

## CURRENT REPORT

No. 66/13.11.2024

To: Financial Supervisory Authority  
Bucharest Stock Exchange

Current report in compliance with the stipulations of the Law no. 24/2017 (republished) and of the FSA Regulation no.5/2018 (including the subsequent amendments) regarding the issuers of financial instruments and market operations

Date of report: **13 November 2024**

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

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

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

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

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

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

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

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

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

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

## Press Release

### **ALRO Group registers a RON 2.54 billion turnover in Q1-Q3 2024 and continues the investment in diversifying its products' portfolio**

- **Higher sales volumes of high and very high added-value products both in primary and in processed aluminium sectors;**
- **Improved cost structure, as a result of the increase in the aluminium recycling facility capacity, the Group liquid aluminium production from scrap increasing by 125% in Q1-Q3 2024, compared to the same period of 2023;**
- **Investments in technology to further diversify the products' range and customers portfolio, following the commissioning of a RON 13.7 million investment in a new cutting-edge aluminium processing facility, CUTSMART SYSTEMS;**

**Slatina, 13 November 2024 – ALRO S.A. (BVB: ALR, “the Company” or “ALRO”), one of the largest vertically integrated aluminium producers in Europe, measured by production capacity, announces today its consolidated financial results for the nine months ended 30 September 2024. The Group's turnover increased by 13% (Q1-Q3 2024: RON 2.54 billion vs Q1-Q3 2023: RON 2.24 billion), on the back of higher aluminium prices and improved demand. ALRO Group registered a net profit of RON 126.8 million (Q1-Q3 2023: a net loss of RON 394 million), because of better cost structure following higher production of liquid aluminium from scrap and higher sales of high and very high added-value aluminium products.**

**“The results for the first nine months of 2024 are a direct reflection of the strategic focus on increasing the output of high added-value aluminium products, diversifying our portfolio, and reinforcing cost control measures like expanding our recycling facility capacity. The investments in high-end technology,**



**to supply sophisticated products already have a positive impact in our results, allowing us to further expand on the international markets", said Marian NĂSTASE, Chairman of the Board of Directors, ALRO. "We're committed to continuing on this path, actively monitoring the market and taking appropriate measures to consolidate our position, ensuring long-term value creation and resilience", added Marian NĂSTASE.**

The average price at London Metal Exchange (LME) increased by 4% in Q1-Q3 2024 compared to the average 3-month seller LME registered in the same period of 2023, with a high of 2,741 USD/tonne on 29 May 2024. The average 3-month seller LME quotation for Q1-Q3 2024 was 2,407 USD/tonne, compared to 2,306 USD/tonne in Q1-Q3 2023.

To support the aluminium output in line with the customers' demand, in Q1-Q3 2024 the Group increased the production of liquid aluminium from scrap by 125% compared Q1-Q3 2024, while the production of electrolytic aluminium production increased, as well, by 5% during the analysed period.

On this background, doubled by an optimal products' mix, and a strong demand for aerospace products, ALRO Group increased the sales of flat rolled products, for this segment achieving sales higher by 53%, in terms of quantities, than in Q1-Q3 2023. The overall sales of processed aluminium were higher by more than 20,000 tonnes in the first nine months of 2024 (66,007 tonnes in Q1-Q3 2024, compared to 43,269 tonnes in Q1-Q3 2023). The sales of primary aluminium also increased to 86,500 tonnes, from 78,934 tonnes 9M 2024 – 9M 2023).

Focusing on consolidating its position on the international markets and targeting new markets and customers, ALRO Group continued its investments in technology meant to bring the Group even closer to its clients and allowing it to offer personalised solutions for sophisticated industries. As such, ALRO commissioned the CUTSMART SYSTEM unit, following a RON 13.7 million investment. The new production facility allows the Group to produce complex flat rolled products, with the dimensions and tolerances defined in relation with the customers' requirements.

Following the same path towards increased output of high and very high added-value products, ALRO also invested in an aluminium aging furnace with electric heating. Besides the positive impact in terms of production, the new technology also increases the energy efficiency of the technological processes and strengthens the Group's efforts to produce low carbon aluminium.

In its turn, the Group's subsidiary, Vimetco Extrusion, completed the installation of an automatic packaging line for the extruded aluminium profiles and finalised the transition from manual packaging to automatic packaging, staff training, the production acceleration process. The total project amounted at RON 31.8 million, including a grant of RON 7.1 million, 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.

The transformation that ALRO has undertaken over the last 20 years and the results of investments of more than 900 million USD in technology, efficiency and reducing the environmental footprint, have also been translated into the new visual identity of the company. This refreshed identity is also a statement for the future, representing ALRO's commitment to sustainable and high-efficiency manufacturing processes.

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

**Marian-Daniel NĂSTASE**  
Chairman of the Board of Directors



**Marin CILIANU**  
Chief Executive Officer



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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, Vimetco Extrusion S.R.L. – extrusion business line, Conef S.A. – holding and management company, Vimetco Trading – aluminium sales and CCGT- Power Isalnita- associate.

### ALRO

ALRO is a subsidiary of Vimetco PLC (Republic of Cyprus), a global, vertically-integrated primary and processed aluminium producer. The structure of ALRO 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 100,000 tpa, resulting in a production of recycled liquid aluminium of 94,000 tpa. The capacity of the Aluminium Cast House is 309,600 tpa and the processing capacity is 140,000 tpa of cold and hot rolled facilities and extrusion division.

The main market for ALRO products is represented by the European Union; the Company exports its products to the USA and to the Asia as well. ALRO is ISO 9001 certified for quality management and has NADCAP and EN 9100 certificates for aerospace production organizations, ALRO 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 have been members of ASI (Aluminium Stewardship Initiative), an international association that contributes to enhancing sustainability in the global aluminium sector. In 2023, ALRO and Vimetco Extrusion achieved the first certification in Europe under ASI's Third version of Performance Standards.





**Quarterly Report  
30 September 2024**



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# Quarterly Report 30 September 2024

ALRO GROUP

## CONSOLIDATED QUARTERLY REPORT FOR THE THIRD QUARTER OF 2024

**Consolidated Financial Results for the Third Quarter of  
2024 (Q3 2024) as Compared to the Third Quarter of 2023  
(Q3 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 CCGT- Power Isalnita- associate.

# Alro Group

## Consolidated quarterly report for Q3 2024

### Highlights of the nine months ended 30 September 2024 (Q1-Q3 2024)

- Alro Group witnessed a turnaround in the 9 months ended 30 September 2024 and Q3 2024 compared to the similar periods of last year: the Group has achieved a net profit of RON 126,799 thousand in the 9 months of 2024 compared to the loss of RON 394,078 thousand in the 9 months of 2023;
- Consolidated turnover increased by 13% in Q1-Q3 2024 as compared to Q1-Q3 2023. In Q3 2024 it increased by 24% as compared to Q3 2023, proving the Group's strategy to increase its high and very high value added sales and diversify its products portfolio;
- The aluminium quotations average price at London Metal Exchange (LME) increased by 4% in Q1-Q3 2024 as compared to the average recorded in Q1-Q3 2023. An upward trend of LME was also recorded in Q3 2024 when the average LME-3 month seller was up by 10% as compared to the average reported in Q3 2023;
- Higher sales volumes of flat rolled products and wire rod were recorded in Q1-Q3 2024 as compared to Q1-Q3 2023, as well as in Q3 2024 as compared to Q3 2023;
- Higher output of aluminium and higher quantities of liquid aluminium (from recycled scrap) were recorded since the Group is committed to sustainable production;
- In October 2024, the Parent Company announced the refreshing of its brand identity to reflect the last decades of shift to complex products. This new identity is a statement for the future, representing ALRO's dedication to sustainable, top tier production processes;
- In October 2024, the Group inaugurated the investment project CUTSMART SYSTEMS in the Processed Aluminium Division aimed at increasing the value of the Group output;
- In October 2024, the Group's subsidiary, Vimetco Extrusion, received a grant of RON 7,100 thousand, from Innovation Norway, for its new automatic packing line, whose final commissioning took place in Q3 2024.

