

# Quarterly Report 31 March 2024

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## ALRO GROUP

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## ALRO GROUP

### CONSOLIDATED QUARTERLY REPORT FOR THE FIRST THREE MONTHS ENDED 31 MARCH 2024

#### Consolidated Financial Results for the First Quarter of 2024 (Q1 2024) as Compared to the First Quarter of 2023 (Q1 2023) (unaudited)

#### 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 Group

## Consolidated quarterly report for Q1 2024

### Highlights of the first quarter of 2024 (Q1 2024)

- Positive EBITDA of RON 86,017 thousand, increasing compared to the similar period of 2023 when EBITDA was of RON 22,621 thousand, thanks to the strategic decisions made by the Group in the past two years and continuous efforts to position Alro as a reliable player in the aluminium industry, correlated with the recovery of demand at the level of end users and the normalization of electricity prices;
- Positive gross result of RON 14,537 thousand in Q1 2024, compared to a negative one of RON 35,044 thousand in Q1 2023 thanks to higher sales volumes, focus on value added products and investments in sustainable production at lower costs;
- Average 3-month LME quotation: 2,241 USD/ tonne in Q1 2024, decreasing by 194 USD/ tonne, as compared to Q1 2023 (2,435 USD/ tonne) (a 8% decrease of the quotation in the market), but similar to the Q4 2023 average (down slightly by 1% quarter on quarter);
- Higher aluminium output and sales, especially in flat rolled products by almost 7,740 tonnes in Q1 2024 compared to Q1 2023 as well as higher quantities of liquid aluminium (from recycled scrap) reflecting the Group's dedication to high value added and sustainable production;
- The bottom-line consolidated result affected by the 1% minimum turnover tax, according to the legislation published at the end of 2023, excessive compared to economic performance, aggressive competition with pressure on sale prices and interest rates still at high levels. The Group recorded a net loss of RON 14,869 thousand in Q1 2024, but substantially lower than the loss of RON 52,435 thousand reported in Q1 2023;
- Continuation of CAPEX aimed at increasing the value of the Group output (cut-to-size project in FRP, automatic packing line in Vimetco Extrusion).

### ALRO Group

Indicator	Q1 2024	Q1 2023*
Primary aluminium production (tonnes)	57,281	43,531
Processed aluminium production (tonnes)	29,465	22,286
Sales (thousand RON)	803,567	790,081
EBITDA <sup>1</sup> (thousand RON)	86,017	22,621
EBITDA margin (%)	10.7%	2.9%
Adjusted net result <sup>2</sup> (thousand RON)	-8,129	-51,722
Net result (thousand RON)	-14,869	-52,435

### ALRO S.A.

Indicator	Q1 2024	Q1 2023
Primary aluminium production (tonnes)	57,281	43,531
Processed aluminium production (tonnes)	21,466	13,722
Primary aluminium sales (tonnes)	27,778	25,850
Processed aluminium sales (tonnes)	21,578	14,203
Sales (thousand RON)	738,271	689,004
EBITDA <sup>1</sup> (thousand RON)	76,758	8,167
EBITDA margin (%)	10.4%	1.2%
Adjusted net result <sup>2</sup> (thousand RON)	-7,989	-38,157
Net result (thousand RON)	-14,072	-38,848
Adjusted net result <sup>2</sup> per share (RON)	-0.011	-0.053
Net result per share (RON)	-0.020	-0.054

\* Prior year figures of the consolidated statement of profit or loss have been re-presented to show the discontinued operations separately from continuing operations.

<sup>1</sup> EBITDA earnings before interest, taxes, depreciation, amortization and impairment;

<sup>2</sup> Adjusted Net Result: net result plus/(minus) non-current assets impairment, plus/(minus) the loss/(gain) from derivative financial instruments for which hedge accounting was not applied, plus/(minus) deferred tax.

The global economy has been hit hard in recent years, marked by high inflation and interest rates, volatile prices for energy and other raw materials. External pressures continued to influence the activity of Alro Group in the first quarter of 2024, after 2023 and 2022 when demand and supply of aluminum products, as well as geopolitical issues, brought important challenges. In 2023, the global economy went through a long recession of the productive sector, and the outlook for recovery is limited, with a medium-term foreseeable recovery. 2024 starts optimistic for Alro Group, after the first quarter of the year bringing improvements in deliveries with the same trend being expected in the coming period. Sanctions imposed by the European Union, USA and UK on products from Russia, as well as supply difficulties in the Asia-Middle East region, have made consumers turn to local suppliers.

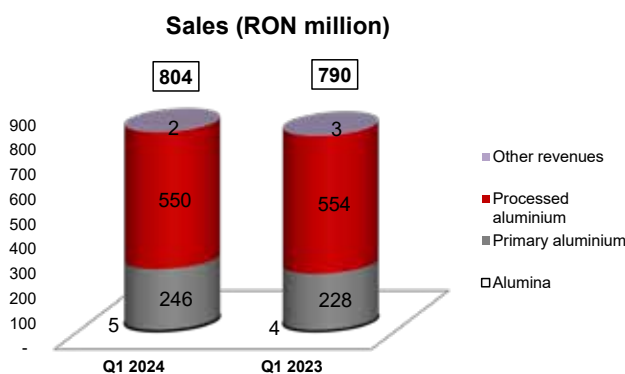
Continuing its dedication to adopting technologies geared towards minimizing electricity consumption, Alro Group stayed committed to diminishing its carbon footprint by expanding its green recycling facility substantially in the latter part of 2023. Amid a sluggish economic recovery and supported by improved technologies, the year 2024 is anticipated to witness heightened sales of high value-added products and contribute to effective cost management. In line with the Group's strategy to diversify its output of high and very high value-added products, it entered into a multi-annual contract with Airbus in October 2023 for the provision of aluminum plates to the aerospace sector. Additionally, in the first quarter of 2024, the Group commenced operations on a processing line for rolled plates (cut-to-size), effectively meeting customer demands and advancing the Group's strategic aims of improving the mix of sales.

## Sales

In Q1 2024 the aluminium price quoted at the London Metal Exchange (LME) remained at the same level recorded in Q4 2023, having a stabilization tendency after a downward trend recorded in the first three quarters of 2023 (the average 3M LME for the first quarter of 2024 was 2,241 USD/tonne, compared to the average 3M LME recorded in Q1 2023, of USD 2,435/tonne). Under these circumstances, in spite of higher deliveries, the 194 USD/ tonne drop in LME quotations limited the value of the sales, so that the Group's consolidated turnover increased only by 1.7% in Q1 2024 as compared to Q1 2023 (Q1 2024: RON 803,567 thousand; Q1 2023: RON 790,081 thousand). However, towards the end of Q1 2024 the aluminium price started to increase, and therefore, in April 2024 the average 3M LME was of 2,526 USD/tonne, i.e. higher by 11% than in March 2024.

Set out below is a breakdown of sales by segment in Q1 2024 and Q1 2023 (third parties only):

Revenues from contracts with customers	Q1 2024	Q1 2023
Revenues from alumina segment	5,150	4,284
Revenues from primary aluminium segment	246,272	228,370
Revenues from processed aluminium segment	549,964	553,973
Other	2,181	3,454
<b>Total</b>	<b>803,567</b>	<b>790,081</b>

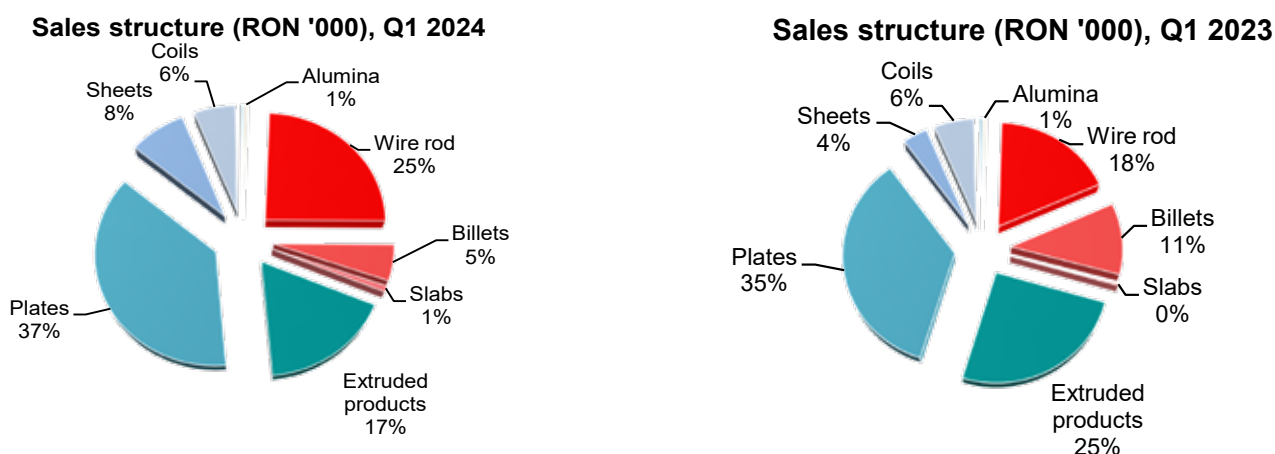


In Q1 2024, the Primary segment reported increasing sales revenues of RON 246,272 thousand compared to RON 228,370 thousand recorded in Q1 of previous year (representing an increase by 8%). In Q1 2024 the demand for wire rod was good and therefore the Group sold more than 5,440 tonnes wire rod in this quarter compared to Q1 2023, the beginning of 2023 being a weak season for the cable industry. There are signs that the good demand would continue during Q2 2024 also. The ban on Russian wire rod as well as the logistic problems with the wire rod coming from Asia and Middle East made the European consumers to reshape their procurement patterns and be more oriented to local suppliers. As for billets, the weak demand continued in Q1 2024 also, mainly because of the poor performance of the building&constructions sectors and in these circumstances, the Group sold lower quantities in Q1 2024 than in Q1 2023 (Q1 2024: 3,570 tonnes versus Q1 2023: 5,883 tonnes). The demand for this line of products has started improving from March 2024 and we expect the lost volumes to be recovered during the coming months.

