involved in education, training and other activities of social utility.
- Company-wide policies and codes have been reviewed and/or developed. These were brought to the attention of all employees (and were training in this regard) and other interested parties (by publishing on the company's website), so as to show that we respect the highest standards of ethics and integrity, we respect human rights, we treat everyone with respect and dignity, without direct or indirect discrimination.

Thus, the following documents were developed or updated:

- Anti-harassment guide
- Code of ethics and conduct of employees
- Anti-bribery and anti-corruption policy
- Human rights policy
- Declaration on Combating Modern Slavery
- The supplier's code of conduct.
- A continuous dialogue was maintained with the local community, with ALUM representatives being actively involved as members of various organizations (Romanian Red Cross - Tulcea branch, County Commission for Equal Opportunities between Women and Men, Tulcea Local Social Partnership Development Committee, Tripartite Advisory Council established at the Tulcea Territorial Labor Inspectorate, etc.), as well as volunteer activities in which employees of the company participate (charitable actions, blood donations, etc.).
- Questionnaires were developed and distributed regarding the way the Company is perceived within the community by the various interested parties with which it comes into contact (public administration, financial-banking institutions, cultural and sports organizations, religious organizations, education, environmental protection, etc.). Following the feed-back received from such entities, it turned out that Alum is actively involved in the life of the local community, having a determining influence.
- ALUM's policy regarding staff consultation in the field of quality, environment, health, occupational safety and energy, according to procedures PS-09 "Communication, consultation, participation" and PO-134-04 "Evaluation of customer satisfaction and other ALUM stakeholders" was considered, and an analysis of the degree of employee satisfaction was carried out in order to improve the activity, as well as external recognition of the quality of the activities carried out. The result was satisfactory.

Within ALUM, measures were taken to improve diversity in the Company. At the general level of the organization, in ALUM there are 28 employees with a position (of which 39.29% are women) and 76 employees without a position (of which 21.05% are women).

In particular, the percentage of women in the Company at the end first semester 2025 (June 30) in different categories is:

- management (directors appointed as per law 31/1990 of companies, republished) = 50% women;
- executive leadership (management) = 22.2% women;
- level 2 management (heads of various work departments) = 47.36% women;
- TESA staff without position = 66.7% women.

ALUM was involved in the relationship with the community and by providing material support to disadvantaged population categories. Employees are encouraged to participate in various charitable activities, donations. At the initiative of ALUM employees, during the Easter holidays, voluntary actions were carried out to collect material goods (clothes, sweets, books, toys, etc.) for children from disadvantaged families, as well as food for several needy families.

Despite the current difficult situation facing the society, ALUM proves to be an active partner of the local community, getting involved in various social activities in the area, acting on several directions, through:

- Maintaining, further, a sports-educational partnership for training the children of Alum employees in sports activities (swimming) while also supporting the organization and participation of children in sports competitions (swimming, triathlon).
- At the level of the Local Social Partnership Development Committee (CLDPS), ALUM has 2 representatives (one full member and one alternate). To support actions to support educational institutions and professional training at the local level, the company was actively involved in establishing and approving the annual activity plans in school and professional education (for the school year 2024-2025);
- ALUM participated, through its representatives, as evaluators in the professional qualification certification exams of the post-graduated and vocational education graduates within the Technological High School "Henri Coandă" from Tulcea, for level 5 (post-graduated): electronics & thermo-energy specializations, also for level 4 (vocational education): technical training as electromechanics & automation;
- ALUM is part of the County Commission for Equal Opportunities, having one member and one alternate. Through its members, ALUM participates in various meetings and information sessions which it later disseminates to employees.

The professional training of our company's employees is a permanent concern, and the authorization of workers in different fields is always a priority. During first semester 2025, all ALUM employees were trained on the policies and codes issued at the company level; they were also retrained to acquire the requirements of SR EN ISO 9001:2015, SR EN ISO 14001:2015, SR EN ISO 45001:2023 and SR EN ISO 50001:2019 requirements applicable to SMI within ALUM SA.