# Financial and operational highlights for the first 9 months of 2024

## ALRO GROUP

Indicator	Q3 2024	Q3 2023	Q1-Q3 2024	Q1-Q3 2023
Primary aluminium production (tonnes)	62,600	49,775	184,451	145,407
Processed aluminium production (tonnes)	29,829	23,605	91,164	70,345
Sales (thousand RON)*	845,063	682,834	2,542,134	2,241,447
EBITDA <sup>1</sup> (thousand RON)	178,231	-145,800	379,593	-92,888
EBITDA margin (%)	21.1%	-21.4%	14.9%	-4.1%
Adjusted net result <sup>2</sup> (thousand RON)	130,808	-260,164	154,630	-352,129
Net result (thousand RON)	118,352	-229,984	126,799	-394,078

## ALRO S.A.

Indicator	Q3 2024	Q3 2023	Q1-Q3 2024	Q1-Q3 2023
Primary aluminium production (tonnes)	62,600	49,775	184,451	145,407
Processed aluminium production (tonnes)	21,462	14,566	66,342	43,181
Primary aluminium sales (tonnes)	28,534	26,732	86,500	78,934
Processed aluminium sales (tonnes)	20,751	13,948	66,007	43,269
Sales (thousand RON)	794,552	609,331	2,376,478	1,967,974
EBITDA <sup>1</sup> (thousand RON)	162,229	-156,567	335,195	-125,621
EBITDA margin (%)	20.4%	-25.7%	14.1%	-6.4%
Adjusted net result <sup>2</sup> (thousand RON)	123,653	-231,860	136,172	-308,417
Net result (thousand RON)	110,793	-202,116	108,740	-353,328
Adjusted net result <sup>2</sup> per share (RON)	0.173	-0.325	0.191	-0.432
Net result per share (RON)	0.155	-0.283	0.152	-0.495

<sup>1</sup>EBITDA earnings before interest, taxes, depreciation, amortization and impairment;  
*For a fair presentation of operational results for the 9 months of 2023, EBITDA includes the operating results of the GAL group disposed in September 2023.*

<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.

## Sales

Q1-Q3 2024 was an excellent period for Alro Group: the turnover increased by 13% as compared to the same period of 2023, EBIT was positive, of RON 287,943 thousand (in Q1-Q3 2023: a negative EBIT of RON 182,638 thousand) and the net result was a profit of RON 126,799 thousand (as compared to a net loss of RON 394,078 thousand recorded in Q1-Q3 2023). Q3 2024 followed the trend of the year, so the Group managed to increase its turnover by 24% as compared to Q3 2023, achieving a positive EBIT of RON 148,916 thousand (in Q3 2023: a negative EBIT of RON 177,171 thousand) and a positive net result of RON 118,352 thousand (in Q3 2023 a net loss of RON 229,984 thousand).

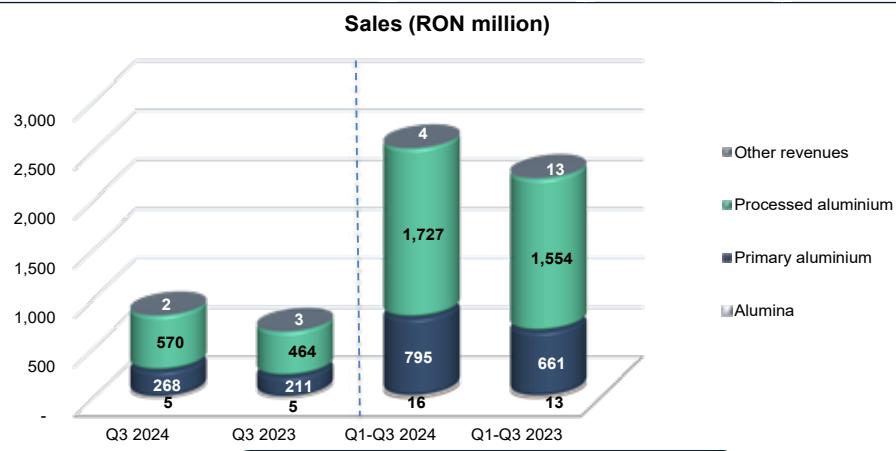
The Group's strategy to increase its market share in the most sophisticated industries, as well as the continuous investments in reducing dependence on electric power and optimising the production processes have translated into a significant improvement of results. A key point in 2024 regarding the ability to meet the customers' requirements was the project CUTSMART SYSTEMS (the aluminium plate processing line for cut-to-size products) which was put into operation in March 2024. This state-of-the-art facility allows the processing of plates according to the exact dimensional specifications of customers, thereby improving the efficiency and competitiveness of Group's products in the market. The project also continued in Q3 2024 by the fitting out of the production room, where the processing line is installed with the investment being inaugurated in the beginning of October 2024.

In Q1-Q3 2024 the Group optimized its sales mix and focused mainly on flat rolled products, with the highest value added line achieving sales higher by 53%, in terms of quantities, than the quantity sold in Q1-Q3 2023 (and higher by 49% in Q3 2024 versus Q3 2023). Primarily serving the aerospace industry, these products reflect the Group's extensive experience, know-how, and significant investment in research and development. At the same time, the Group increased its sales of plates to the US market, seizing new opportunities created by the recently increased import tariffs on Chinese products. The Group enhanced its presence on the North American market and the prospects are good, having in mind that it has already contracted orders for this area, where the Group will deliver starting from January 2025. In recent years, the North American market has become a more challenging target for the Group due to high transportation costs and increased competition from China.

Moreover, thanks to the tendency of customers to go more towards European aluminium producers with the Carbon Border Adjustment Mechanism (CBAM) becoming mandatory from 1 January 2026, the Group has consolidated its position on the European market. CBAM which involves the purchase of certificates by importers, is the EU's tool to put a fair price on the carbon emissions released during the production of carbon-intensive goods that enter the EU territory and to encourage cleaner industrial production in non-EU countries. In terms of carbon emissions, the outlook is optimistic for us, as Alro reduced the average carbon footprint below the European average as a result of investments, made in 2023, in the development of the recycling facility, which allowed the increase of the aluminium scrap capacity from 35,000 tonnes to 100,000 tonnes and the carbon footprint can be further reduced by increasing the amount of recycled scrap.

In 2024, LME aluminium prices have followed an oscillating trend. Starting the year at approximately 2,200 USD/tonne, prices rose in response to new sanctions on Russian metals imposed by the USA and UK in April 2024, peaking at 2,741 USD/tonne on 29 May 2024, before declining once again. For the third quarter of 2024 the average 3-month seller LME quotation was 2,421 USD/tonne, up 10% versus Q3 2023 (2,200 USD/tonne) and down 6% versus Q2 2024 (2,562 USD/tonne). After reaching a bottom of 2,225 USD/tonne for Q3 2024, on 30 July 2024, the LME quotation went upwards, a more consistent increase being recorded at the end of Q3 2024, on 27 September 2024 (2,624 USD/tonne). Also the average 3-month seller LME quotation for Q1-Q3 2024 was 2,407 USD/tonne, i.e. higher by 4% than in the same period of the previous year (2,306 USD/tonne).