The Processed aluminium segment reported sales revenues at the same level in Q1 2024 as in Q1 2023 (Q1 2024: RON 549,964 thousand versus Q1 2023: RON 553,973 thousand). While there are some signs of demand recovery at the end users level, the solid demand in Q1 2024 was mainly generated by restocking activities in the European distribution market and by geopolitical factors: the situation in the Red Sea and its negative implications in the supply chains. The outlook for the second quarter of 2024 remains optimistic from a quantitative perspective and several signals from the market indicate that the end user demand will also pick-up gradually. For flat rolled products, the Group continued its strategy and has improved the mix of sales with new very high value-added products by investing in a new cut-to-size business line. The European aerospace sector continues to remain strong and the Group sold more than 4,260 tonnes of plates in Q1 2024, which are our products with the highest value-added, as compared to Q1 2023. In the automotive industry, the demand is picking-up and there were delivered 3,108 tonnes more sheets and coils in Q1 2024 as compared to Q1 2023 , within the annual contracts, as well as compared to other smaller players in the spot market. We are also expecting that several projects which have been under discussion for several months already, particularly for the aerospace sector, will be materialized in the following months and more opportunities are going to be seized starting Q2 2024. In Q1 2024, the demand from buildings&construction sector continues to remain at low levels and we believe that a visible recovery can only be possible once the interest rates are adjusted to more attractive levels for the investors. Pricewise, we still see a challenging situation, particularly in the European markets, with aggressive competition among all players.

In Q1 2024 The Group has implemented a digitalization solution for ALRO sales processes and lead management, aiming at improving the performance of sales teams, with this solution being implemented with top providers of IT solutions in this field. This agreement represents a continuation of the development strategy of the Group and supports us in our endeavour to offer customized solutions and expand our customer base.

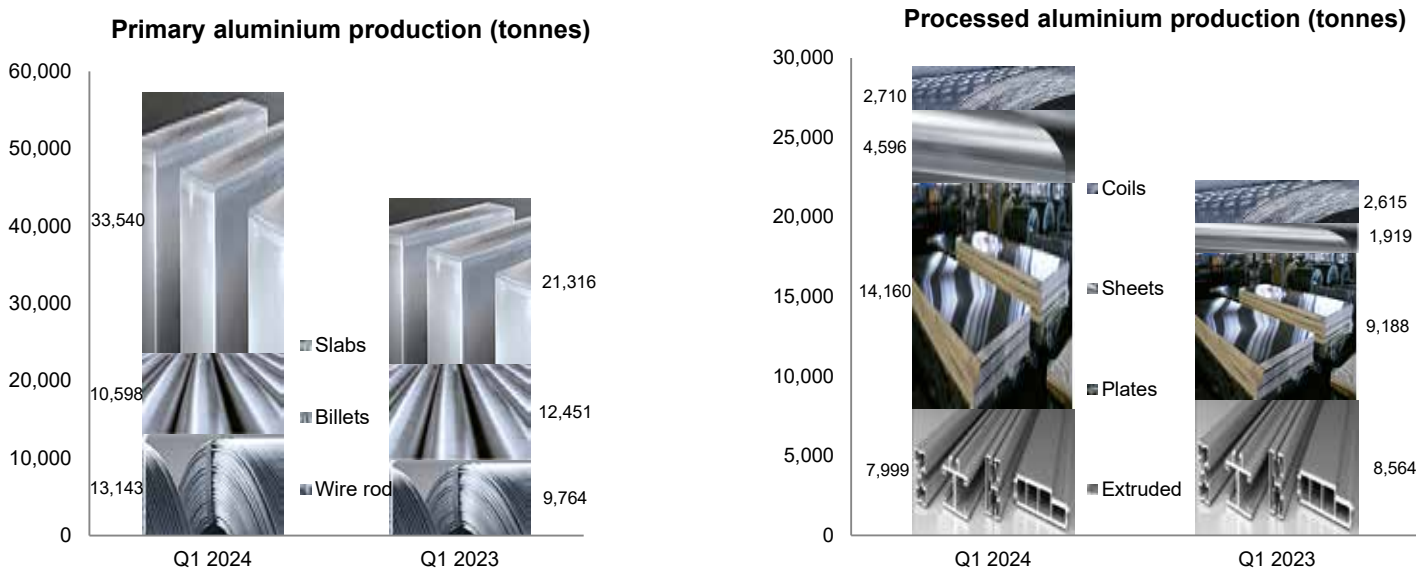
The contribution to sales of the Processed Aluminum segment, including products with high and very high value added, remained major (in Q1 2024 68% of the Group's total revenues and 70% in Q1 2023), while the contribution of the Primary Aluminum segment in the total revenues of the Group slightly increased from 29% in Q1 2023 to 31% in Q1 2024.



## Production

In Q1 2024 the production of Primary segment reached a peak of 57,281 tonnes, i.e. by 13,750 tonnes higher than in Q1 2023 (43,531 tonnes) and by 6,250 tonnes higher than in the previous quarter (Q4 2023: 51,031 tonnes). After 2022 when, amid the energy crisis during Covid-19 pandemic recovery and outburst of Ukraine conflict, the Group needed to take several decisive measures such of temporarily suspending 3 out of 5 of its electrolysis potrooms as well as the Alum plant in Tulcea, in Q1 2024 these capacities remained idle and the Group produced electrolytic aluminium at a reduced capacity and with alumina acquired by its subsidiary Alum from third party suppliers. In 2023 the Group also divested its mining operations in Sierra Leone. Under these circumstances, in 2023 the Group put into operation a new aluminium recycling capacity, thus in Q1 2024 it increased the production of liquid aluminium by more than 11,450 tonnes compared to Q1 2023.

After a difficult year 2023, in Q1 2024 the aluminium market regained its normal course and the Group focused on increasing the production of high and very high added-value products. The growing demand in aerospace and automotive sectors, supported by the restocking activities in the distribution market and also the diversification of our portfolio products determined the increase of flat rolled output by almost 7,740 tonnes in Q1 2024 versus Q1 2023 and more than 6,610 tonnes compared to Q4 2023. The same upward trend, in accordance with the production of flat rolled products, was recorded for slabs production such that the Group produced 33,540 tonnes in Q1 2024 as compared to the slabs production of 21,316 tonnes achieved in the same quarter of 2023.



The Group's **cost of goods sold** was of RON 789,030 thousand in Q1 2024 and of RON 825,125 thousand in Q1 2023. The decrease by 4% was determined mainly by the drop of the purchase prices of utilities and raw materials, in line with their specific market prices, but partially offset by the increase in quantities sold. Although the price for the vast majority of raw materials purchased by the Group recorded a decrease in Q1 2024 versus Q1 2023, for some raw materials the price increased in the reported period as compared to the previous period.

Also, the reduction of the production cost and increase of the sustainable aluminium production continued to be a priority for the Group in 2024. The investments in energy efficiency projects and the increase in production of Eco-Recycling Facility from 6,579 tonnes in Q1 2023 to 18,031 tonnes in Q1 2024 supported the Group's efforts to reduce the energy consumption and compensated the lower quantity of electrolytic aluminium produced once the 3 potrooms were made idle in 2022. In the first three months of 2024, the Group purchased higher quantities of aluminium scrap and ingots for its aluminium production and used almost 16,700 tonnes in the production process as compared to almost 10,630 tonnes used in first quarter of previous year. At the same time, since the price of purchased aluminium scrap and ingots is linked to the LME quotation, it recorded a decrease in Q1 2024 as compared to Q1 2023, in line with the downward trend of aluminium prices in the reported period.

The higher quantities of flat rolled products and wire rod sold, however, partially offset by the downward trend of LME quotation and lower premiums, combined with lower input costs, have translated into a positive value of the gross result which was of RON 14,537 thousand in Q1 2024 compared to a gross loss reported in Q1 2023 of RON 35,044 thousand. Under these circumstances, the **gross profit margin** was positive reaching the level of 2% in Q1 2024 compared to a negative gross result margin of 4% achieved in the same period of 2023.

In Q1 2024, **Other operating income** reached the value of RON 120,563 thousand (as compared to Q1 2023: RON 112,073 thousand) and mainly includes compensation of RON 102,063 thousand (Q1 2023: RON 108,811 thousand) recorded by the Group for high energy costs as per EU legislation on the EU-ETS scheme, on an accrual basis for the first three months of 2024. For more details, see also the *Group's interim condensed consolidated financial statements* for the three months ended 31 March 2024.

In the first quarter of 2024, the category **Other operating expenses** included the depreciation of idle plants of RON 5,020 thousand (in Q1 2023: RON 9,640 thousand), following the temporary suspension of the operations of 3 electrolysis halls and of the alumina plant in Tulcea in 2022, as well as costs of RON 3,950 thousand that were recognized by Alum during the subsequent period to the production capacity shutdown (in Q1 2023: RON 10,157 thousand).

**Operating result** for Q1 2024 significantly increased as compared to Q1 2023 thanks to the efforts of the Group to optimize its operations, increase the high and very high value-added sales, diversify the product mix and to enter new markets. This was however diminished by the lower premiums and LME quotations. Thus, the Group succeeded in obtaining an **operating profit (EBIT)** of RON 53,451 thousand for the first quarter of 2024 compared to a negative EBIT of RON 14,564 thousand recorded in the same period of previous year.

