

Current Report

No.15/27.02.2023

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: **27.02.2023**

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

Headquarters: **Slatina, 116 Pitesti Street, Olt County**

Telephone/ fax number: **+40 249 431 901 / +40 249 437 500**

Sole registration number at the Trade Register Office: **RO 1515374**

Trade Register Number: **J28/8/1991**

The European Unique Identifier (EUID): **ROONRCJ28/8/1991**

Legal Entity Identifier (LEI): **5493008G6W6SORM2JG98**

Subscribed and paid-in share capital: **356,889,567.5 RON**

Regulated market on which the issued shares are traded: **Bucharest Stock Exchange – Premium Tier Category** (market symbol: **ALR**)

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

Press Release

ALRO registered a preliminary consolidated turnover of RON 3.6 billion in 2022

Slatina, 27 February 2023 – ALRO S.A. (BSE: ALR, “the Company” or “ALRO”), one of the largest vertically integrated aluminium producers in Europe, measured by production capacity, announces today its Preliminary Consolidated and Separate Financial Results for the year 2022. The Group registered in 2022 a turnover of RON 3.6 billion, a slight increase from the previous year, while the Gross result decreased in 2022 by 43% to RON 279 million. However, EBIT increased to RON 687 million in 2022, from RON 228 million in 2021 reflecting the compensation for indirect emission costs embedded in the electricity price registred for two years, 2021 and for 2022.

“For ALRO Group, 2022 was more than another challenging year, considering the market conditions. It was also the year of critical decisions to preserve our assets’ value and implement measures to ensure a sustainable business model that confirms our tradition of almost 60 years in the aluminium industry” said Marian NĂSTASE, Chairman of ALRO’s Board of Directors. **“Our duty is to create value for our shareholders while maintaining the jobs for our employees through maximizing the investments in state-of-the-art technologies and energy efficiency projects”** added Marian NĂSTASE.

Market Update

The international aluminium market had a favourable evolution in the first three months of 2022, with the LME 3M price reaching the year record in March 2022, namely 3,968 USD/tonne, while the yearly average stood at 2,713 USD/tonne, up from USD 2,488/tonne in 2021. The second part of 2022 came with a downturn in the LME quotation, reaching a low of

2,103 USD/tonne, in September. The average LME 3M price for Q4 2022 stood at 2,345 USD/tonne, a 423 USD/tonne decrease compared to Q4 2021 average.

While the aluminium price decreased in the second part of 2022, the cost of raw materials, especially energy, increased significantly. At the European level, last year brought an increase in aluminium inventories as well, driven by the decision to the anti-dumping taxes imposed by the European Union on the cheap imports of Chinese flat-rolled products postponed from 2021 to July 2022.

At the local level, the Romanian authorities published in 2022 the Emergency Ordinance no. 138 regarding the compensation of indirect emissions costs embedded in the electricity price for 2021-2030. Given that the Ordinance includes a formula that allows companies to calculate the compensation to be received, the Group included in 2022 results the estimated compensation to be received for the indirect emission costs it already paid in the electricity price. Moreover, the preliminary financial results for 2022 include also the compensation received for the indirect emissions costs that ALRO Group paid in 2021.

Operational Update

Faced with the uncertainties of the Romanian energy market that displayed surging prices and a lack of supply, ALRO Group was forced to take unprecedented measures to secure its business and continue its activity in this volatile market. Thus, the Group temporarily suspended three out of its five potrooms, in Slatina, replacing the necessary electrolytic aluminium with primary cold metal purchased from the international market. The second part of 2022 came with an even more difficult decision, the suspension of the alumina refinery in Tulcea, affected by the surge in energy costs. ALRO Group ensured the necessary alumina from the international market at a more effective cost.

Faced with the uncertainties in the energy market, ALRO Group took further steps into securing the electricity supply by entering a project to build a gas-fired power plant in association with Complexul Energetic Oltenia.

Moreover, ALRO Group continued to focus its investments on increasing the energy efficiency of its operations, continuing its programme to upgrade the Eco-Recycling Facility from a 47,000 tonnes capacity in 2022 to 85,000 tonnes per annum by mid-2023 and aiming to reach 100,000 tonnes per annum in the following years. The investments in technology also continued at the Group's level, Vimetco Extrusion, the downstream subsidiary in charge of extruded products, commissioned in September 2022 a state-of-the-art extrusion press that increased the company's capacity by 40%.

These preliminary financial results are available in a separate document on the Company's website, Investor Relations category, Reports section: <http://www.alro.ro/en/reports> and at the below link:

For further information, please contact:

www.alro.ro

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Notes to the Editors:

ALRO Group

The companies part of ALRO Group are: ALRO S.A. – manufacturer of aluminium, Alum S.A. – producer of alumina, Sierra Mineral Holdings I, Ltd. – bauxite mining, Vimetco Extrusion S.R.L. – extrusion business line, Conef S.A. – holding and management company, Global Aluminium Ltd. – holding company and Bauxite Marketing Ltd –

marketing, Vimetco Trading – aluminium sales. Having this structure, the Group created an integrated production chain assuring the raw materials for ALRO.

ALRO

ALRO is a subsidiary of Vimetco PLC (Republic of Cyprus), a global, vertically-integrated primary and processed aluminium producer. ALRO is one of the largest vertically integrated aluminium producers, by capacity, in Europe, having an installed production capacity of 265,000 tonnes per annum of electrolytic aluminium, 35,000 tonnes per annum of recycled aluminium and the Cast-House has a total cast aluminium capacity of 335,000 tonnes per annum and processing facilities of 130,000 tpa of hot and cold rolling facilities and extrusion shop.

The main market for ALRO products is represented by the European Union; the Company exports its products to the USA and Asia, as well. ALRO is ISO 9001 certified for quality management and has NADCAP and EN 9100 certificates for aerospace production organizations, ALRO's products adhere to the quality standards for primary aluminium on the LME, as well as international standards for flat rolled products.

Starting from 18 March 2019, the Index Committee of the Bucharest Stock Exchange approved the inclusion of ALRO (code ALR) in BET, the main index of the market, and in BET-TR, the total return version of BET. ALRO's shares have been listed on the Bucharest Stock Exchange since October 1997 and ALRO represents the first company in the aluminium industry present in these two indices.

Since 2020, ALRO and Vimetco Extrusion are members of ASI (Aluminium Stewardship Initiative), an international association that contributes to enhancing sustainability in the global aluminium sector. In January 2023, ALRO achieved the first certification in Europe under ASI's Third version of Performance Standards.