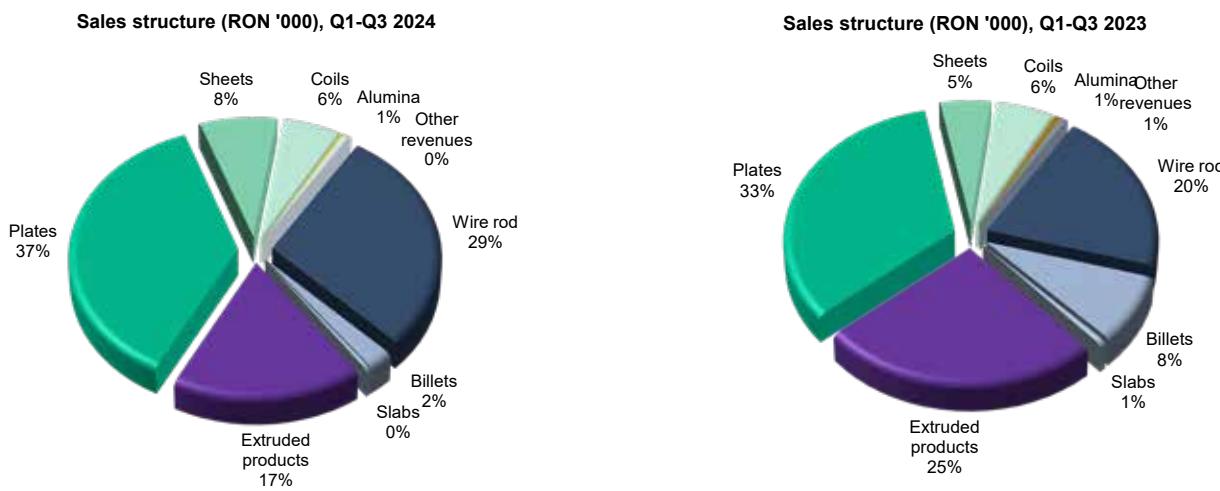
Revenues from contracts with customers (RON '000)	Q3 2024	Q3 2023	Q1-Q3 2024	Q1-Q3 2023
Revenues from the alumina segment	5,161	4,815	16,296	13,201
Revenues from the primary aluminium segment	268,092	211,285	794,736	661,056
Revenues from the processed aluminium segment	569,767	463,949	1,726,792	1,554,458
Other	2,043	2,785	4,310	12,732
<b>Total</b>	<b>845,063</b>	<b>682,834</b>	<b>2,542,134</b>	<b>2,241,447</b>



In Q1-Q3 2024, the *Primary Aluminium Division* reported higher sales by 20% as compared to Q1-Q3 2023 (9 months 2024: RON 794,736 thousand; 9 months 2023: RON 661,056 thousand) and in Q3 2024 an increase by 27% was reported as compared to the sales recorded in the same quarter of the previous year (Q3 2024: RON 268,092 thousand, Q3 2023: RON 211,285 thousand). The beginning of 2024 was a weak season for the cable industry, but from mid February 2024 the demand for wire rod from the cable sector improved and therefore the Group sold by 18,218 tonnes more wire rod in Q1-Q3 2024 than in Q1-Q3 2023 and in Q3 2024, by 5,395 tonnes more wire rod than in Q3 2023. Signs indicate that this strong demand is likely to continue throughout 2024 as well as 2025. The ban on Russian wire rod, CBAM, as well as the logistic problems with the wire rod coming from Asia and Middle East made the European consumers reshape their procurement patterns and be more oriented towards local suppliers - an important opportunity for the Group to strengthen its portfolio. As for billets, the weak demand continued in 2024, mainly because of the weak performance of the building&constructions sectors. Under these circumstances, in Q1-Q3 2024 the billet sales decreased by more than 9,140 tonnes as compared to Q1-Q3 2023 and by more than 2,860 tonnes in Q3 2024 as compared to Q3 2023. Because of poor economics related to billet casting, the Group decided to decrease the billets output and manufacture more slabs for its internal consumption having in mind that they contribute to the higher profitability in sales of Processed Aluminium segment. The Group expects the billet premiums would continue to decrease further by the end of 2024 as a result of deteriorating demand reported lately.

The sales value from the *Processed Aluminium Division* increased by 11% in Q1-Q3 2024 as compared to the same period of the previous year (9 months 2024: RON 1,726,792 thousand; 9 months 2023: RON 1,554,458 thousand). Following the same trend, in Q3 2024 the revenues obtained from the processed products sales increased by 23% as compared to Q3 2023 (Q3 2024: RON 569,767 thousand; Q3 2023: RON 463,949 thousand). The solid demand at the beginning of the year 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 restocking activity among the European distributors continued after the first quarter of 2024, although at a much slower pace as compared to the first quarter of 2024. In parallel, as expected, it has also been witnessed a gradual recovery of the end users' demand, particularly in the automotive and general engineering sectors, with more orders being placed for delivery in the second quarter of 2024. During Q3 2024, it has been seen an overall decline of the flat rolled products demand in the distribution market, due to the seasonal slowdown in August and a very slow restart among the main European players. End users' demand was also lower following the summer break, considering the problems in the European automotive industry, as well as supply chain problems in the aerospace sector. Despite the rather negative situation and a market outlook which does not seem too promising, the Group continued to focus on increasing its high value added products sales and consolidating its presence also in non-European markets, where demand in several industrial sectors is still solid, such as general engineering or aerospace. Shorter lead times, an improved products portfolio and more flexibility, as far as the production capabilities were concerned, have helped the Group materialize new business opportunities. In this context the Group sold almost 22,740 tonnes of flat rolled products more in Q1-Q3 2024 than in Q1-Q3 2023 (in Q3 2024 almost 6,800 tonnes more than in Q3 2023). Pricewise, although the demand has entered a negative trend and competition in both European and non-European areas continued to be extremely tight, the conversion levels remained stable during Q3 2024.

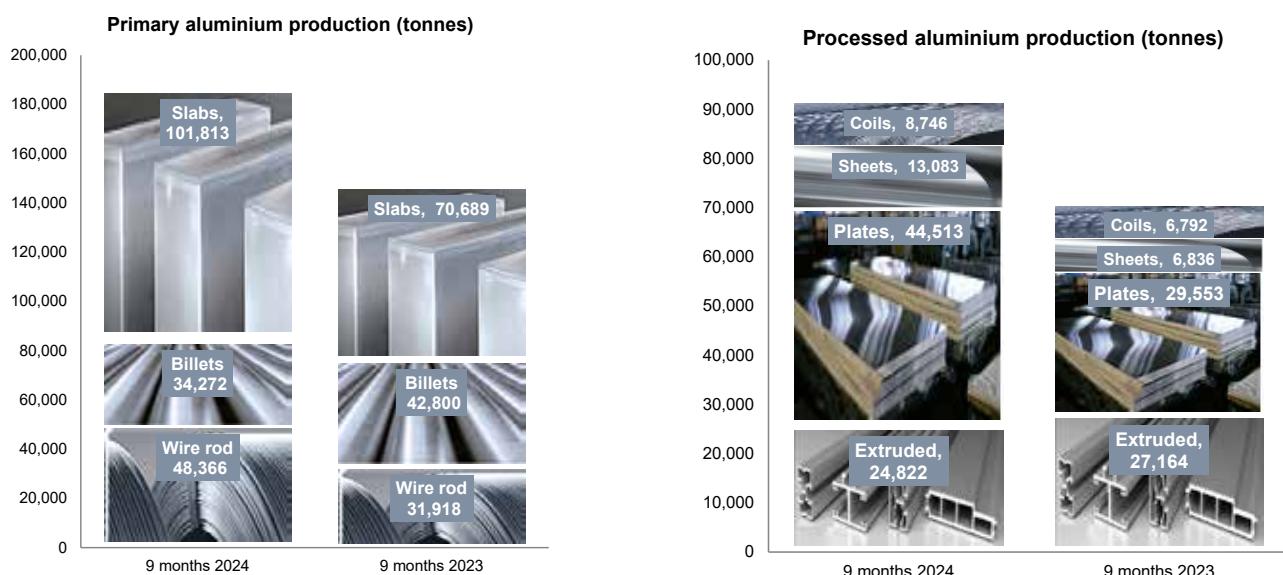
The share of Processed aluminium to total sales, including high and very high value-added products, remained prevalent, although slightly decreasing as compared to the same period of previous year (68% in Q1-Q3 2024 of total Group sales, as compared to 69% in Q1-Q3 2023), while the share of the Primary Aluminium segment in total Group sales increased from 29% in Q1-Q3 2023 to 31% in Q1-Q3 2024.



## Production

After the year 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 as temporarily suspending 3 out of 5 of its electrolysis potrooms and the activity Alum plant in Tulcea, in Q1-Q3 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 September 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-Q3 2024 it increased the production of liquid aluminium by 125% as compared to the same period of 2023 (Q1-Q3 2024: 66,663 tonnes vs. Q1-Q3 2023: 29,677 tonnes) and by 106% in Q3 2024 as compared to Q3 2023 (Q3 2024: 24,285 tonnes; Q3 2023: 11,811 tonnes). At the same time, the Group reported an increase by 5% of the electrolytic aluminium production both nine months period cumulated and third quarter level (50,955 tonnes in Q1-Q3 2024 and 48,669 tonnes in Q1-Q3 2023), in Q3 2024 reaching a peak of the last seven quarters with an output of 17,475 tonnes.

In Q1-Q3 2024, the Group recorded a significant increase in FRP production, with a growth of 54% as compared to the same period of 2023. The rising demand in aerospace and general engineering sectors, supported by the diversification of the portfolio products determined the increase of flat rolled output by almost 23,160 tonnes in the first nine months of 2024 versus the same period of 2023 (and by almost 6,900 tonnes in Q3 2024 as compared to Q3 2023). The same upward trend, in accordance with the production of flat rolled products, was recorded for slabs production as the Group produced 101,813 tonnes in Q1-Q3 2024 as compared to the slabs production of 70,689 tonnes achieved in the same period of 2023 (in Q3 2024: 33,700 tonnes versus Q3 2023: 22,529 tonnes). Following the same upward trend, the growth of wire rod's production was driven by the increasing demand for this line of products and in Q1-Q3 2024 the Group's output was about 17,950 tonnes (representing a plus of 59%) higher than in the same period of the previous year (in Q3 2024 the production of wire rod was 5,540 tonnes higher than in the third quarter of 2023).



**The cost of goods sold** slightly increased by 2% in Q1-Q3 2024 (RON 2,415,926 thousand) versus Q1-Q3 2023 (RON 2,370,746 thousand) and by 5% in Q3 2024 as compared to the same period of last year (Q3 2024: RON 797,837 thousand as compared to Q3 2023: RON 761,007 thousand) due to the increase in sales. Although the price for most raw materials purchased by the Group recorded a decrease in Q1-Q3 2024 versus the same period of 2023, the prices for raw materials linked to the LME quotation (such as aluminium scrap and ingots purchased from the market) increased during the year 2024, driven by the upward trend in aluminium prices. At the same time, the energy price decreased as the Group secured lower prices in the acquisition contracts for 2024 as compared to 2023. Pursuing its strategy to reduce its costs and specific consumptions and become a greener aluminium producer, in Q1-Q3 2024, the Group increased its quantitative production of liquid aluminium as compared to Q1-Q3 2023 as a result of investment in the Eco-Recycling Facility development, comprising amongst other the installation of two more double-chamber melting furnaces for aluminium scrap which became operational in December 2023. Thanks to this investment, the liquid aluminium production increase was also supported by higher quantities of purchased aluminium scrap and ingots (in Q1-Q3 2024: 91,575 tonnes; in Q1-Q3 2023: 61,033 tonnes). This increase of metal from the market (ingots plus scrap) used in production, offset the amount of electrolytic aluminium that was no longer produced as a result of temporary suspension of 3 electrolysis potrooms in early 2022.

However, the increase by 2% of the cost of goods sold in Q1-Q3 2024, as compared to the same period of the previous year (5% in Q3 2024 as compared to Q3 2023) remained below the 13% increase in sales during the analyzed period (24% in Q3 2024 as compared to Q3 2023), so that the **Gross result margin** increased to 5% in Q1-Q3 2024, respectively 6% in Q3 2024 from negative margins recorded in the same periods of 2023.

In Q1-Q3 2024 Group's **Gross result** was a positive one of RON 126,208 thousand (in Q1-Q3 2023: a negative gross result of RON 129,299 thousand) thanks to higher quantities sold in aluminium segments with better profitability margins, the positive evolution of LME in 2024 and the lower input cost. A similar trend was reported in Q3 2024 when the Group achieved a gross profit of RON 47,226 thousand as compared to a gross loss of RON 78,173 thousand in Q3 2023.

In Q1-Q3 2024, **Other operating income** was of RON 416,786 thousand (in Q1-Q3 2023: RON 241,838 thousand). This category mainly includes compensation to which the Group is entitled for indirect emissions included in the energy price, as per the EU Emissions Trading Scheme (ETS) and the European Directive adopted in the Romanian legislation, and recognized by the Group on an accrual basis in amount of RON 275,144 thousand (Q3 2024: RON 92,209 thousand). In Q1-Q3 2023 the Group recognized compensation costs of RON 277,668 thousand (RON 58,459 thousand in Q3 2023). In Q3 2023, the Group recorded an adjustment of RON 77,629 thousand to reflect the difference between the government compensation received in September 2023 for the year 2022 and the estimated income recognized on an accrual basis until that date. This adjustment resulted in a negative balance for the 'Other operating income' category in Q3 2023.

Additionally in Q1-Q3 2024, the Group recorded revenues from the sale of carbon dioxide emission certificates of RON 122,251 thousand (out of which in Q3 2024: RON 92,157 thousand) as the Group was in the position to have a surplus of emission certificates (in Q1-Q3 2023: RON 6,496 thousand; in Q3 2023: RON 4,374 thousand).

The Group collected RON 5,751 thousand in Q1-Q3 2024 (Q3 2024: nil), representing penalties charged to a supplier of equipments for failure to fulfill the requirements of the contract. In Q1-Q3 2023 the Group collected RON 8,361 thousand (Q3 2023: RON 2,338 thousand), representing an indemnity received for a piece of equipment which was damaged during a fire incident that took place in 2018 at the Processing mill as well as indemnities of RON 6,091 thousand (Q3 2023: RON 6,091 thousand) from the insurance company for fire broke out at the Eco recycling section of the aluminium plant in Slatina in July 2022 recorded in the same category, i.e. *Other operating income*.

In Q1-Q3 2024, the category **Other operating expenses** included the depreciation of idle plants of RON 14,384 thousand (in Q1-Q3 2023: RON 27,648 thousand), mainly for the idled electrolysis pots and alumina plant (Q3 2024: RON 4,575 thousand; Q3 2023: RON 8,824 thousand), as well as costs recognized by Alum following the production capacity shutdown in August 2022, amounting to RON 9,652 thousand in Q1-Q3 2024 versus RON 29,126 thousand in Q1-Q3 2023, and RON 2,510 thousand in Q3 2024 versus RON 8,012 thousand in Q3 2023.

The Group's **Operating result (EBIT)** for Q1-Q3 2024 significantly increased from a loss of RON 182,638 thousand registered in Q1-Q3 2023 thousand to a profit of RON 287,943 thousand, as a result of the management efforts to optimise the operations, increase the sales of high value added products, diversify the product mix as well as a result of the rising quotations of aluminium during the analysed period. The same evolution was noticed also at the third quarter level, in Q3 2024 being recorded a profit of RON 148,916 thousand and in Q3 2023 a loss of RON 177,171 thousand.

**The net foreign exchange** (in Q1-Q3 2024 a gain of RON 10,790 thousand compared to the loss of RON 28,265 thousand reported in Q1-Q3 2023) comes mainly from the revaluation of the loans and other liabilities of the Group in foreign currency as a result of the appreciation, respectively the depreciation of the Romanian leu in relation to the US dollar (4.4451 USD/RON on 30 September 2024 compared to 4.4958 USD/RON on 31 December 2023 and 4.6864 USD/RON on 30 September 2023 compared to 4.6346 USD/RON on 31 December 2022). At the level of the third quarter the evolution was in the same direction with the cumulated period, with the Group reporting a net foreign exchange gain of RON 30,910 thousand in Q3 2024 and a net foreign exchange loss of RON 37,243 thousand in Q3 2023.

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 **Profit tax** lower than 1% of its calculated turnover (minimum turnover tax), must pay an income 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-Q3 2024, the Group calculated the minimum turnover tax based on this law, which exceeded the **profit tax** and, as a result, the Group recognized an income tax expense of RON 30,786 thousand (Q3 2024: RON 11,031 thousand), representing the minimum turnover tax, compared to a current profit tax expense of RON 4,734 thousand in Q1-Q3 2023 (Q3 2023: RON 2,494 thousand).

Favourable market conditions, especially for flat rolled and wire rod products and an upward trend of LME aluminium quotation helped Alro increase its revenues and report a Group's turnover higher by 13% during the 9-month period of 2024 as compared to the 9-month period of 2023 (and by 24% in Q3 2024 versus Q3 2023). Thus, the Group demonstrated that it succeeded to seize the market opportunities, while pursuing its strategy of increasing the value added production especially for aerospace, automotive and general engineering industries. At the same time it remained committed to the long term strategy of sustainable development by using higher quantities of recycled aluminium in order to minimise the Group's carbon footprint and invested in state-of-the-art technologies that allowed it to maintain its competitiveness on international markets. In Q1-Q3 2024 the Group's achievements translated in a **Net profit** of RON 126,799 thousand, as compared to a net loss recorded in Q1-Q3 2023 of RON 394,078 thousand. The same upward trend was also noted at quarter's level - in Q3 2024 a net profit of RON 118,352 thousand as compared to Q3 2023 when the result was a net loss of RON 229,984 thousand. Nevertheless, the market characterized by tight competition, the interest rates still at high levels and the 1% minimum turnover tax diminished the Group's net result in the reported period of 2024.

The reconciliation between the net result and the adjusted net result for Q1-Q3 2024 and Q1-Q3 2023 is detailed below:

Adjusted net result	Q3 2024	Q3 2023	Q1-Q3 2024	Q1-Q3 2023
<b>NET RESULT (RON '000)</b>	<b>118,352</b>	<b>-229,984</b>	<b>126,799</b>	<b>-394,078</b>
Plus/(minus) charge/ (reversal) of non-current assets impairment expense/(income)	-	-11	-	8,090
Impairment of goodwill	-	-81	-	62,981
Plus/(minus) deferred tax expense/ (income)	12,456	-30,088	27,831	-29,122
<b>ADJUSTED NET RESULT</b>	<b>130,808</b>	<b>-260,164</b>	<b>154,630</b>	<b>-352,129</b>

## Strategic investments

There are several investing projects initiated or continued in Q1-Q3 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*" (CUTSMART SYSTEMS), investment started in the end of 2022. The construction work for the associated hall and product warehouse has been completed in October 2024. The amounts invested for this project until 30 September 2024 were of RON 13,730 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 April 2024, the Group's subsidiary, Vimetco Extrusion, completed the installation of an automatic packaging line for the extruded aluminium profiles and in Q3 2024 the subsidiary implemented the following steps: the transition from manual packaging to automatic packaging, staff training, the production acceleration process. The final commissioning took place in Q3 2024 after the equipment reached the contracted parameters. The amount spent for the investment was of RON 31,818 thousand. This project benefited from a grant of RON 7,100 thousand, 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.

In Q1-Q3 2024 the Group continued the investment started in October 2023 for purchasing 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-Q3 2024 the Group also continued the investment project started in 2023 for the acquisition of a double-sided conductivity scan for aluminium plates. The benefits obtained from the implementation of this investment project are in line with Group strategy regarding the operational safety and increase of the high value added production share (especially aerospace products) in the total production mix. The project is expected to be commissioned in September 2025 and its total value will be of USD 2 million.

In Q1-Q3 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 equipment, 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 estimated completion date is January 2025.

# Alro Group Quarterly Report Q3 2024

## Interim consolidated statement of profit or loss and other comprehensive income - unaudited

in RON '000,  
except stated otherwise

Q3 2024	Q3 2023	Nine months ended 30 September 2024	Nine months ended 30 September 2023
<b>Continuing operations</b>			
845,063	682,834	2,542,134	2,241,447
-797,837	-761,007	-2,415,926	-2,370,746
<b>47,226</b>	<b>-78,173</b>	<b>126,208</b>	<b>-129,299</b>
-76,611	-76,468	-225,775	-235,292
186,190	-5,199	416,786	241,838
-7,889	-17,331	-29,276	-59,885
<b>148,916</b>	<b>-177,171</b>	<b>287,943</b>	<b>-182,638</b>
-29,319	-31,069	-90,225	-94,948
-	-	-	-
1,120	3,001	4,494	15,611
-9,175	-8,628	-26,277	-25,250
30,910	-37,243	10,790	-28,265
-307	-	-431	-
<b>142,145</b>	<b>-251,110</b>	<b>186,294</b>	<b>-315,490</b>
-23,793	27,594	-59,495	24,388
<b>118,352</b>	<b>-223,516</b>	<b>126,799</b>	<b>-291,102</b>
<b>Discontinued operations</b>			
-	-6,468	-	-102,976
<b>118,352</b>	<b>-229,984</b>	<b>126,799</b>	<b>-394,078</b>
<b>Other comprehensive income / (expense), net of tax:</b>			
<i>Items that will not be reclassified subsequently to profit or loss:</i>			
-	601	-	608
Remeasurements of post-employment benefit obligations			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
-	20,558	-	18,880
-	<b>21,159</b>	-	<b>19,488</b>
<b>Total comprehensive income / (expense) for the period</b>			
<b>118,352</b>	<b>-208,825</b>	<b>126,799</b>	<b>-374,590</b>
Result attributable to:			
<b>118,335</b>	<b>-229,763</b>	<b>126,757</b>	<b>-393,170</b>
<b>17</b>	<b>-221</b>	<b>42</b>	<b>-908</b>
<b>118,352</b>	<b>-229,984</b>	<b>126,799</b>	<b>-394,078</b>
Total comprehensive income / (expense) attributable to:			
<b>118,335</b>	<b>-208,618</b>	<b>126,757</b>	<b>-373,688</b>
<b>17</b>	<b>-207</b>	<b>42</b>	<b>-902</b>
<b>118,352</b>	<b>-208,825</b>	<b>126,799</b>	<b>-374,590</b>
<b>Earnings/(losses) per share</b>			
0.166	-0.322	0.178	-0.551
0.166	-0.313	0.178	-0.408

# Alro Group Quarterly Report Q3 2024

## Interim consolidated statement of financial position - unaudited

in RON '000

	30 September 2024	31 December 2023
<b>Assets</b>		
<b>Non-current assets</b>		
Property, plant and equipment	911,102	901,604
Investment properties	548	571
Intangible assets	3,073	2,877
Equity accounted investments	107,838	108,269
Goodwill	15,834	15,834
Right-of-use assets	6,798	9,690
Deferred tax asset	67,512	95,343
Other non-current financial assets	151,432	151,293
<b>Total non-current assets</b>	<b>1,264,137</b>	<b>1,285,481</b>
<b>Current assets</b>		
Inventories	810,328	884,736
Trade receivables, net	95,527	56,163
Current income tax receivable	39	1,100
Other current financial assets	700,317	433,205
Other current non-financial assets	44,072	33,980
Restricted cash	54	19,814
Cash and cash equivalents	100,527	206,126
<b>Total current assets</b>	<b>1,750,864</b>	<b>1,635,124</b>
<b>Total assets</b>	<b>3,015,001</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	376,305	375,866
Retained earnings	169,426	730,129
Result for the period	126,757	-560,264
<b>Equity attributable to shareholders of Alro S.A.</b>	<b>1,128,876</b>	<b>1,002,119</b>
Non-controlling interest	536	494
<b>Total shareholders' equity</b>	<b>1,129,412</b>	<b>1,002,613</b>
<b>Non-current liabilities</b>		
Bank and other loans, non-current	1,029,412	1,176,067
Leases, non-current	3,519	5,963
Provisions, non-current	28,350	27,216
Post-employment benefit obligations	28,721	29,048
Government grants, non-current portion	27,774	30,902
Other non-current financial liabilities	8,754	13,541
<b>Total non-current liabilities</b>	<b>1,126,530</b>	<b>1,282,737</b>
<b>Current liabilities</b>		
Bank and other loans, current	276,445	298,728
Leases, current	2,365	2,782
Provisions, current	4,013	7,854
Trade and other payables	395,058	240,807
Contract liabilities	17,452	23,578
Current income taxes payable	11,799	6,490
Government grants, current portion	4,273	4,267
Other current liabilities	47,654	50,749
<b>Total current liabilities</b>	<b>759,059</b>	<b>635,255</b>
<b>Total liabilities</b>	<b>1,885,589</b>	<b>1,917,992</b>
<b>Total shareholders' equity and liabilities</b>	<b>3,015,001</b>	<b>2,920,605</b>

# Alro Group Quarterly Report Q3 2024

## Interim consolidated statement of changes in shareholders' equity - 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>Total comprehensive income / (expense) for the period</b>	-	-	-
<b>Transactions with owners of the company recognized directly in equity</b>			
Appropriation of prior year result	-	-	-
<b>Balance at 30 September 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 of the period	-	-	-
<b>Other comprehensive income / (expense)</b>			
Translation adjustment	-	-	-
Remeasurements of post-employment benefits	-	-	-
<b>Other comprehensive income / (expense)</b>	-	-	-
<b>Total comprehensive income / (expense) for the period</b>	-	-	-
Appropriation of prior year result	-	-	439
<b>Balance at 30 September 2024</b>	<b>370,037</b>	<b>86,351</b>	<b>376,305</b>

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
-	-	-	-393,170	-393,170	-908	-394,078
18,880	18,880	-	-	18,880	-	18,880
-	-	602	-	602	6	608
18,880	18,880	602	-	19,482	6	19,488
18,880	18,880	602	-393,170	-373,688	-902	-374,590
-	-	410,071	-410,071	-	-	-
-	375,866	734,682	-393,170	1,173,766	1,070	1,174,836
-	375,866	730,129	-560,264	1,002,119	494	1,002,613
-	-	-	126,757	126,757	42	126,799
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	439	-560,703	560,264	-	-	-
-	376,305	169,426	126,757	1,128,876	536	1,129,412

# Alro Group Quarterly Report Q3 2024

## Interim consolidated statement of cash flows - unaudited

in RON '000

Q3 2024	Q3 2023		Nine months ended 30 September 2024	Nine months ended 30 September 2023
<b>Cash flow from operating activities</b>				
142,145	-251,110	Result before income taxes from continuing operations	186,294	-315,490
-	-6,468	Result before tax for the period from discontinued operations	-	-102,976
<i>Adjustments for:</i>				
29,315	37,071	Depreciation and amortisation	91,650	119,106
-	-11	Impairment of property, plant and equipment	-	8,090
-	-81	Impairment of goodwill	-	62,981
-526	4,063	Movement in provisions	-3,841	-16,882
3,270	11,373	Change in allowance for impairment of inventory	-63,818	-27,234
47	-81	Change in allowance for expected credit losses of trade receivables	-74	43
82	1,313	Loss on disposal of property, plant and equipment	908	1,051
-	529	Loss on disposal of investments	-	529
307	-	Share of result of associates	431	-
-24,491	15,916	Net foreign exchange (gains)/ losses on loans revaluation	-4,498	5,344
-1,004	-2,895	Interest income	-4,149	-15,144
29,319	31,358	Interest expense	90,225	96,177
-	-	Dividend income	-15	-
<i>Changes in working capital:</i>				
-24,784	47,703	Change in inventories	135,529	303,375
-116,244	381,475	Change in trade receivables and other assets	-316,546	104,914
-6,182	-5,678	Change in trade and other payables	138,714	20,422
-9,647	-4,883	Income taxes paid	-25,294	-74,350
-11,834	-25,644	Interest paid	-71,407	-88,394
<b>9,773</b>	<b>233,950</b>	<b>Net cash generated by / (used in) operating activities</b>	<b>154,109</b>	<b>81,562</b>
<b>Cash flow from investing activities</b>				
-31,787	-27,111	Purchase of property, plant and equipment and intangible assets, net	-100,995	-83,784
313	258	Proceeds from sale of property, plant and equipment	944	1,140
-	3,125	Proceeds from sale of investments	-	3,125
-	-36	Acquisition of associates	-	-36
-	-	Dividends received	15	-
-	27,089	Change in restricted cash	19,760	35,857
1,159	2,845	Interest received	3,933	14,987
<b>-30,315</b>	<b>6,170</b>	<b>Net cash provided by/(used in) investing activities</b>	<b>-76,343</b>	<b>-28,711</b>
<b>Cash flow from financing activities</b>				
25,614	-28	Proceeds from loans	26,575	48,266
-64,042	-66,810	Repayment of loans and leases	-209,940	-233,494
<b>-38,428</b>	<b>-66,838</b>	<b>Net cash provided by/(used in) financing activities</b>	<b>-183,365</b>	<b>-185,228</b>
<b>-58,970</b>	<b>173,282</b>	<b>Net change in cash and cash equivalents</b>	<b>-105,599</b>	<b>-132,377</b>
<b>159,497</b>	<b>324,412</b>	<b>Cash and cash equivalents at beginning of period</b>	<b>206,126</b>	<b>630,068</b>
-	-8	Effect of exchange rate differences on cash and cash equivalents	-	-5
<b>100,527</b>	<b>497,686</b>	<b>Cash and cash equivalents at end of period</b>	<b>100,527</b>	<b>497,686</b>

# Interim condensed consolidated financial statements

ALRO GROUP

Interim condensed consolidated financial statements for  
the nine months ended 30 September 2024 (unaudited)



# Interim consolidated statement of profit or loss and other comprehensive income for the nine months ended 30 September 2024 - unaudited

in RON '000,  
except stated otherwise

	Note	Nine months ended 30 September 2024	Nine months ended 30 September 2023
<b>Continuing operations</b>			
Revenue from contracts with customers	5	2,542,134	2,241,447
Cost of goods sold		-2,415,926	-2,370,746
<b>Gross result</b>		<b>126,208</b>	<b>-129,299</b>
General, administrative and selling expenses	7	-225,775	-235,292
Other operating income	8	416,786	241,838
Other operating expenses	9	-29,276	-59,885
<b>Operating result (EBIT)</b>		<b>287,943</b>	<b>-182,638</b>
Interest expenses	10	-90,225	-94,948
Other financial income		4,494	15,611
Other financial costs		-26,277	-25,250
Net foreign exchange (losses) / gains		10,790	-28,265
Share of result of associates		-431	-
<b>Result before income taxes from continuing operations</b>		<b>186,294</b>	<b>-315,490</b>
Income tax	11	-59,495	24,388
<b>Result for the period from continuing operations</b>		<b>126,799</b>	<b>-291,102</b>
<b>Discontinued operations</b>			
Result after tax for the period from discontinued operations		-	-102,976
<b>Result for the period</b>		<b>126,799</b>	<b>-394,078</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		-	608
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Translation adjustment		-	18,880
<b>Other comprehensive income / (expense) for the period, net of tax</b>		<b>-</b>	<b>19,488</b>
<b>Total comprehensive income / (expense) for the period</b>		<b>126,799</b>	<b>-374,590</b>
Result attributable to:			
<b>Shareholders of Alro S.A.</b>		<b>126,757</b>	<b>-393,170</b>
<b>Non-controlling interest</b>		<b>42</b>	<b>-908</b>
		126,799	-394,078
Total comprehensive income / (expense) attributable to:			
<b>Shareholders of Alro S.A.</b>		<b>126,757</b>	<b>-373,688</b>
<b>Non-controlling interest</b>		<b>42</b>	<b>-902</b>
		126,799	-374,590
<b>Earnings / (losses) per share</b>			
Basic and diluted (RON)	12	0.178	-0.551
Basic and diluted (RON) for continuing operations		0.178	-0.408

Dr. Eng. Marin CILIANU  
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 12 November 2024.

# Interim consolidated statement of financial position as at 30 September 2024 - unaudited

	Note	30 September 2024	in RON '000	31 December 2023
<b>Assets</b>				
<b>Non-current assets</b>				
Property, plant and equipment	13	911,102		901,604
Investment properties		548		571
Intangible assets		3,073		2,877
Equity accounted investments		107,838		108,269
Goodwill		15,834		15,834
Right-of-use assets		6,798		9,690
Deferred tax asset	11	67,512		95,343
Other non-current financial assets		151,432		151,293
<b>Total non-current assets</b>		<b>1,264,137</b>		<b>1,285,481</b>
<b>Current assets</b>				
Inventories	15	810,328		884,736
Trade receivables, net		95,527		56,163
Current income tax receivable		39		1,100
Other current financial assets	16	700,317		433,205
Other current non-financial assets		44,072		33,980
Restricted cash	17	54		19,814
Cash and cash equivalents	17	100,527		206,126
<b>Total current assets</b>		<b>1,750,864</b>		<b>1,635,124</b>
<b>Total assets</b>		<b>3,015,001</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		376,305		375,866
Retained earnings		169,426		730,129
Result for the period		126,757		-560,264
<b>Equity attributable to shareholders of Alro S.A.</b>		<b>1,128,876</b>		<b>1,002,119</b>
Non-controlling interest		536		494
<b>Total shareholders' equity</b>		<b>1,129,412</b>		<b>1,002,613</b>
<b>Non-current liabilities</b>				
Bank and other loans, non-current	18	1,029,412		1,176,067
Leases, non-current	18	3,519		5,963
Provisions, non-current		28,350		27,216
Post-employment benefit obligations		28,721		29,048
Government grants, non-current portion		27,774		30,902
Other non-current financial liabilities		8,754		13,541
<b>Total non-current liabilities</b>		<b>1,126,530</b>		<b>1,282,737</b>
<b>Current liabilities</b>				
Bank and other loans, current	18	276,445		298,728
Leases, current	18	2,365		2,782
Provisions, current		4,013		7,854
Trade and other payables	19	395,058		240,807
Contract liabilities	5	17,452		23,578
Current income taxes payable		11,799		6,490
Government grants, current portion		4,273		4,267
Other current liabilities		47,654		50,749
<b>Total current liabilities</b>		<b>759,059</b>		<b>635,255</b>
<b>Total liabilities</b>		<b>1,885,589</b>		<b>1,917,992</b>
<b>Total shareholders' equity and liabilities</b>		<b>3,015,001</b>		<b>2,920,605</b>

Dr. Eng. Marin CILIANU  
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 12 November 2024.



# Interim consolidated statement of changes in shareholders' equity for the nine months ended 30 September 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)</b>	<b>-</b>	<b>-</b>	<b>-</b>
Appropriation of prior year result	-	-	-
<b>Balance at 30 September 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)</b>	<b>-</b>	<b>-</b>	<b>-</b>
Appropriation of prior year result	-	-	439
<b>Balance at 30 September 2024</b>	<b>370,037</b>	<b>86,351</b>	<b>376,305</b>

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
-	-	-	-393,170	-393,170	-908	-394,078
18,880	18,880	-	-	18,880	-	18,880
-	-	602	-	602	6	608
18,880	18,880	602	-	19,482	6	19,488
18,880	18,880	602	-393,170	-373,688	-902	-374,590
-	-	410,071	-410,071	-	-	-
-	375,866	734,682	-393,170	1,173,766	1,070	1,174,836
-	375,866	730,129	-560,264	1,002,119	494	1,002,613
-	-	-	126,757	126,757	42	126,799
-	-	-	126,757	126,757	42	126,799
-	439	-560,703	560,264	-	-	-
-	376,305	169,426	126,757	1,128,876	536	1,129,412

Dr. Eng. Marin CILIANU  
Chief Executive Officer



Ec. Genoveva NĂSTASE  
Chief Financial Officer.



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These financial statements were authorized for issue by the management on 12 November 2024.

# Interim consolidated statement of cash flows for the nine months ended 30 September 2024 - unaudited

in RON '000

	Note	Nine months ended 30 September 2024	Nine months ended 30 September 2023
<b>Cash flow from operating activities</b>			
Result before income taxes from continuing operations		186,294	-315,490
Result before tax for the period from discontinued operations		-	-102,976
<i>Adjustments for:</i>			
Depreciation and amortisation		91,650	119,106
Impairment of property, plant and equipment		-	8,090
Impairment of goodwill		-	62,981
Movement in provisions		-3,841	-16,882
Change in allowance for impairment of inventory	15	-63,818	-27,234
Change in allowance for expected credit losses of trade receivables	7	-74	43
Losses/(gains) on disposal of property, plant and equipment		908	1,051
Loss on disposal of investments		-	529
Share of result of associates		431	-
Net foreign exchange (gains)/ losses on loans revaluation		-4,498	5,344
Interest income		-4,149	-15,144
Interest expense	10	90,225	96,177
Dividend income		-15	-
<i>Changes in working capital:</i>			
Change in inventories		135,529	303,375
Change in trade receivables and other assets		-316,546	104,914
Change in trade and other payables		138,714	20,422
Income taxes paid		-25,294	-74,350
Interest paid		-71,407	-88,394
Cash receipts/ (Payments) from derivatives, net		-	-
<b>Net cash generated (used in) / from operating activities</b>		<b>154,109</b>	<b>81,562</b>
<b>Cash flow from investing activities</b>			
Purchase of property, plant and equipment and intangible assets, net		-100,995	-83,784
Proceeds from sale of property, plant and equipment		944	1,140
Proceeds from sale of investments		-	3,125
Acquisition of associates		-	-36
Dividends received		15	-
Change in restricted cash	17	19,760	35,857
Interest received		3,933	14,987
<b>Net cash used in investing activities</b>		<b>-76,343</b>	<b>-28,711</b>
<b>Cash flow from financing activities</b>			
Proceeds from loans		26,575	48,266
Repayment of loans and leases		-209,940	-233,494
<b>Net cash (used in) / from financing activities</b>		<b>-183,365</b>	<b>-185,228</b>
<b>Net change in cash and cash equivalents</b>		<b>-105,599</b>	<b>-132,377</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		-	-5
<b>Cash and cash equivalents at end of period</b>	17	<b>100,527</b>	<b>497,686</b>

Dr. Eng. Marin CILIANU  
Chief Executive Officer

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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 12 November 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 that 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, Navarino 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 and, subsequently becoming Alro's purchasing agent starting March 2024. Alro Group held a bauxite mine in Sierra Leone until the mining business was sold on 1 September 2023. In September 2023, Alro started investing in the electricity business by forming a partnership with CCGT Power Isalnita S.A. ("CCGT Power"), where it holds a 40.1% interest.

These interim condensed consolidated financial statements were authorised for issue by the Management on 12 November 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 9 months ended 30 September 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 with IFRS adopted by the EU.

## Going concern

These interim condensed consolidated financial statements have been prepared on a going concern basis, which assumes the Group will be able to realize their assets and discharge their 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 into the presentation currency.

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

	30 September 2024	31 December 2023
USD exchange rate at the end of the period**	4.4451 USD/RON	4.4958 USD/RON
	<b>Nine months ended 30 September 2024</b>	<b>Nine months ended 30 September 2023</b>
USD average exchange rate***	4.5763 USD/RON	4.5595 USD/RON

\*\*) as communicated by 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 other 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.

- **IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments Disclosure - Supplier Finance Arrangements.** The amendments supplement requirements already in IFRS and require an entity to disclose the terms and conditions of supplier finance arrangements, disclose at the beginning and end of reporting period the carrying amounts of supplier finance arrangement financial liabilities and the line items in which those liabilities are presented as well as the carrying amounts of financial liabilities and line items, for which the finance providers have already settled the corresponding trade payables, disclose the type and effect of non-cash changes in the carrying amounts of supplier finance arrangement financial liabilities, which prevent the carrying amounts of the financial liabilities from being comparable. The amendments had no material impact on financial statements as the Group does not use supplier finance (or reverse factoring).

