

Current Report

To: Financial Supervisory Authority
Bucharest Stock Exchange

No.62/20.07.2023

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: 20 July 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**:

ALRO Group publishes its Trading Update Q2 2023

Slatina, 20 July 2023 – ALRO S.A. (BSE: ALR, “the Company” or “ALRO”), one of the largest vertically integrated aluminium producers in Europe, measured by production capacity, publishes today the Trading Update Report for Q2 2023 which provides basic preparatory information on the economic environment of ALRO Group's key performance indicators for the quarter that ended on 30 June 2023 (“Q2 2023”).

The Half-Year Report for the six-month period ending 30 June 2023 i.e. 1 January - 30 June 2023 (“2023 Half-Year”) will be published on Wednesday, 09 August 2023, and the Company's representatives will hold the Financial Results Conference Call on Friday, 11 August 2023.

The information contained in this trading update may be subject to change and may differ from the numbers of the quarterly/ half-year/ annual report.

The Trading Update Q2 2023 Report is available in a separate document on the Company's website, Investor Relations category, Reports section: <https://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:

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Notes to the Editor:

ALRO Group

The companies' part of ALRO Group are: ALRO S.A. – manufacturer of aluminium, ALUM S.A. – producer of alumina, Sierra Mineral Holdings I, Ltd. – bauxite mining, Vimetco Extrusion S.R.L. – extrusion business line, Conef S.A. – holding and management company, Global Aluminium Ltd. – holding company and Bauxite Marketing Ltd – marketing, Vimetco Trading – aluminium sales. Having this structure, the Group created an integrated production chain assuring the raw materials for ALRO.

ALRO

ALRO is subsidiary of Vimetco PLC (Republic of Cyprus), a global, vertically-integrated primary and processed aluminium producer. The structure of ALRO's shareholders is: Vimetco PLC (54.19%), Paval Holding (23.21%), Fondul Proprietatea (10.21%) and others (12.39%).

ALRO is one of the largest vertically integrated aluminium producers in Europe, by production capacity, with a production capacity of 265,000 tpa of electrolytic aluminium, an Eco-Recycling capacity that will reach 100,000 tpa by the end of 2023, resulting in a production of recycled liquid aluminium of 94,000 tpa. The capacity of the Aluminium Cast House is 315,000 tpa and a processing facilities of 140,000 tpa of cold and hot rolled facilities and extrusion division.

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

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

ALRO GROUP Q2/2023 Trading Update

20 July 2023

This Trading Update provides basic preparatory information on the economic environment of ALRO Group's key performance indicators for the quarter that ended on 30 June 2023 ("Q2 2023").

The Half-Year Report for the six-month period ending 30 June 2023 i.e. 1 January - 30 June 2023 ("2023 Half-Year") will be published on Wednesday, 09 August 2023, and the Company's representatives will hold the Financial Results Conference Call on Friday, 11 August 2023.

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Economic Environment Indicators

Indicator		Q2/22	Q3/22	Q4/22	Q1/23	Q2/23
Average LME 3M	USD/tonne	2,898	2,358	2,345	2,435	2,281
Exchange rate used (average)	RON/USD	4.6390	4.8794	4.8288	4.5848	4.5451
Exchange rate used (end of period)	RON/USD	4.7424	5.0469	4.6346	4.5463	4.5750
EUA forward price* (average)	EUR	-	-	54.06	-	-
EUA spot price* (average)	EUR	83.43	79.65	77.38	86.97	86.42

* EUA = European Union Allowance and means a transferable allowance to emit one tonne of CO₂ equivalent during a specified period.

EUA forward price means the simple average of the daily one-year forward EUA prices (closing offer prices) for delivery in December of the year for which the compensation is granted, as observed in a given EU carbon exchange from 1 January to 31 December of the year preceding the year for which the compensation is granted. The price quoted in Q4 is the one taken into consideration for calculating the indirect emissions compensation for the respective reporting year.

Sources: Bloomberg, Reuters, Platts, NBR

Other information

Indirect emissions compensation for 2022 - ALRO Group has submitted the file for receiving the compensation for 2022 in March 2023.

Impairment tests - Considering the current market conditions with the existing challenges faced by the industry, the impairment tests for cash generating units will be performed by the Group for the purpose of its interim financial reporting as at 30 June 2023. Special attention to SMHL cash generating unit, for which an unsolicited offer for sale has been received and approval of the transaction from General Shareholders Meeting of Alum is in place to fairly assess the carrying value of assets and identify any potential impairment losses for the period ending 30 June 2023.