The amount of RON 14,114 thousand reported in Q1 2024 representing **net foreign exchange loss** results mainly from the revaluation of the loans and other liabilities of the Group in foreign currencies, due to the depreciation of RON at the end of the period (in Q1 2023: a gain of RON 13,174 thousand).

According to the provisions of law no. 296/2023 the entities which recorded a turnover of more than EUR 50 million in the previous year and which have an **income tax** lower than 1% of its calculated turnover (minimum turnover tax), must pay a profit tax at the level of the minimum turnover tax. The law applies in respect of the financial year beginning on 1 January 2024. In Q1 2024 the Group calculated the minimum turnover tax according to the formula provided in the above law and this was higher than the profit tax; consequently as at 31 March 2024, the Group recognized a liability at the minimum turnover tax level of RON 9,307 thousand (31 December 2023: nil) in the *Consolidated Statement of Financial Position*.

In Q1 2024, the Group increased its sales by 25% in terms of volume, as compared to Q1 2023 and by 34% as compared to Q4 2023, achieving a maximum level of the last 5 quarters of 19,280 tonnes for primary products and 29,740 tonnes for processed products. In Q1 2024, the Group consolidated its position as a supplier of high value added products in industries such as: aerospace and automotive and increased its sales of flat rolled products and wire rod. However, lower demand in the construction sector led to lower sales for some of our product lines: such as billets and extruded products. In addition, the lower aluminium prices, the market characterized yet by intense competition which put pressure on sales prices, as well as the high levels of interest rates and the 1% minimum turnover tax limited the Group's **net result** in Q1 2024, which was a loss in the amount of RON 14,869 thousand, but a much lower loss than the one recorded in Q1 2023 of RON 52,435 thousand.

The reconciliation between the net result and the adjusted net result for Q1 2024 and Q1 2023 is detailed below:

<b>Adjusted net result</b>	<b>Q1 2024</b>	<b>Q1 2023</b>
<b>NET RESULT (RON '000)</b>	<b>-14,869</b>	<b>-52,435</b>
Plus/(minus) deferred tax expense/ (income)	6,740	713
<b>ADJUSTED NET RESULT</b>	<b>-8,129</b>	<b>-51,722</b>

### Strategic investments

There are several investing projects started or followed in Q1 2024, out of which the following ones have a great weight in the Group strategy to align to the most recent standards of sustainability and good practices:

In March 2024 the Group put into operation the project *"Improve Alro SA product efficiency by purchasing an aluminium plate processing plant able to process Alro SA products as close as possible to the customers size requirements"* ("cut-to-size"), investment started in the end of 2022, for a total expenditure of RON 7,472 thousand. The Group will be able to produce complex flat rolled products, with very high value added, having the dimensions and tolerances defined in relation with the customers' requirements.

In Q1 2024 the Group continued the investment started in October 2023 for purchasing of an aluminium aging furnace with electric heating from a renowned manufacturer of furnaces for the aluminium industry. The project objective is to increase the output of high and very high value added products. This state-of-the-art electric furnace will replace three furnaces powered by natural gas with the aim of streamlining the heat treatment operations within the Processed Aluminium Division and represents an important step towards achieving Alro's goal of becoming a greener producer. The total value of the investment, including equipment, installation and commissioning, is of USD 2.75 million.



In Q1 2024 the Group started the implementation of the project *"Long-term development of ALRO SA through achievement of sustainable investments"* achieved through the Minimis Aid Scheme "Support granted for the implementation of the Program for increasing the industrial products competitiveness". The objective of the financing project is to equip the testing and calibration laboratories existing in Alro with state-of-the-art instrumentation in line with the requirements of the Community standards and provisions in the field of application. The total value of the project is of RON 2,323 thousand out of which, co-financing from the funds beneficiary: RON 1,329 thousand and financing from the budget: RON 994 thousand. The project completion date is January 2025.

In Q1 2024, the Group's subsidiary, Vimetco Extrusion, continued the project investment regarding the purchasing of an automatic packaging line for the extruded aluminium profiles to increase competitiveness by applying "green steps" for the extruded profiles production (the amount spent in Q1 2024 was RON 21,357 thousand and RON 2,248 thousand in Q1 2023). This project benefits from a grant of EUR 1.85 million (40% of the project value), from Iceland, Lichtenstein, and Norway through the EEA Grant Financial Mechanism 2014-2021 under the program "SME Development in Romania," area of interest: Green Innovation in industry, Blue Growth, and ICT. Through this investment, Vimetco Extrusion takes further steps to increase the added value offered to its stakeholders. It also represents proof of sustainably using the available natural resources, reducing energy consumption rates, and increasing operational efficiency while diversifying its portfolio of customized solutions offered. Moreover, the project's results consist of growing the company's turnover and reducing the CO<sub>2</sub> emission, fuel consumption and waste generated in the production process. The commissioning term was April 2024.



**ALRO GROUP**

**Interim condensed consolidated financial statements for the three  
months ended 31 March 2024 (unaudited)**

# Interim consolidated statement of profit or loss and other comprehensive income for the three months ended 31 March 2024 - unaudited

in RON '000,  
except stated otherwise

	Note	Three months ended 31 March 2024	Three months ended 31 March 2023*
<b>Continuing operations</b>			
Revenue from contracts with customers	5	803,567	790,081
Cost of goods sold		-789,030	-825,125
<b>Gross result</b>		<b>14,537</b>	<b>-35,044</b>
General, administrative and selling expenses	7	-71,986	-70,486
Other operating income	8	120,563	112,073
Other operating expenses	9	-9,663	-21,107
<b>Operating result (EBIT)</b>		<b>53,451</b>	<b>-14,564</b>
Interest expenses	10	-30,757	-31,953
Other financial income		1,722	5,993
Other financial costs		-8,260	-7,692
Net foreign exchange (losses) / gains		-14,114	13,174
Share of result of associates		-292	-
<b>Result before income taxes from continuing operations</b>		<b>1,750</b>	<b>-35,042</b>
Income tax	11	-16,619	-4,455
<b>Result for the period</b>		<b>-14,869</b>	<b>-39,497</b>
<b>Discontinued operations</b>			
Result after tax for the period from discontinued operations		-	-12,938
<b>Result for the period</b>		<b>-14,869</b>	<b>-52,435</b>
<b>Other comprehensive income / (expense), net of tax:</b>			
<i>Items that will not be reclassified subsequently to profit or loss:</i>			
Remeasurements of post-employment benefit obligations		-	10
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Translation adjustment		-	-2,073
<b>Other comprehensive income / (expense) for the period, net of tax</b>		<b>-</b>	<b>-2,063</b>
<b>Total comprehensive income / (expense) for the period</b>		<b>-14,869</b>	<b>-54,498</b>
Result attributable to:			
Shareholders of Alro S.A.		-14,858	-52,259
Non-controlling interest		-11	-176
		-14,869	-52,435
Total comprehensive income / (expense) attributable to:			
Shareholders of Alro S.A.		-14,858	-54,312
Non-controlling interest		-11	-186
		-14,869	-54,498
<b>(Losses) / earnings per share</b>			
Basic and diluted (RON)	12	-0.021	-0.073
Basic and diluted (RON) for continuing operations		-0.021	-0.055

\* Prior year figures of the consolidated statement of profit or loss have been re-presented to show the discontinued operations separately from continuing operations.

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

These financial statements were authorized for issue by the Management on 13 May 2024.

Dr. Ing Gheorghe DOBRA  
Chief Executive Officer

Ec. Genoveva NĂSTASE  
Chief Financial Officer

# Interim consolidated statement of financial position as at 31 March 2024 - unaudited

in RON '000

	Note	31 March 2024	31 December 2023
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	13	909,389	901,604
Investment properties		563	571
Intangible assets		2,690	2,877
Equity accounted investments		107,977	108,269
Goodwill		15,834	15,834
Right-of-use assets		7,993	9,690
Deferred tax asset	11	88,603	95,343
Other non-current financial assets	16	151,194	151,293
<b>Total non-current assets</b>		<b>1,284,243</b>	<b>1,285,481</b>
<b>Current assets</b>			
Inventories	15	778,825	884,736
Trade receivables, net		94,151	56,163
Current income tax receivable		39	1,100
Other current financial assets	16	511,214	433,205
Other current non-financial assets		21,134	33,980
Restricted cash	17	62	19,814
Cash and cash equivalents	17	269,401	206,126
<b>Total current assets</b>		<b>1,674,826</b>	<b>1,635,124</b>
<b>Total assets</b>		<b>2,959,069</b>	<b>2,920,605</b>
<b>Shareholders' Equity and Liabilities</b>			
<b>Shareholders' equity</b>			
Share capital		370,037	370,037
Share premium		86,351	86,351
Other reserves		375,866	375,866
Retained earnings		169,865	730,129
Result for the period		-14,858	-560,264
<b>Equity attributable to shareholders of Alro S.A.</b>		<b>987,261</b>	<b>1,002,119</b>
Non-controlling interest		483	494
<b>Total shareholders' equity</b>		<b>987,744</b>	<b>1,002,613</b>
<b>Non-current liabilities</b>			
Bank and other loans, non-current	18	1,137,271	1,176,067
Leases, non-current	18	4,393	5,963
Provisions, non-current		27,594	27,216
Post-employment benefit obligations		29,048	29,048
Government grants, non-current portion		29,834	30,902
Other non-current financial liabilities		13,091	13,541
<b>Total non-current liabilities</b>		<b>1,241,231</b>	<b>1,282,737</b>
<b>Current liabilities</b>			
Bank and other loans, current	18	304,715	298,728
Leases, current	18	2,461	2,782
Provisions, current		6,596	7,854
Trade and other payables	19	338,828	240,807
Contract liabilities	5	18,470	23,578
Current income taxes payable		8,852	6,490
Government grants, current portion		4,267	4,267
Other current liabilities		45,905	50,749
<b>Total current liabilities</b>		<b>730,094</b>	<b>635,255</b>
<b>Total liabilities</b>		<b>1,971,325</b>	<b>1,917,992</b>
<b>Total shareholders' equity and liabilities</b>		<b>2,959,069</b>	<b>2,920,605</b>

The accompanying notes are an integral part of these interim condensed consolidated financial statements. These financial statements were authorized for issue by the Management on 13 May 2024.

**Dr. Ing Gheorghe DOBRA**  
Chief Executive Officer

**Ec. Genoveva NĂSTASE**  
Chief Financial Officer

## Interim consolidated statement of changes in shareholders' equity for the three months ended 31 March 2024 - unaudited

	Share capital	Share premium	Other reserves
<b>Balance at 1 January 2023</b>	<b>370,037</b>	<b>86,351</b>	<b>375,866</b>
Result for the period	-	-	-
<b>Other comprehensive income / (expense)</b>			
Translation adjustment	-	-	-
Remeasurements of post-employment benefits	-	-	-
<b>Other comprehensive income / (expense)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income / (expense) for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>
Appropriation of prior year result	-	-	-
<b>Balance at 31 March 2023</b>	<b>370,037</b>	<b>86,351</b>	<b>375,866</b>
<b>Balance at 1 January 2024</b>	<b>370,037</b>	<b>86,351</b>	<b>375,866</b>
Result for the period	-	-	-
<b>Total comprehensive income / (expense) for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>
Appropriation of prior year result	-	-	-
<b>Balance at 31 March 2024</b>	<b>370,037</b>	<b>86,351</b>	<b>375,866</b>

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

These financial statements were authorized for issue by the Management on 13 May 2024.

in RON '000

Translation reserve	Total other reserves	Retained earnings	Result for the period	Attributable to shareholders of Alro SA	Non-controlling interests	Total shareholders' equity
-18,880	356,986	324,009	410,071	1,547,454	1,972	1,549,426
-	-	-	-52,259	-52,259	-176	-52,435
-2,063	-2,063	-	-	-2,063	-10	-2,073
-	-	10	-	10	-	10
-2,063	-2,063	10	-	-2,053	-10	-2,063
-2,063	-2,063	10	-52,259	-54,312	-186	-54,498
-	-	410,071	-410,071	-	-	-
-20,943	354,923	734,090	-52,259	1,493,142	1,786	1,494,928
-	375,866	730,129	-560,264	1,002,119	494	1,002,613
-	-	-	-14,858	-14,858	-11	-14,869
-	-	-	-14,858	-14,858	-11	-14,869
-	-	-560,264	560,264	-	-	-
-	375,866	169,865	-14,858	987,261	483	987,744

**Dr. Ing Gheorghe DOBRA**  
Chief Executive Officer

**Ec. Genoveva NĂSTASE**  
Chief Financial Officer

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

These financial statements were authorized for issue by the Management on 13 May 2024.

# Interim consolidated statement of cash flows for the three months ended 31 March 2024 - unaudited

in RON '000

	Note	Three months ended 31 March 2024	Three months ended 31 March 2023
<b>Cash flow from operating activities</b>			
Result before income taxes from continuing operations		1,750	-35,042
Result before tax for the period from discontinued operations		-	-12,938
<i>Adjustments for:</i>			
Depreciation and amortisation		32,566	43,154
Movement in provisions		-1,258	1,744
Change in allowance for impairment of inventory	15	-52,602	-36,259
Change in allowance for expected credit losses of trade receivables	7	144	128
Losses/(gains) on disposal of property, plant and equipment		380	-505
Share of result of associates		292	-
Net foreign exchange (gains)/ losses on loans revaluation		14,123	-14,777
Interest income		-1,642	-5,888
Interest expense	10	30,757	32,380
<i>Changes in working capital:</i>			
Change in inventories		155,108	229,471
Change in trade receivables and other assets		-103,361	-229,785
Change in trade and other payables		91,222	44,289
Income taxes paid		-6,456	34
Interest paid		-13,567	-28,619
<b>Net cash generated (used in) / from operating activities</b>		<b>147,456</b>	<b>-12,613</b>
<b>Cash flow from investing activities</b>			
Purchase of property, plant and equipment and intangible assets, net		-41,310	-26,095
Proceeds from sale of property, plant and equipment		402	354
Change in restricted cash	16, 17	19,790	9,184
Interest received		1,555	5,832
<b>Net cash used in investing activities</b>		<b>-19,563</b>	<b>-10,725</b>
<b>Cash flow from financing activities</b>			
Proceeds from loans		-	36,044
Repayment of loans and leases		-64,618	-69,593
<b>Net cash (used in) / from financing activities</b>		<b>-64,618</b>	<b>-33,549</b>
<b>Net change in cash and cash equivalents</b>		<b>63,275</b>	<b>-56,887</b>
<b>Cash and cash equivalents at beginning of period</b>		<b>206,126</b>	<b>630,068</b>
Effect of exchange rate differences on cash and cash equivalents		-	-4
<b>Cash and cash equivalents at end of period</b>	<b>17</b>	<b>269,401</b>	<b>573,177</b>

**Dr. Ing Gheorghe DOBRA**  
Chief Executive Officer

**Ec. Genoveva NĂSTASE**  
Chief Financial Officer

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

These financial statements were authorized for issue by the Management on 13 May 2024.



# Notes to the interim condensed consolidated financial statements - unaudited

in RON '000, except stated otherwise

## 1. Organisation and nature of business

Alro S.A. (*the Company or the Parent Company*) is a joint stock company that was established in 1961 in Romania, and is one of the largest vertically integrated aluminium producers in Europe, by production capacity. The shares of Alro S.A. are traded on the Bucharest Stock Exchange under the symbol *ALR*.

The Company's administrative and managerial offices are located in Romania, with the headquarters in 116, Pitesti Street, Slatina, Olt County.

The majority shareholder of Alro S.A. is 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).

Alro S.A. and its subsidiaries (collectively referred to as the Group) form a vertically integrated producer of primary and processed aluminium products: Alro casts aluminium into primary products that are sold or processed as higher value added products (flat rolled or extruded) within Alro or Vimetco Extrusion facilities. The Group has its customers primarily in Central and Eastern Europe. Due to the high power and natural gas prices, currently Alro works with 2 out of 5 of its electrolysis potrooms. Since August 2022 Alum has not produced alumina by itself, as the production was temporarily ceased, instead, it bought alumina from the market, at better prices and resold it to Alro. Alro Group had the bauxite mine in Sierra Leone until the entire mining business was sold on 1 September 2023, when Alum completed the disposal of its shares in Global Aluminium, Ltd, BVI. In September 2023, Alro started investing in the electricity business by forming a partnership with CCGT Power Isalnita SA ("CCGT Power"), where it holds a 40.1% interest.

These interim condensed consolidated financial statements were authorised for issue by the Management on 13 May 2024.

## 2. Basis of preparation

### Statement of compliance

These interim condensed consolidated financial statements of Alro and its subsidiaries (further named Condensed financial statements) for the 3 months ended 31 March 2024 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)\*.

Selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the last annual consolidated financial statements as at and for the year ended 31 December 2023. These interim condensed consolidated financial statements do not include all the information required for full annual financial statements and should be read in conjunction with the annual financial statements of the Group for the year ended 31 December 2023.

The financial statements of Alro Group are available in hard copy at the Parent Company's premises, upon request. They are also available on the website of the Parent Company [www.alro.ro](http://www.alro.ro) within the applicable legal time frame.

### Basis of preparation

The financial statements have been prepared on the historical cost basis except for the financial instruments that are measured at fair values, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

\*The Ministry of Public Finance Order no. 2844/2016, with subsequent amendments, 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, except for the provisions of IFRS 15 Revenue from contracts with customers regarding the revenue from taxes of connection to the distribution grid. These exceptions do not affect the compliance of the financial statements of the Group and the Company with IFRS adopted by the EU.

## Going concern

These financial statements have been prepared on a going concern basis, which assumes the Group will be able to realize its assets and discharge its liabilities in the normal course of business.

## Functional and presentation currency

The functional currency of the Parent Company is the Romanian leu (RON). For each entity, the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency and translated in the presentation currency.

The rates applied in translating foreign currencies to RON were as follows:

	31 March 2024	31 December 2023
<b>USD exchange rate at the end of the period**</b>	4.6078 USD/RON	4.4958 USD/RON
	<b>Three months ended 31 March 2024</b>	<b>Three months ended 31 March 2023</b>
<b>USD average exchange rate***</b>	4.5827 USD/RON	4.5848 USD/RON

\*\* as communicated by the National Bank of Romania

\*\*\* computed as an average of the daily exchange rates communicated by the National Bank of Romania

These financial statements are presented in RON thousand, rounded to the nearest unit.

## 3. Application of the new and revised international financial reporting standards

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2023. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

### **Standards and interpretations effective in 2024 that the Group has applied to these financial statements**

The Group has adopted the following new standards and amendments to standards, including any consequential amendments to other standards, with a date of initial application of 1 January 2024:

- *Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback* (issued on 22 September 2022). The amendments clarify how a seller-lessee subsequently measures sale and leaseback transactions that satisfy the requirements in IFRS 15 to be accounted for as a sale. A seller-lessee is required to subsequently measure lease liabilities arising from a leaseback in a way that it does not recognize any amount of the gain or loss that relates to the right of use it retains. The new requirements do not prevent a seller-lessee from recognizing in profit or loss any gain or loss relating to the partial or full termination of a lease. There is no impact from the application of these amendments on the financial statements.

- *Amendment to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current* (issued on 23 January 2020). The objective of the amendments is to clarify the principles in IAS 1 for the classification of liabilities as either current or non-current. The amendments clarify the meaning of a right to defer settlement, the requirement for this right to exist at the end of the reporting period, that management intent does not affect current or non-current classification, that options by the counterparty that could result in settlement by the transfer of the entity's own equity instruments do not affect current or non-current classification. The adoption of the standard had no effect on the Group.

- *Amendments to IAS 1 Non-current Liabilities with Covenants* (issued on 31 October 2022). The amendment clarifies how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability. The amendments to IAS 1 specify that covenants to be complied with after the reporting date do not affect the classification of debt as current or non-current at the reporting date. Instead, the amendments require a company to disclose information

about these covenants in the notes to the financial statements. There is no impact from the application of these amendments on the financial statements, as the Group's practices were already in compliance with the requirements of the amendments.

#### Standards issued in 2024, but not yet effective and not early adopted

- *IFRS 18 Presentation and Disclosure in Financial Statements* (issued on 9 April 2024), not yet adopted by the EU. The standard will apply for reporting periods beginning on or after 1 January 2027 and also applies to comparative information. IFRS 18 was issued to improve reporting of financial performance and introduces new requirements on presentation within the statement of profit or loss, including specified totals and subtotals. It also requires disclosure of management-defined performance measures and includes new requirements for aggregation and disaggregation of financial information based on the identified roles of the primary financial statements and the notes. IFRS 18 will replace IAS 1 with many of the other existing principles in IAS 1 being retained, with limited changes. IFRS 18 will not impact the recognition or measurement of items in the financial statements, but it might change what an entity reports as its *operating profit or loss*. In addition, there are consequential amendments to other accounting standards.

#### 4. Estimates

The preparation of interim condensed consolidated financial statements requires the Management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. The actual results may differ from these estimates.

In preparing these interim condensed consolidated financial statements, the significant judgements made by the management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements for the year ended 31 December 2023.

#### 5. Revenue from contracts with customers

Set out below is the disaggregation of the Group's revenue from contract with customers, including intra-group sales:

Segments	Three months ended 31 March 2024				
	Alumina	Primary aluminium	Processed aluminium	Others	Total
<b>Type of good or service</b>					
Sale of alumina	54,268	-	-	-	54,268
Sale of primary aluminium	-	322,115	-	-	322,115
Sale of processed aluminium	-	-	550,438	-	550,438
Other revenues and services performed	1,647	-	183	5,473	7,303
<b>Total revenue from contracts with customers</b>	<b>55,915</b>	<b>322,115</b>	<b>550,621</b>	<b>5,473</b>	<b>934,124</b>

Segments	Three months ended 31 March 2023				
	Alumina	Primary aluminium	Processed aluminium	Others	Total
<b>Type of good or service</b>					
Sale of alumina	70,243	-	-	-	70,243
Sale of primary aluminium	-	326,500	-	-	326,500
Sale of processed aluminium	-	-	555,002	-	555,002
Other revenues and services performed	2,051	-	26	8,903	10,980
<b>Total revenue from contracts with customers</b>	<b>72,294</b>	<b>326,500</b>	<b>555,028</b>	<b>8,903</b>	<b>962,725</b>

Set out below, is the reconciliation of the revenue from contracts with customers with the amounts disclosed in the segment information in Note 6:

Revenue	Three months ended 31 March 2024				
	Alumina	Primary aluminium	Processed aluminium	Others	Total
Revenue from contracts with customers	55,915	322,115	550,621	5,473	934,124
Inter-segment transactions	-50,765	-75,843	-657	-3,292	-130,557
<b>Total Group revenue (Note 6)</b>	<b>5,150</b>	<b>246,272</b>	<b>549,964</b>	<b>2,181</b>	<b>803,567</b>

Revenue	Three months ended 31 March 2023				
	Alumina	Primary aluminium	Processed aluminium	Others	Total
Revenue from contracts with customers	72,294	326,500	555,028	8,903	962,725
Inter-segment transactions	-68,010	-98,130	-1,055	-5,449	-172,644
<b>Total Group revenue (Note 6)</b>	<b>4,284</b>	<b>228,370</b>	<b>553,973</b>	<b>3,454</b>	<b>790,081</b>

Transactions between operating segments are based on transfer prices that are set on an arm's length basis in a manner similar to transactions with third parties. For the way the Group monitors the performance of its segments, please see Note 6.

#### Contract liabilities

During the first three months of 2024, the Group recognized the amount of RON 21,892 thousand from the existing balance at 31 December 2023 under *Contract liabilities* as revenue from performance obligations satisfied (RON 23,578 thousand balance as of 31 December 2023). The balance of RON 18,470 thousand existing at 31 March 2024 under *Contract liabilities* will be recognized from performance obligations that will be satisfied subsequently.

## 6. Segment information

For management purposes, the Group is organized on a vertically integrated basis into three segments: alumina, primary aluminium and processed aluminium. For the purpose of resource allocation and assessment of segment performance the segments are the basis on which the Group reports its segment information to the chief operating decision maker. The alumina segment located in Tulcea, Romania, used bauxite to produce alumina, which is the principal raw material for aluminium smelting. The alumina production has been temporarily suspended since August 2022 and replaced with alumina purchased from the market for the Group needs. The Primary aluminium division manufactures primary aluminium products like wire rod, slabs, billets and ingots. Most of the slabs are used in the Processed aluminium segment to manufacture flat rolled products, such as sheets, plates, coils that are further sold to external clients. The Primary aluminium segment include also some sales of aluminium finished products (such as billets and wire rod to group and external companies), which are processed out of the metal brought in by the client, and for which revenue is recognized only at the level of a processing fee. Additionally, the Processed segment of the Group includes the extrusion plant in Slatina, which makes extruded aluminium products out of the billets mostly acquired from the Parent company. Both the Primary and Processed aluminium divisions are located in Slatina, Romania. No operating segments have been aggregated to form the above reportable operating segments.

Segment revenues and expenses are directly attributable to the segments; joint expenses are allocated to the business segments on a reasonable basis. The income, expenses and result per segments include the transfers between business segments.

In order to have a better visibility on the operational and financial performance of the Group segments, to be able to benefit from its synergies as an integrated group, the Management monitors the segments results whereby the inter-segment transactions are reported at their cost. For the purpose of this note, the inter-segment transfers of the alumina segment, represented by deliveries of raw material, and also the transfers of the aluminium segments, consisting of slabs transferred by Alro to its own processing division and billets transferred to the Vimetco Extrusion extruding plant, are reflected at their complete cost, regardless of the fact whether they are within the same entity or not.

The Management monitors interest income and expense on a net basis.

Alro Group revenues and results for the three months ended 31 March 2024 and 2023 by segment, were as follows:

	Alumina	Primary aluminium	Processed aluminium	Others	Inter-segment operations	Total
<b>Three months ended 31 March 2024</b>						
Sales to external customers	5,150	246,272	549,964	2,181	-	803,567
Inter-segment transfers	46,147	390,393	657	3,292	-440,489	-
<b>Total sales revenues</b>	<b>51,297</b>	<b>636,665</b>	<b>550,621</b>	<b>5,473</b>	<b>-440,489</b>	<b>803,567</b>
<b>Segment results (gross profit)</b>	<b>-1,405</b>	<b>-57,163</b>	<b>67,695</b>	<b>2,182</b>	<b>3,228</b>	<b>14,537</b>
Other operating income and expenses, net	-10,769	-2,842	37,632	15,560	-667	38,914
<b>Operating result (EBIT)</b>	<b>-12,174</b>	<b>-60,005</b>	<b>105,327</b>	<b>17,742</b>	<b>2,561</b>	<b>53,451</b>
Total depreciation, amortisation and impairment	1,855	17,778	13,063	120	-250	32,566
<b>EBITDA</b>	<b>-10,319</b>	<b>-42,227</b>	<b>118,390</b>	<b>17,862</b>	<b>2,311</b>	<b>86,017</b>
Interest and other finance costs, net						-37,587
Net foreign exchange gains / (losses)						-14,114
<b>Result before income taxes</b>						<b>1,750</b>
<b>Three months ended 31 March 2023</b>						
Sales to external customers	4,284	228,370	553,973	3,454	-	790,081
Inter-segment transfers	68,010	454,010	1,055	5,449	-528,524	-
<b>Total sales revenues</b>	<b>72,294</b>	<b>682,380</b>	<b>555,028</b>	<b>8,903</b>	<b>-528,524</b>	<b>790,081</b>
<b>Segment results (gross profit)</b>	<b>5,699</b>	<b>-35,421</b>	<b>-6,649</b>	<b>2,987</b>	<b>-1,660</b>	<b>-35,044</b>
Other operating income and expenses, net	-21,022	-16,146	54,925	2,107	616	20,480
<b>Operating result (EBIT)</b>	<b>-15,323</b>	<b>-51,567</b>	<b>48,276</b>	<b>5,094</b>	<b>-1,044</b>	<b>-14,564</b>
Total depreciation, amortisation and impairment	6,416	17,557	14,016	94	-898	37,185
<b>EBITDA</b>	<b>-8,907</b>	<b>-34,010</b>	<b>62,292</b>	<b>5,188</b>	<b>-1,942</b>	<b>22,621</b>
Interest and other finance costs, net						-33,652
Net foreign exchange gains / (losses)						13,174
<b>Result before income taxes</b>						<b>-35,042</b>

In the first quarter of 2024, sales of aluminum products saw significant increases compared to the same period in 2023, with processed aluminum products witnessing a 31% growth in sales volume and primary aluminum products experiencing a rise of approximately 13%, using more slabs internally to support the increase in value-added production. However, the decrease of the LME by 194 USD/t compared to the average level of the same period of the last year, affected the revenue of the aluminum segments, so that the quantitative increase in the sales of processed products was not reflected in the income recorded by the processed aluminum segment. At the same time, in the category *Other operational expenses and income, net*, the Group reported the amount of RON 102,063 thousand in Q1 2024 for the compensation of energy costs related to 3 months of 2024, based on the EU Emissions Trading Scheme (ETS) (in Q1 2023: RON 108,811 thousand). The compensation is allocated to the primary aluminum and processed aluminum segments based on the electricity costs incurred directly and indirectly, through the raw materials produced by one segment and transferred to another segment, such as aluminum metal. For details, see Note 8 *Other operating income*.