During January 2025, two employees completed training courses in the field of supervision of works on lifting installations (ISCIR) and will obtain the authorization by the end of the year. The same employees also attended training courses as supervisors of works on pressure installations (RSL-IP responsible), strictly mandatory within the framework of the Maintenance and Inspection Authorization of pressure installations.

Another employee attended specialization courses organized by CNCAN and obtained the level 2 practice permit in the nuclear field GR – Radiation Generators, specialty AFX – Physical X-ray Analysis.

Procedures were followed and the extension of the level 2 practice permit was obtained – necessary for working in an environment with ionizing radiation imposed by CNCAN Registration Certificate no. CI VG 765/ 2025 regarding the use of radiological installations within the spectrometry laboratory of the person responsible for Radiological Protection.

Risk management and internal control system

Risk management

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance. The Company does not use derivatives to cover the above-mentioned risks.

Currency risk

The Company is exposed to foreign exchange risk because the predominant part of its sales is denominated in or linked to the USD or EUR, while the vast majority of its operating costs (such as power costs, wages, etc.) are denominated in or linked to the RON. The currency exposure is related to the fact that most of the Company's receivables are linked to USD or EUR while the liabilities are denominated in RON. The Company is therefore exposed to the risk that movements in the RON/USD exchange rates will affect both its net income and financial position, as expressed in RON.

The Company's foreign currency exposure results from:

- highly probable forecast transactions (sales/purchases) denominated in foreign currencies;
- firm commitments denominated in foreign currencies; and
- monetary assets and liabilities (mainly trade receivables, trade payables and loans) denominated in foreign currencies.

Interest rate risk

As of June 30, 2025, the Company has no interest-bearing assets and liabilities, so it is not influenced by interest rate risk.

Credit risk

Credit risk refers to the risk that a counter party will default on its contractual obligations resulting in financial loss to the Company. The Company is exposed to credit risk arising from its operational activities, particularly commercial activities and financial activities.

Trade receivables arise from customers spread across diverse industries and geographical areas. In order for the Company to minimize the credit risk, a part of the receivables is immediately sold to banks by factoring transactions on a non-recourse basis. For other receivables, which are not covered by factoring contracts, the financial quality of the debtors is permanently monitored, and the Company exposure from the concluded transactions is spread amongst approved counterparties. The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults.

Ongoing credit evaluation is performed on the financial condition of accounts receivable and credit history of debtors and, where appropriate, credit risk insurance is required.

Credit risk from transactions with banks and financial institutions is managed by the Treasury department. Investment of surplus funds is done only with approved counterparties and within credit limits assigned to each counterparty. The limits are set to minimise the concentration of risks and therefore mitigate the potential for financial loss through counterparty failure. No material exposure is considered to exist by virtue of the possible non-performance by the counterparties in respect of financial instruments.

Liquidity risk

Considering the current business environment, the Company monitor the liquidity risk. The operational and financial cash inflows and outflows are being monitored and analysed monthly and, in some cases, daily to notice any unexpected change in the Company liquidity immediately. Based on this analysis, the management can make the best decisions on the financing necessities for the Company to has the necessary capital to meet all current and future financial obligations and ensure their solvability.

In terms of liquidity, in the first semester 2025 the Company repaid its liabilities and loans in accordance with the schedules as agreed in the contracts. Other actions put in place to manage the liquidity of the Company and assuring a satisfactory level of cash in times of more uncertainty than usually were: limiting CAPEX to strictly necessary investments, optimizing acquisitions of materials and inventory levels.

Internal control system

The Company's internal control system aims to ensure compliance with the regulations in force, the flawless operation of the internal activity, following the decisions made by the management. It also contributes to the effectiveness of the processes, the efficient use of resources, prevention, and control of the risk of failing to achieve its set goals.

As a result, the main objectives of the internal control procedures:

- on one hand, to ensure the compliance of the Company's activity and the staff conduct with the framework of applicable laws, values, rules and internal rules of society;
- on the other hand, checking whether the accounting, financial and business management information communicated accurately reflect the situation of society.

Control activities are an integral part of the process by which the entity seeks to achieve management objectives. Control concerns the application of rules and internal control procedures at all levels: approval, authorization, verification, assessment of operational performance, asset security, separation of functions.