Production & Sales

Production		Q2/22	Q3/22	Q4/22	Q1/23	Q2/23
Liquid aluminium	tonnes	7,610	1,606	2,815	6,579	11,287
Electrolytic aluminium	tonnes	17,805	16,945	15,339	15,510	16,586
Primary aluminium	tonnes	55,093	35,700	37,116	43,531	52,101
Wire rod	tonnes	4,787	6,947	6,199	8,265	10,224
Billets	tonnes	10,955	11,989	9,927	9,975	11,983
Slabs	tonnes	32,627	11,919	16,321	21,316	26,844
Wire rod (processing)*	tonnes	5,039	3,129	3,103	1,499	-
Billets (processing)*	tonnes	1,685	1,716	1,566	2,476	3,050
Processed aluminium:	tonnes	27,554	15,048	16,637	22,286	24,454
- Flat-Rolled Products (FRP)	tonnes	20,645	8,131	10,093	13,722	14,893
Plates	tonnes	18,206	6,908	7,266	9,188	9,835
Sheets	tonnes	964	365	897	1,919	2,882
Coils	tonnes	1,475	838	1,930	2,615	2,176
- Extruded Products (VE)	tonnes	6,909	6,917	6,544	8,564	9,561
Standard profiles	tonnes	2,439	2,083	1,620	3,499	4,621
Customised profiles	tonnes	4,470	4,835	4,924	5,065	4,940
Alumina	tonnes	40,940	8,918	-	-	-
Bauxite	tonnes	294,428	268,187	160,587	155,144	335,654

Sales (to 3rd parties)			Q2/22	Q3/22	Q4/22	Q1/23	Q2/23
Primary aluminium	tonnes		15,540	13,033	11,497	17,068	16,491
Wire rod	tonnes		4,551	6,241	5,643	8,973	10,346
Billets	tonnes		5,929	3,662	2,764	5,883	4,774
Slabs	tonnes		-	-	-	150	490
Wire rod (processing)*	tonnes		5,060	3,130	3,090	1,499	-
Billets (processing)*	tonnes		-	-	-	563	881
Processed aluminium	tonnes		24,592	18,383	15,504	22,634	24,444
- Flat-Rolled Products (FRP)	tonnes		17,891	11,778	9,515	14,203	15,118
Plates	tonnes		14,912	9,544	7,425	10,319	9,825
Sheets	tonnes		1,431	871	703	1,530	2,924
Coils	tonnes		1,548	1,363	1,387	2,354	2,369
- Extruded Products (VE)	tonnes		6,702	6,605	5,989	8,431	9,326
Standard profiles	tonnes		2,333	2,114	1,402	3,575	4,471
Customised profiles	tonnes		4,369	4,491	4,587	4,856	4,855
Alumina	tonnes		3,072	1,405	721	612	863
Bauxite	tonnes		171,167	362,790	206,835	206,345	276,937

*ALRO Group entered into tolling contracts with a few clients and agreed to process the metal brought in by these clients by charging a smelting and processing fee and rendering them back a specifically ordered product.

Contact Details

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Disclaimer regarding forward looking statements

This report may contain forward-looking information, including, without limitation, those relating to (a) forecasts, projections, and estimates, (b) statements of management's plans, objectives, and strategies for ALRO Group/ ALRO, such as planned expansions, investments or other projects, (c) targeted production volumes and costs, capacities or rates, start-up costs, cost reductions, and profit objectives, (d) different expectations about future developments in ALRO Group's/ ALRO's markets, particularly prices, supply and demand and competition, (e) results of operations, (f) margins, (g) growth rates, (h) risk management, as well as (i) statements preceded by "expected", "scheduled", "targeted", "planned", "proposed", "intended" or similar statements. Although we believe that the expectations reflected in such forward-looking statements are reasonable, these forward-looking statements are based on several assumptions and forecasts that, by their nature, involve risk and uncertainty. Various factors could cause our actual results to differ materially from those projected in a forward-looking statement or affect the extent to which a particular projection is realized. We can give no assurance that such expectations will prove to have been correct.

ALRO Group/ ALRO disclaims any obligation to update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise.