Current Report

No. 68/09.08.2023

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: **9 August 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 Group registered a consolidated turnover of over RON 1.55 billion in H1 2023

Slatina, 9 August 2023 – ALRO S.A. (BVB: ALR, "the Company" or "ALRO"), one of the largest vertically integrated aluminium producers in Europe, measured by production capacity, announces today its consolidated and separate financial results for the six months ended 30 June 2023. The Group's turnover decreased to RON 1.55 billion in H1 2023, compared to RON 2.1 billion, as a result of lower LME quotations and temporarily shut down of the alumina refinery ALUM. The Group registered a net loss of RON 164 million in H1 2023, compared to a net profit of RON 15.3 million in H1 2022.

"Over the past 20 years, we invested more than USD 530 million in ALRO's development and transformation and we are committed to continue on this path. While we temporarily stopped the production of alumina, based on economic factors, decided to sell the bauxite business for the same reasons, and reduced the electrolytic aluminium production, we invested in our eco-recycling facility, to support the production of aluminium with low electricity input. In fact, in June, we inaugurated a USD 11 million investment in technology and environment protection at the eco-recycling facility that will help us increase the output at this facility, with positive impact on production costs. We also continued our focus on the long-term programme to increase product efficiency by purchasing an aluminium plate processing line able to process our products as close as possible to customer size requirements, thus being even closer to our clients and their needs" said **Marian NĂSTASE, Chairman of the Board of Directors, ALRO**. *"And we will continue our long-term strategy focused on the same principles that supported our business so far and that helped us adapt quicker to all the changes and the downturns of the international aluminium environment, while preserving and expanding our client pool and our ever more sophisticated products portfolio,"* added **Marian NĂSTASE**.

Market Update

LME prices remained low in H1 2023, with values around 2,000 USD/tonne. The average LME 3 months seller for the first half of 2023 was 2,360 USD/tonne, lower by 21% compared to H1 2022 when the average was 3,088 USD/tonne. In 2023, the highest LME value was 2,662 USD/ tonne recorded in January, while in H1 2022, LME reached a maximum of 3,968 USD/tonne in March 2022.

Moreover, the aluminium holdings in London Metal Exchange warehouses increased, in June 2023 by 21% compared to December 2022 and by 46% compared to June 2022.

At local level, the Romanian electricity market showed prices in the region of 1000-1050 lei/MWh (over 200 eur/MWh). The low liquidity has to do mainly with the new regulatory framework for transactions (OUG 27/2022), whereby energy producers are only allowed to sell energy on the MACEE mechanism.

Financial and Operational Review

The Group's consolidated sales in H1 2023 were RON 1.55 million, lower by 25% compared to the ones reported in a similar period of 2022. The decrease is due, on one side, to the lower LME quotation, which decreased by more than 700 USD/tonne compared to the similar period of last year. On the other side, 2023 was characterized by a slow-down in sales and by the low demand in many industrial sectors.

The Group continued its investments in increasing the energy efficiency and, following a USD 11 million investment in its Eco-Recycling facility, it started up the second double chamber furnace, specialized in recycling scrap purchased from the dedicated market, and by the end of the year the (third) furnace will be launched in production, so that by the end of 2023 the Company's recycling capacity will be increased to 100,000 tpa.

Moreover, it continued the programme to modernise its smelter pots, with energy efficiency and environmental benefits for the electrolysis sector, the sector with the highest energy consumption of all ALRO processes.

The investment programme for 2023 also aims at increasing the output of high and very high aluminium products, for sophisticated industries such as aero and auto.

The investments in technology brough international recognition, ALRO achieving ASI Performance Standard V3 Certification at its Slatina operations. The certification covers, as mentioned within the official document received by the Company: *"The manufacture and sale of aluminium alloy slabs, billets, wire rod, plates and sheets obtained by casting, hot rolling, homogenization, heat treatment, mechanical processing, finishing, and testing for industrial applications, aerospace, automotive and defense industry in location ALRO S.A., Str. Pitesti, No. 116, 230048 Slatina, Olt County and ALRO S.A., str. Milcov No. 1, 230077 Slatina, Olt County, Romania".* The ASI Performance Standard V3 defines environmental, social and governance principles and criteria to address sustainability issues in the aluminium value chain. It sets out 62 criteria under the three sustainability pillars of Governance, Environment and Social.

These 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:

Figures for ALRO and ALRO Group included in this press release are reported based on the interim condensed consolidated and separate financial statements of ALRO and its subsidiaries (further named Condensed financial statements) for the 6 months ended 30 June 2023, are unaudited and have been prepared in accordance with IAS 34 Interim financial reporting as adopted by the European Union (EU). The accounting policies are in accordance with the Ministry of Public Finance Order no. 2844/2016, with subsequent amendments, which is in accordance with the International Financial Reporting Standards (IFRS) adopted by the European Union (EU), except for IAS 21 The effects of changes in foreign exchange rates regarding functional currency, except for the provisions of IAS 20 Accounting for

Government Grants regarding the recognition of revenue from green certificates, and except for the provisions of IFRS 15 Revenue from contracts with customers regarding the revenue from taxes of connection to the distribution grid.

Marian-Daniel NĂSTASE
Chairman of the Board of Directors

Gheorghe DOBRA
Chief Executive Officer

For further information, please contact:
www.alro.ro

Florența Ghiță

Bucharest

Phone: +40 744 644 004

Email: investor.relations@alro.ro

Notes to the Editor:

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 subsidiary of Vimetco PLC (Republic of Cyprus), a global, vertically-integrated primary and processed aluminium producer. The structure of ALRO's shareholders is: Vimetco PLC (54.19%), Paval Holding (23.21%), Fondul Proprietatea (10.21%) and others (12.39%).
ALRO is one of the largest vertically integrated aluminium producers in Europe, by production capacity, with a production capacity of 265,000 tpa of electrolytic aluminium, an Eco-Recycling capacity that will reach 100,000 tpa by the end of 2023, resulting in a production of recycled liquid aluminium of 94,000 tpa. The capacity of the Aluminium Cast House is 315,000 tpa and a processing facilities of 140,000 tpa of cold and hot rolled facilities and extrusion division.

The main markets 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.

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.