

Current Report

No. 90/13.11.2023

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 (subsequently amended and updated) regarding the Issuers of financial instruments and market operations

Date of report: **13 November 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 registers a RON 2.24 billion turnover in Q1-Q3 2023 and continues to diversify its business model

- *Sales value follows the international aluminium quotations trend: the average LME 3-month seller stood at 2,306 USD/tonne, a 19% decrease compared to the average recorded in Q1-Q3 2022 (2,836 USD/tonne).*
- *Higher sales volumes of extruded products, billets, slabs and coils in Q1-Q3 2023 compared to Q1-Q3 2022;*
- *The Group net loss increased in Q1-Q3 2023 compared to Q1-Q3 2022 due to lower aluminium quotations, lower demand and higher costs with utilities;*
- *ALRO Group continues the process of diversifying its business model and secure the supply of electricity by going forward with its partnership with Complexul Energetic Oltenia to build a natural gas power generation plant at Işalniţa, Dolj and by developing a photovoltaic power plant at its own premises in Slatina;*
- *The Group invests in increasing the efficiency of its operations, diversifying products portfolio and clients base and already commissioned a USD 11 million investment in its Eco-Recycling facility*

Slatina, 13 November 2022 – 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 financial results for the nine months ended 30 September 2023. The Group’s turnover decreased by 21% (Q1-Q3 2023: RON 2.24 billion vs Q1-Q3 2022: RON 2.8 billion), on the back of lower aluminium prices and slowing demand. ALRO Group’s net result for the period was a net loss of RON 394 million (Q1-Q3 2022: a net loss of RON 110 million), without an estimated positive

impact of the new Law 206/2023 issued in July 2023 regarding the measures applicable to final customers in the electricity and natural gas market is yet to be determined.

“The challenging international business environment continued to put even bigger pressure on our business, with aluminium quotations and demand slowing down. At local level, the utilities costs further burdened the overall budget”, said Marian NĂSTASE, Chairman of the Board of Directors, ALRO. “However, the investments we made in diversifying our products portfolio and client base paid off and we were able to partially offset these set-backs thanks to higher quantitative sales in Q3 2023. Going forward, we are committed to our plan to secure de electricity supply and to further invest in state-of-the-art technology aimed at lowering consumptions and increasing products’ quality and products’ range”.

Market Update

The aluminium quotations at London Metal Exchange (LME) continued to decrease in Q1-Q3 2023 reaching an average LME 3-month seller of 2,306 USD/tonne, meaning a 19% decrease compared to the average registered in Q1-Q3 2022 (2,836 USD/tonne). The downward trend continued in Q3 2023 when the average LME 3-month seller was down 7%, at 2,200 USD/tonne, compared to 2,358 USD/tonne, registered in Q3 2022.

At the European level, the market showed a high level of inventory being pushed for sale at discounted prices by the major distributors, putting pressure on the producers' margins, while imports of flat rolled products, primarily from China continue to influence the market to a high extent. In the aerospace sector, demand was stable in Q3 2023, the vast majority of sold flat rolled volume being covered by long-term contracts.

At local level, the electricity prices, while showing signs of decrease on the energy exchange, still stand at high quotations. A positive impact is expected by the implementation of the Law 206/2023 issued in July 2023 regarding the measures applicable to final customers in the electricity and natural gas market. However, further clarifications from the authorities are needed, to determine the application of the new law.

Financial and Operational Review

The Group's sales in Q1-Q3 2023 were RON 2.24 billion, lower by 21% compared to the similar period in 2022 (respectively RON 2.8 billion). While the overall demand continued to be low, the Group benefited from its diversified products' portfolio and registered higher sales volumes for extruded products, billets, slabs and coils in Q1-Q3 2023 compared to Q1-Q3 2022.

With a strong demand for aerospace products, ALRO signed a new multi-year agreement with Airbus, for the supply of Aluminium Flat Rolled Products for aircraft manufacturing.

While the market conditions remained challenging, ALRO maintained its long-term goals and continued the investment program focused on reducing the power dependence, further diversifying its products' portfolio and increasing the overall efficiency. Thus, it inaugurated a USD 11 million investment in technology and environment protection at its Eco Recycling Facility in Slatina, namely the installation of two double-chamber furnaces, one holding furnace and a dedicated fume collection and treatment plant. The electricity consumption for aluminium scrap recycling process is 95% lower than the one for electrolytic aluminium production, with positive impact on the overall production costs.

Furthermore, ALRO approved the start of three new investment projects, aimed at decarbonizing the technological process and increasing competitiveness. Specifically, the Group will increase the energy efficiency by installing a photovoltaic power station in ALRO's parking area, it will invest in the extending the fume treatment plant in the Cast House to the billet and slab casting machine and in technology to develop its product portfolio, namely in machines for cutting and milling of slabs for obtaining complex semi-finished high added value products designated to sophisticated aerospace and automotive applications.

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:

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, Vimetco Extrusion S.R.L. – extrusion business line, Conef S.A. – holding and management company, Vimetco Trading – aluminium sales and until 1 September 2023 Sierra Mineral Holdings I, Ltd. – bauxite mining, Global Aluminium Ltd. – holding company and Bauxite Marketing Ltd – marketing.

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, by capacity, in Europe, having an installed production capacity of 265,000 tonnes per annum of electrolytic aluminium, 47,000 tonnes per annum of recycled aluminium and the Cast-House has a total cast aluminium capacity of 332,000 tonnes per annum and processing facilities of 140,000 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.