In 2024, the Company concluded a contract with an external company as internal auditor of Alum for a 3-year period. The internal audit activity is regulated by the Guide on the Implementation of International Internal Audit Standards (Ghidul privind Implementarea Standardelor Internaționale de Audit Intern, "the Guide") issued by CAFR in order to contribute to maintaining high quality standards for the organization, management and practice of internal audit missions by financial auditors, members of CAFR, who coordinate internal audit activities, as well as those who are part of the internal audit mission teams. The internal audit company will report directly to the Board of Directors of ALUM.

Other information regarding ALUM

Litigations status

On June 30, 2025 ALUM is involved in some litigations as a result of its normal activity. On the basis of the legal consulting provided by the Company's lawyers, the management considers that those litigations won't have negative effects on the results or on the financial position of the Company.

On June 30, 2025 the Company had in its balance the amount of RON 183,491 for uncertain clients or under litigation, amount for which value adjustment is registered.

Taxation

The taxation system in Romania is undergoing continuous developments. Tax legislation is subject to various interpretations and constant changes, some of which may sometimes be retroactive. In some circumstances, tax authorities may treat some aspects in a different way by calculating additional taxes, interest and penalties, which can be significant.

Following the fiscal inspection carried out by ANAF, DGFP Galați, through AJFP Constanța, having as objectives: the verification of the value added tax and the profit tax for the period 2014-2018, according to the approval of fiscal inspection no. F-CT 782/ 15.11.2019 and completed on 27.05.2021, an additional profit tax of 19,643,114 RON and VAT in the amount of 31,587 RON has been established. The amount of 19,674,701 RON was paid by Alum within the communicated legal term. Subsequently, on 08.03.2022, Alum filed an appeal in court and in December 2022 was performed a judicial expertise in the specialty of accounting/taxation by an independent expert appointed by the Court. In November 2023 the Court ordered the restitution to ALUM of RON 18,213 thousand out of the total of about RON 19,675 thousand that was the subject of the tax act. The National Agency for Fiscal Administration filed the appeal against this decision and the file was submitted to the High Court of Cassation and Justice. At the last term in March 2025, the appeal of both parties was admitted and the case was sent for retrial to the Constanța Court of Appeal.

Subsequent events

There were no events from the reporting date, June 30, 2025, until the date of approval of these financial statements by the management, with a significant impact that would be required to be presented in this report.

Considering all the above, we submit for approval the following:

- profit and loss account
- statement of assets, liabilities and equity.

Discharging from liabilities of the Board of Directors for first semester 2025

For the period 01.01.2025 – 23.02.2025 based on the OGSM Decision no. 53 dated August 17, 2023, the Board of Directors consisted of:

- | | | |
|--------------------|---|---------------|
| 1. Dobra Gheorghe | - | Chairman |
| 2. Higer Igor | - | Vice Chairman |
| 3. Cilianu Marin | - | Member |
| 4. Popa Ioan | - | Member |
| 5. Duralia Mihaela | - | Member |

In February 2025, following the resignations from the Board of Directors of Mr. Gheorghe Dobra and Mr. Marin Cilianu, Mrs. Genoveva Năstase was appointed as chairman of the Board of Directors and Mr. Răzvan-Sebastian Pop as member of the Board of Directors.

Thus, for the period 24.02.2025 – 30.06.2025 based on BoD Decisions no. 380 and 381 dated February 24, 2025 and on the OGSM Decision no. 55 dated March 31, 2025, the Board of Directors consisted of:

- | | | |
|-------------------------|---|---------------|
| 1. Năstase Genoveva | - | Chairman |
| 2. Higer Igor | - | Vice Chairman |
| 3. Pop Răzvan-Sebastian | - | Member |
| 4. Popa Ioan | - | Member |
| 5. Duralia Mihaela | - | Member |

We propose the discharge from liabilities of the Board of Directors of ALUM SA Tulcea for the first semester 2025.

CHAIRMAN OF THE BOARD OF DIRECTORS
Ec. Năstase Genoveva