*Other operational expenses and income, net* includes on one side the general and administrative expenses and other operating expenses, and on the other side, it includes sundry income generated from non-core activities. Where the costs and income cannot be allocated to a specific segment, they are included in the column *Others*. Also, in Q1 2024 this category includes revenues of RON 6,884 thousand from the sale of CO<sub>2</sub> emission certificates by the Group from its surplus and government grants of RON 4,267 thousand (in Q1 2023: revenues from government grants of RON 4,267 thousand).

Segment assets include all operating assets used by a segment and consist principally of operating cash, receivables, inventories, property, plant and equipment and intangible assets, net of allowances for impairment. While most of such assets can be directly attributed to individual segments, the carrying amount of certain assets used jointly by two or more segments is allocated to the segments on a reasonable basis. Segment liabilities include all operating liabilities and consist principally of trade payables, wages and taxes payable and accrued liabilities. Segment assets and liabilities do not include deferred income taxes, borrowings, financial liabilities and other un-allocatable items.

Segment assets and liabilities at 31 March 2024 and 31 December 2023, respectively, were as follows:

Alro Group	Alumina	Primary aluminium	Processed aluminium	Others	Inter-segment balances	Total
<b>31 March 2024</b>						
Total assets	193,255	1,102,619	1,132,101	788,516	-257,422	<b>2,959,069</b>
Total liabilities	95,391	301,244	207,919	1,494,696	-127,925	<b>1,971,325</b>
<b>31 December 2023</b>						
Total assets	239,678	1,146,863	1,046,517	763,376	-275,829	<b>2,920,605</b>
Total liabilities	139,602	210,215	180,687	1,517,064	-129,576	<b>1,917,992</b>

As at 31 March 2024, the total assets representing *Others* include mainly investments in subsidiaries and associates of RON 252,339 thousand (as at 31 December 2023: RON 252,447 thousand), cash and restricted cash of RON 374,749 thousand (as at 31 December 2023: RON 309,291 thousand), administrative buildings of RON 38,135 thousand (as at 31 December 2023: RON 37,229 thousand), deferred tax asset of RON 84,057 thousand (as at 31 December 2023: RON 90,032 thousand) and derivative financial instruments, when applicable.

As at 31 March 2024, the total liabilities representing *Others* include mainly borrowings and leases of RON 1,445,440 thousand (as at 31 December 2023: RON 1,476,565 thousand), post-employment benefit obligations and provisions of RON 33,009 thousand (as at 31 December 2023: RON 32,978 thousand), and, when applicable, dividends.

*Inter-segment operations* include intercompany eliminations.

## 7. General, administrative and selling expenses

	Three months ended 31 March 2024	Three months ended 31 March 2023
Staff costs	-30,173	-32,756
Third party services	-15,326	-12,680
Consulting and audit	-7,840	-6,649
Consumables	-2,693	-2,466
Taxes other than income taxes	-2,803	-2,520
Depreciation and amortisation	-1,299	-1,622
Insurance	-2,448	-2,260
Marketing and public relations	-1,401	-1,289
Travelling	-531	-2,251
Research and development costs	-5,318	-3,902
Other	-2,010	-1,963
Change in allowance for expected credit losses of trade receivables	-144	-128
<b>Total</b>	<b>-71,986</b>	<b>-70,486</b>

## 8. Other operating income

In the 3 months ended 31 March 2024, the Group recognized government grants of RON 102,063 thousand under *Other operating income* representing compensation for electricity costs for the period (RON 108,811 thousand in the 3 months ended 31 March 2023) based on EU Emissions Trading Scheme (ETS). As per European and Romanian regulations, the Group is entitled to receive the aforesaid compensations for the electricity costs incurred during 2023 and 2024. See also Note 16 *Other current financial assets*.

During Q1 2024, the Group sold CO<sub>2</sub> emission certificates of RON 6,884 thousand (in Q1 2023: nil).

## 9. Other operating expenses

	Three months ended 31 March 2024	Three months ended 31 March 2023
<b>Other operating expenses</b>		
Idle plants depreciation expenses	-5,020	-9,640
Alum non-productive costs	-3,950	-10,157
Other operating expenses	-693	-1,310
<b>Total other operating expenses</b>	<b>-9,663</b>	<b>-21,107</b>

*Idle plants depreciation expenses* represent the depreciation incurred by the Group on temporarily idled production facilities, mainly caused by the suspension of the operation of 3 electrolysis halls and the alumina plant in Tulcea in 2022. At 31 December 2023 the subsidiary Alum recognized an impairment for property, plant and equipment, that led to the decrease of the depreciation expenses in Q1 2024 compared to the same period of 2023.

The category *Alum non-productive costs* represent the costs recorded by the subsidiary Alum after the cessation of alumina production in August 2022.

## 10. Interest expenses

	Three months ended 31 March 2024	Three months ended 31 March 2023
Interest expense	-30,757	-31,953
<b>Total</b>	<b>-30,757</b>	<b>-31,953</b>

*Interest expenses* from discontinued operations, not included in the table above, were of RON 427 thousand in Q1 2023.

In Q1 2024, a new reference rate, namely, CME Term SOFR, was used instead of USD LIBOR (London Interbank Offered Rate) in the existing facilities of the Group and the Company. CME Term SOFR means the Term SOFR reference rate administered by CME Group Benchmark Administration Limited (or any other person which takes over the administration of that rate). This reference rate was implemented starting 1 July 2023, and before that, LIBOR was used for the same contracts.

*Interest expense* includes the amount of RON 3,209 thousand in Q1 2024 (in Q1 2023: RON 1,868 thousand) representing transaction costs on loans, which are recognized during the period as interest expense based on the effective interest rate method. The cash effectively paid as transaction costs in Q1 2024 for loans was of RON 930 thousand and it is included in the Statement of cash flows under *Interest paid* (in Q1 2023: RON 172 thousand).

## 11. Income tax

The main components of the income tax expense in the consolidated interim statement of profit or loss and comprehensive income are:

	Three months ended 31 March 2024	Three months ended 31 March 2023
<b>Income tax</b>		
Current income tax	-9,879	-3,742
Deferred income tax	-6,740	-713
<b>Total income taxes</b>	<b>-16,619</b>	<b>-4,455</b>

During the 3-month period of 2024, the total expenses of RON 36,148 thousand (3 months of 2023: RON 27,026 thousand), representing interest expenses and items related to interest in respect of the exceeding borrowing costs, were treated as non-deductible for tax purposes, and resulted in a negative income tax effect of RON 5,784 thousand (3 months of 2023: RON 4,324 thousand). According to the Romanian Fiscal Code, which transposes the EU Directive no. 2016/1164, issued in 2016, the exceeding borrowing costs include interest, expenses for obtaining finance and leasing, capitalized interest and foreign exchange losses above a threshold of EUR 1,000,000 per annum are deductible only up to the level of 30% of calculated fiscal EBITDA. The Group companies in Romania incur borrowing costs related to loans obtained from banks for capital expenditure and development purposes.

During the first 3 months of 2024, the Group recognized a net reversal to cost of goods sold of RON 52,602 thousand, representing the writing down of inventories to their net realizable value (see Note 15 for details), thus generating deductible temporary differences. As a result, the total amount of net deferred income tax asset at the Group level decreased from RON 95,343 thousand as at 31 December 2023 to RON 88,603 thousand as at 31 March 2024.

Under the provisions of Law No. 296/2023, entities with a turnover exceeding EUR 50 million in the previous year and which have the calculated current income tax lower than 1% of its calculated turnover (minimum turnover tax), will be obliged to pay profit tax at the level of 1% representing the minimum turnover tax starting 1 January 2024. In Q1 2024 the Group calculated the minimum turnover tax according to the formula provided in the above mentioned law and this was higher than the profit tax, consequently the Group recognized in Consolidated Statement of Financial Position a tax payable of RON 9,307 thousand (Q1 2023: nil).

## 12. (Losses)/ earnings per share

	Three months ended 31 March 2024	Three months ended 31 March 2023
Net result attributable to the owners of the Entity	-14,858	-52,259
Continuing operations	-14,858	-39,497
Discontinued operations	-	-12,762
Weighted average number of ordinary shares	713,779,135	713,779,135
Basic and diluted earnings per share (RON/share)	-0.021	-0.073
Continuing operations	-0.021	-0.055
Discontinued operations	-	-0.018

Basic EPS is calculated by dividing the profit/loss for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year.

Basic and diluted per share data are the same as there are no dilutive securities.

During the reporting period, no interim dividends were declared by the Group related to the 3 months ended 31 March 2024.

At 31 March 2024, the Parent Company does not have outstanding dividends payable (31 December 2023: nil).

## 13. Property, plant and equipment

During the 3-month period ended 31 March 2024, the Group purchased property, plant and equipment amounting to RON 36,913 thousand (during the 3 months ended 31 March 2023: RON 22,520 thousand).

Also, in Q1 2024, the Group continued to invest in its programs to increase energy efficiency, which include the reconditioning of electrolysis pots, by modernizing another 11 pots using the innovative AL12LE technology (during the first 3 months of 2023: 11 pots). AP12LE (Aluminium Pechiney 120 kA Low-Energy) represents a last generation technology developed by Rio Tinto Aluminum Pechiney. The objective of this project is to reduce the energy consumption of the electrolysis pots by approximately 300 kWh/ton of aluminum, while maintaining the production capacity. The program will continue in the following years until all pots are aligned with the new technology.

In the 3-months period ended 31 March 2024, the Group also continued the strategy of developing value added products in close correlation with the evolution of the production mix, by developing the capacities of cutting plates, in accordance with the standards required by the customers and put in operation its cut-to-size business, initiated in the end of 2022, for a total expenditure of RON 7,472 thousand.

The same direction was followed by one of the Group's subsidiaries, Vimetco Extrusion, which spent the amount of RON 21,357 thousand during the 3 months of 2024 (during 3 months 2023: RON 2,248 thousand), for the purchase of an automatic assembly unit for extruded aluminium profiles on the purpose of increasing the competitiveness by applying "green steps". This project amounts to EUR 4.57 million and benefits from a financing of EUR 1.85 million from Iceland, Lichtenstein and Norway via EEA the Financial Grant Mechanism 2014 -



2021 within the program "The Development of SME's in Romania", in the field "Green Innovation in industry, Blue Growth, and ICT". The commissioning term was April 2024.

Furthermore, the Group allocated resources to maintain and improve the equipment parameters, in order to increase the economic efficiency and reduce emissions, following the application of the best techniques available in the field.

Depreciation charge of PPE in Q1 2024 was of RON 28,345 thousand (during Q1 2023: depreciation charge from continuing operations RON 31,546 thousand).

At 31 March 2024, the net book value of *Property, plant and equipment* pledged for securing the Group's borrowings amounts to RON 723,823 thousand (at 31 December 2023: RON 722,859 thousand).

## 14. Financial instruments

Set out below, is an overview of financial assets and financial liabilities held by the Group as at 31 March 2024 and 31 December 2023.

### Categories of financial instruments

	31 March 2024	31 December 2023
<b>Financial assets</b>		
<b>At amortised cost</b>		
Cash and bank balances	269,463	225,940
Receivables	738,717	637,402
<b>Fair value through profit or loss (FVTPL)</b>		
Designated as at FVTPL	17,842	3,259
<b>Total financial assets</b>	<b>1,026,022</b>	<b>866,601</b>

	31 March 2024	31 December 2023
<b>Financial liabilities</b>		
<b>Amortised cost:</b>		
Trade and other payables	397,824	305,097
Non-current bank and other loans	1,141,664	1,182,030
Current bank and other loans	307,176	301,510
<b>Total financial liabilities</b>	<b>1,846,664</b>	<b>1,788,637</b>

As at 31 March 2024 the value of financial assets designated as at FVTPL, consisting of invoices awaiting to be discounted by the factoring agent, increased mainly due to the top-up of the factoring limits for the Processed Aluminum segment, in line with our strategy to increase the sales of high value-added products.

### Fair value of financial instruments

The fair values of financial assets and financial liabilities are determined as follows:

- The fair value of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets is determined with reference to quoted market prices (includes listed redeemable notes, bills of exchange, debentures and perpetual notes).
- The fair value of other financial assets and financial liabilities (excluding derivative instruments) is determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions and dealer quotes for similar instruments.

Below is presented an analysis of financial instruments that are measured at fair value subsequent to initial recognition, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from valuation techniques containing inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

• Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Group does not have level 3 financial instruments.

There were no transfers between levels of the fair value hierarchy used in measuring the fair value of financial instruments.

The Management considers that the fair values of financial assets and financial liabilities recognised at amortised cost in the financial statements approximate their carrying amounts largely due to the short term maturities, low transaction costs of these instruments as of financial position date, and for the long-term borrowings due to the fact that the long term loans have variable interest and the bank margins are similar with those for the recently contracted bank loans.

The fair value of the following financial assets and liabilities approximate their carrying amount:

- Trade and other receivables;
- Other current and non-current financial assets;
- Cash and cash equivalents;
- Trade and other payables;
- Borrowing and leases.

## 15. Inventories

	31 March 2024	31 December 2023
Raw and auxiliary materials	313,697	348,639
Work in progress	243,956	208,543
Finished goods	260,498	419,482
Less: allowance for obsolescence	-39,326	-91,928
<b>Total</b>	<b>778,825</b>	<b>884,736</b>

In the category *Raw and auxiliary materials* are included: at Alro, alumina and other raw and auxiliary materials needed for aluminium production, and, at the Group level, also the bauxite on stock at Alum. The category *Finished goods* includes Alro's finished goods of aluminium and extruded products.

The Group's management continued its strategy to procure raw materials used in the aluminium production from the market at more competitive prices than the ones from its own production, such as alumina, scrap aluminium or aluminum ingots. This determined a decrease in respect of *Raw and auxiliary materials* where alumina and other raw materials are included, but also in the level of *Finished goods* that were produced at lower material costs. Additionally, in Q1 2024 the Group took advantage of the opportunities existing in the market based on the increase in demand which was mainly generated by restocking activities in the European distribution market and geopolitical factors, especially for processed products and on the other side for aluminium wire rod, and this is also visible in the variation of finished products presented above.

The value of inventories pledged for securing the Group's borrowings amounts to RON 762,522 thousand (at 31 December 2023: RON 864,117 thousand).

The movement in adjustments for the impairment of inventories is the following:

	Three months ended 31 March 2024	Three months ended 31 March 2023
Balance at beginning of the year	-91,928	-122,878
Reversal to cost of goods sold	52,602	36,259
<b>Balance at end of the period</b>	<b>-39,326</b>	<b>-86,619</b>

The Group reversed RON 32,808 thousand of a previous inventory write-down as at 31 December 2023, as the relevant goods that have been written down were mainly sold during the Q1 2024. On the other side, the reversal of RON 19,794 thousand relates to the adjustment of work in progress to its net realisable value mainly due to the decrease in the cost of raw materials.

## 16. Other current financial assets

	31 March 2024	31 December 2023
Government grants receivable	476,043	373,980
VAT recoverable	23,890	43,389
Other current financial assets	11,405	15,960
Allowance for sundry doubtful debtors	-124	-124
<b>Total</b>	<b>511,214</b>	<b>433,205</b>

*Government grants receivable* represent compensations for the high electricity prices resulting from the indirect emission costs under the *EU Emission Trading Scheme (ETS)*. At 31 March 2024 the outstanding balance represents the compensation receivable for 2023 of RON 373,980 thousand which is expected to be collected in 2024, and the compensation for 3 months 2024, of RON 102,063 thousand, recognized on an accrual basis. For further details, please see also Note 8 *Other operating income*.

At 31 March 2024, the category *VAT recoverable* decreased compared to the beginning of the year, as the taxes due to the State Budget by the Group were offset with VAT recoverable and on the other side increased the share of purchases of raw materials from the European Union for which recoverable VAT is not recognized.

## 17. Cash and cash equivalents

	31 March 2024	31 December 2023
Cash at banks in RON	196,179	152,620
Cash at banks in other currencies	73,174	53,461
Petty cash and cash equivalents	48	45
<b>Total</b>	<b>269,401</b>	<b>206,126</b>

At 31 March 2024 and 31 December 2023, a great part of cash was held in current accounts opened with reputable private banks in Romania or with State owned banks.

A part of the Group's bank accounts (RON 226,546 thousand as at 31 March 2024 and RON 160,797 thousand as of 31 December 2023) are pledged to guarantee the borrowings from banks.

### Restricted cash:

	31 March 2024	31 December 2023
Restricted cash	62	19,814
<b>Total</b>	<b>62</b>	<b>19,814</b>

As at 31 December 2023 the restricted cash of the Group in amount of RON 19,814 thousand consisted of a cash collateral at banks for issuing letters of credit for the acquisition of raw materials.

## 18. Borrowings and leases

	31 March 2024	31 December 2023
<b>Long-term borrowings</b>		
Long-term bank loans	1,441,986	1,474,795
Less: Short-term portion of long-term bank loans	-304,715	-298,728
<b>Bank loans, non-current</b>	<b>1,137,271</b>	<b>1,176,067</b>
Leases, non-current	4,393	5,963
<b>Total long-term borrowings and leases</b>	<b>1,141,664</b>	<b>1,182,030</b>
<b>Short-term borrowings</b>		
Short-term portion of long-term bank loans	304,715	298,728
<b>Bank loans, current</b>	<b>304,715</b>	<b>298,728</b>
<b>Short-term loans, total</b>	<b>304,715</b>	<b>298,728</b>
Leases, current	2,461	2,782
<b>Total short-term borrowings and leases</b>	<b>307,176</b>	<b>301,510</b>
<b>Total borrowings and leases</b>	<b>1,448,840</b>	<b>1,483,540</b>

The bank borrowings of the Group will mature until 2031. Their related interest rates ranged between 4.6% for EUR and 8.97% for USD in 2024 (in 2023: between 3.66% for EUR and 8.92% for USD).

In January 2024, one of the Group's subsidiaries signed the extension until January 2026 of the overdraft facility of EUR 9,000 thousand with a commercial bank. As at 31 March 2024 this facility was fully undrawn.

At 31 March 2024, the Group had the amount of RON 152,918 thousand undrawn and available from the borrowing facilities contracted with the banks (at 31 December 2023: RON 153,069 thousand) and the amount of RON 97,041 thousand unutilized and available from the non-cash facilities for letters of credit and letters of guarantee (at 31 December 2023: RON 208,069 thousand).

According to the existing borrowing agreements, the Group is subject to certain restrictive covenants. These covenants require the Group, among other things, to refrain from paying dividends to its shareholders unless certain conditions are met, and to maintain a minimum or maximum level for certain financial ratios, including: debt service coverage ratio, net debt to EBITDA, net debt to equity, current ratio, net financial debt to shareholders equity, solvency ratio, interest cover ratio and total net leverage ratio that have to be reported at 30 June and 31 December each year.

The Group borrowings and leases are secured with accounts receivable amounting to RON 55,887 thousand (at 31 December 2023: RON 30,755 thousand), with their current accounts opened with banks (see Note 17), with collateral deposits of RON 148,209 thousand (at 31 December 2023: RON 148,247 thousand), with property, plant and equipment (land, buildings, equipment) with a net book value of RON 725,322 thousand (including for lease contracts) (31 December 2023: RON 724,468 thousand) (see Notes 13), and with inventories of RON 762,522 thousand (31 December 2023: RON 864,117 thousand) (see Note 15), with a letter of guarantee issued in the name and account of the State in favour of the lending State bank for 70% of the 180 million RON loan and for 90% of the RON 470,000 thousand loan, within the Framework support scheme provided by the Romanian State in the form of compensated interest and loan guarantees in the context of the Covid-19 pandemic and also with a letter of guarantee issued in the name and account of the State in favour of the lending State bank for 80% of the RON 168,000 thousand non-cash facility, guarantees from the Romanian State for 80% of EUR 15.000 thousand, respectively EUR 22.000 thousand signed in November 2023.

The Group has estimated that the fair value of the borrowings and the leases equals their carrying amount, mainly due to the fact that most of bank loans have variable interest and have been recently contracted. Their fair value belongs to the level 3 of the fair value measurement hierarchy.

## 19. Trade and other payables

	31 March 2024	31 December 2023
Foreign trade and other payables	214,888	87,255
Domestic trade and other payables	89,712	66,263
Accrued trade and other payables	34,228	87,289
<b>Total</b>	<b>338,828</b>	<b>240,807</b>

Domestic trade payables are liabilities towards suppliers located in the countries where the Group operates (in Romania).

*Foreign trade and other payables* as at 31 March 2024 were higher mainly due to the increase in purchasing of aluminium ingots and aluminium scrap following the development of the scrap re-melting capacities in Eco Recycling Facility, as an efficient alternative to the electrolytic aluminum production.

## 20. Related party transactions

The Group enters, under normal terms of business, into certain transactions with shareholders, companies under common control, directors and management. The transactions between the related parties are based on mutual agreements and are not secured.

The main related parties with whom the Group had transactions during the period are:

Related party	
Vimetco PLC	Major shareholder
Paval Holding SRL	Significant shareholder
Alum S.A.	Subsidiary
Vimetco Extrusion SRL	Subsidiary
Conef S.A.	Subsidiary
Vimetco Trading SRL	Subsidiary
Vimetco Management Romania SRL	Common control
Vimetco Power Romania SRL	Common control
Conef Gaz SRL	Common control
Conef Energy SRL	Common control
Centrul Rivergate SRL	Common control
Rivergate Fire SRL	Common control
CCGT Power Isalnita SA	Associate

Group transactions are eliminated on consolidation.

The primary related party transactions are described below:

Sales of goods and services	Three months ended 31 March 2024	Three months ended 31 March 2023
Subsidiaries	-	-
Vimetco PLC	-	-
Companies under common control	236	403
<b>Total goods and services provided to related parties</b>	<b>236</b>	<b>403</b>

The category *Sales of goods and services* includes income booked by the Group from renting office space and various administrative services provided to companies under common control.

### Goods and services purchased from related parties:

	Three months ended 31 March 2024	Three months ended 31 March 2023
Subsidiaries	-	-
Vimetco PLC	-	-
Companies under common control	-64,569	-46,818
<b>Total goods and services purchased from related parties</b>	<b>-64,569</b>	<b>-46,818</b>

The purchases from related parties include acquisitions of gas and energy for the production process by the Group companies from their related party Vimetco Management Romania during the first 3 months of 2024 of RON 49,000 thousand (3 months 2023: nil) and acquisitions of gas from Conef Gaz during the first three months of 2023 (RON 33,370 thousand).

Additionally, the companies within the Group received services of a supportive nature from other entities under common control, such as advisory services, security, logistics and administrative services.

The following balances were outstanding at 31 March 2024 and 31 December 2023:

### Trade and other accounts receivable:

	31 March 2024	31 December 2023
Subsidiaries	-	-
Vimetco PLC	-	-
Companies under common control	5,852	14,606
Allowance for doubtful receivables	-3,545	-3,451
<b>Total trade and other accounts receivable from related parties</b>	<b>2,307</b>	<b>11,155</b>
- non-current	-	-
- current	2,307	11,155

### Trade and other accounts payable:

	31 March 2024	31 December 2023
Subsidiaries	-	-
Vimetco PLC	-	-
Companies under common control	16,753	9,105
<b>Total trade and other accounts payable to related parties</b>	<b>16,753</b>	<b>9,105</b>

### Management compensation

The total compensation of the Group's key management personnel included in *General, administrative and selling expenses* in the Statement of Profit or Loss and other Comprehensive Income amounts to RON 4,990 thousand (during the 3 months of the year 2023: RON 3,188 thousand), while the expense for defined contribution plan (state pension fund) during the 3 months of the year 2024 was RON 1,221 thousand (during the 3 months of the year 2023: RON 749 thousand).

### Key management personnel transactions

A number of key management personnel, or their close family members, hold positions in other companies that result in them having control or significant influence over these companies.

A number of these companies transacted with the Group during the period. The terms and conditions of these transactions were no more favourable than those available, or which might reasonably be expected to be available, in similar transactions with non-key management personnel related companies on an arm's length basis.

The transactions concluded between the Group and the related parties were as follows:

	Three months ended 31 March 2024	Three months ended 31 March 2023
Goods and services purchased from entities controlled by key management personnel or their close family members	161	18
<b>Total</b>	<b>161</b>	<b>18</b>

## 21. Commitments and contingencies

### Commitments

#### *Investment commitments*

As at 31 March 2024, the Group's commitments pertaining to the investments for the year 2024 amounted to RON 48,734 thousand (31 December 2023: RON 63,923 thousand).

#### *Raw material and utilities purchase contracts*

As at 31 March 2024, the Group had contracts for purchases of raw materials, other consumables and utilities of RON 1,043,372 thousand (31 December 2023: RON 1,120,175 thousand).

### Contingencies

#### *Litigations*

As at 31 March 2024 the Group was subject to a number of lawsuits resulting from the normal course of the business. The Management believes that these actions will not have a significant impact on the financial performance and financial position of the Group.

#### *Taxation*

Starting 2019, a subsidiary of the Group was subject to fiscal audit from the National Agency for Fiscal Administration related to income tax and VAT transactions regarding the period 2014-2018. The fiscal inspection was finalized in 2021 and the tax authorities concluded a report with a net effect of RON 19,643 thousand, which the subsidiary recognized as an expense in a first stage (disclosed in the category Adjustments recognised in relation to the current tax of prior years) and paid it within the legal time frame. Subsequently, the Group's subsidiary filed a tax appeal to the National Agency for Fiscal Administration against the Fiscal Inspection Report. The appeal was rejected by the National Agency for Fiscal Administration, and the subsidiary is determined to defend its position by taking further steps to the Court of Law. A fiscal expertise was performed by an independent expert appointed by the Court. In November 2023 the Court ruled in favor of the subsidiary by ordering a refund of RON 18,213 thousand, out of the total of RON 19,643 thousand that was the subject of the tax act. The subsidiary has not yet accounted for the recovery, as the amount was not yet received and the solution can be further appealed by the National Agency for Fiscal Administration.

## 22. Events after the reporting date

Starting July 2023, the Parent Company of the Group has been subject to a substance fiscal audit by the National Agency for Fiscal Administration for the period January 2016 - December 2020. In October 2023, the National Agency for Fiscal Administration sent a notice regarding the extension of the fiscal audit also for the year 2021. On 23 January 2024, the fiscal inspection was completed and the inspection report resulted in additional charges, interest and penalties in a total amount of RON 20,919 thousand, this amount being recognized as an expense at 31 December 2023. The Company fully paid the established additional debt, benefiting, according to the legal provisions, from the 75% reduction of non-declaration penalties.

At the same time, the Company applied for the payment of the accessories from the inspection report, receiving the agreement in principle from the fiscal authority. By staggering the payment of the accessories, the Company will benefit by the postponement of the payment and the subsequent cancellation of 50% of the interest. Later, as at 12 April 2024, according to the legal provisions, the Parent Company formulated and submitted a fiscal appeal with the National Agency for Fiscal Administration against the fiscal inspection report, and will continue to defend its position via Court actions.

There were no other material subsequent events that could have a significant impact on these financial statements.

**Ratios in accordance with Appendix 13A from  
regulation 5/2018 issued by FSA**



## Ratios

Ratio description	Formula	Three months ended 31 March 2024	Three months ended 31 March 2023
Current ratio	Current assets/ Current liabilities	2.29	1.67
Gearing ratio	Long-term borrowings/ Equity x 100	115.58	42.00
	Long-term borrowings/ Capital employed x 100	53.61	29.58
Receivables turnover	Receivables average balance/ Turnover x 90	8.42	11.00
Non-current assets turnover	(Turnover x 360/90)/ Non-current assets	2.50	2.63

At 31 March 2024, the *Current Ratio* as well as the *Gearing ratio* increased as compared to the same period of the year 2023, as a result of the classification from short term to long term at 31 December 2023, of some bank loan facilities after the extension of these loans until November 2026.

To ensure the comparability of the ratios *Current Ratio* and *Gearing Ratio*, the ratios as at 31 March 2023 are presented below, adjusted with the aforementioned credit facilities that were classified as *Long-term borrowings* from the *Current liabilities* category.

### Adjusted ratios

Ratio description	Formula	Three months ended 31 March 2024	Three months ended 31 March 2023
Adjusted current ratio	Current assets/ Current liabilities	2.29	3.25
Adjusted gearing ratio	Long-term borrowings/ Equity x 100	115.58	90.62
	Long-term borrowings/ Capital employed x 100	53.61	47.54