#### **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. Management expects that the adoption of IFRS 18 will impact consolidated financial statements, primarily in the form of enhanced disclosures and revised presentation formats. While the overall financial position and results of operations will not change, the increased level of detail and transparency will provide users with more comprehensive and useful information.

- **IFRS 19 Subsidiaries without Public Accountability: Disclosures** (issued on 9 May 2024), not yet adopted by the EU. IFRS 19 is effective for annual reporting periods beginning on or after 1 January 2027 with earlier application permitted. The new standard allows subsidiaries that do not have public accountability and whose parent companies prepare consolidated financial statements under IFRS to apply IFRS 19, which enables subsidiaries to maintain only one set of accounting records and reduces their disclosure requirements, addressing the issue of disproportionate disclosures. The directors anticipate that the application of this new standard might contribute to the reduction of the Group's cost of preparing financial statements for subsidiaries while maintaining the usefulness of the information for users.

- **Amendments to the Classification and Measurement of Financial Instruments** (Amendments to IFRS 9 and IFRS 7) (issued on 30 May 2024), not yet adopted by the EU. The amendments clarify that a financial liability is derecognized on the settlement date and introduce an accounting policy choice for derecognizing financial liabilities settled using electronic payment systems before the settlement date. They also provide additional guidance on classifying financial assets with ESG-linked features, non-recourse loans, and contractually linked instruments. Furthermore, the amendments require additional disclosures for financial instruments with contingent features and equity instruments classified at fair value through OCI. The amendments are effective for annual reporting periods beginning on or after 1 January 2026 and are not expected to affect financial statements.

- **Annual Improvements to IFRS Accounting Standards-Volume 11** (issued on 18 July 2024), not yet adopted by the EU, which addressed narrow-scope amendments, clarifications, corrections, and refinements to several standards, such as IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7. Volume 11 annual improvements are limited to changes that either clarify the wording in the standard, or correct relatively minor unintended consequences, oversights or conflicts between requirements of the Accounting Standards. These amendments are mandatory for financial years beginning on or after 1 January 2026 with earlier application permitted and their implementation are not expected to have a material impact on the Group's financial position or performance.

#### **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:

					Nine months ended 30 September 2024
Segments	Alumina	Primary aluminium	Processed aluminium	Others	Total
<b>Type of good or service</b>					
Sale of alumina	61,819	-	-	-	61,819
Sale of primary aluminium	-	1,080,445	-	-	1,080,445
Sale of processed aluminium	-	-	1,728,567	-	1,728,567
Other revenues and services performed	5,242	-	405	12,425	18,072
<b>Total revenue from contracts with customers</b>	<b>67,061</b>	<b>1,080,445</b>	<b>1,728,972</b>	<b>12,425</b>	<b>2,888,903</b>

					Nine months ended 30 September 2023
Segments	Alumina	Primary aluminium	Processed aluminium	Others	Total
<b>Type of good or service</b>					
Sale of alumina	231,687	-	-	-	231,687
Sale of primary aluminium	-	959,928	-	-	959,928
Sale of processed aluminium	-	-	1,557,338	-	1,557,338
Other revenues and services performed	4,487	-	128	26,210	30,825
<b>Total revenue from contracts with customers</b>	<b>236,174</b>	<b>959,928</b>	<b>1,557,466</b>	<b>26,210</b>	<b>2,779,778</b>

During the first nine months of 2024, the Group's revenue increased, driven primarily by the Processed Aluminium segment, where demand rose for high-margin products such as plates and extruded items, supported also by the upward trend in LME prices. Alumina sales declined, as only existing inventory was sold to third parties, with no new production during this period.

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

					Nine months ended 30 September 2024
Revenue	Alumina	Primary aluminium	Processed aluminium	Others	Total
Revenue from contracts with customers	67,061	1,080,445	1,728,972	12,425	2,888,903
Inter-segment transactions	-50,765	-285,709	-2,180	-8,115	-346,769
<b>Total Group revenue (Note 6)</b>	<b>16,296</b>	<b>794,736</b>	<b>1,726,792</b>	<b>4,310</b>	<b>2,542,134</b>

					Nine months ended 30 September 2023
Revenue	Alumina	Primary aluminium	Processed aluminium	Others	Total
Revenue from contracts with customers	236,174	959,928	1,557,466	26,210	2,779,778
Inter-segment transactions	-222,973	-298,872	-3,008	-13,478	-538,331
<b>Total Group revenue (Note 6)</b>	<b>13,201</b>	<b>661,056</b>	<b>1,554,458</b>	<b>12,732</b>	<b>2,241,447</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.

The revenue of the Alumina segment are lower in 2024, as the plant became a sales agent starting March 2024 and has been selling alumina for commission to Alro since then, while in 2023 it had been buying alumina and selling it to Alro at a margin.

### Contract liabilities

During the first nine months of 2024, the Group recognized the amount of RON 22,747 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 17,452 thousand existing at 30 September 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 nine months ended 30 September 2024 and 2023 by segment, were as follows:

	Alumina	Primary aluminium	Processed aluminium	Others	Inter-segment operations	Total
<b>Nine months ended 30 September 2024</b>						
Sales to external customers	16,296	794,736	1,726,792	4,310	-	<b>2,542,134</b>
Inter-segment transfers	46,147	1,361,823	2,180	8,115	-1,418,265	-
<b>Total sales revenues</b>	<b>62,443</b>	<b>2,156,559</b>	<b>1,728,972</b>	<b>12,425</b>	<b>-1,418,265</b>	<b>2,542,134</b>
<b>Segment results (gross profit)</b>	<b>1,760</b>	<b>16,443</b>	<b>100,042</b>	<b>4,639</b>	<b>3,324</b>	<b>126,208</b>
Other operating income & expenses, net	-25,654	-10,614	60,392	138,550	-939	<b>161,735</b>
<b>Operating result (EBIT)</b>	<b>-23,894</b>	<b>5,829</b>	<b>160,434</b>	<b>143,189</b>	<b>2,385</b>	<b>287,943</b>
Total depreciation, amortisation and impairment	5,999	50,619	36,349	480	-1,797	<b>91,650</b>
<b>EBITDA</b>	<b>-17,895</b>	<b>56,448</b>	<b>196,783</b>	<b>143,669</b>	<b>588</b>	<b>379,593</b>
Interest and other finance costs, net						-112,439
Net foreign exchange gains / (losses)						10,790
<b>Result before income taxes from continuing operations</b>						<b>186,294</b>
<b>Nine months ended 30 September 2023</b>						
Sales to external customers	13,201	661,056	1,554,458	12,732	-	<b>2,241,447</b>
Inter-segment transfers	207,381	1,251,216	3,008	13,478	-1,475,083	-
<b>Total sales revenues</b>	<b>220,582</b>	<b>1,912,272</b>	<b>1,557,466</b>	<b>26,210</b>	<b>-1,475,083</b>	<b>2,241,447</b>
<b>Segment results (gross profit)</b>	<b>2,456</b>	<b>-151,292</b>	<b>11,741</b>	<b>5,895</b>	<b>1,901</b>	<b>-129,299</b>
Other operating income & expenses, net	-116,333	-577	51,588	-124,904	136,887	<b>-53,339</b>
<b>Operating result (EBIT)</b>	<b>-113,877</b>	<b>-151,869</b>	<b>63,329</b>	<b>-119,009</b>	<b>138,788</b>	<b>-182,638</b>
Total depreciation, amortisation and impairment	-259,738	51,492	37,937	74,657	202,627	<b>106,975</b>
<b>EBITDA</b>	<b>-373,615</b>	<b>-100,377</b>	<b>101,266</b>	<b>-44,352</b>	<b>341,415</b>	<b>-75,663</b>
Interest and other finance costs, net						-104,587
Net foreign exchange gains / (losses)						-28,265
<b>Result before income taxes from continuing operations</b>						<b>-315,490</b>

In the 9 months ended 30 September 2024, sales of aluminium products saw significant increases compared to the same period in 2023, with processed aluminium products witnessing a 29% growth in sales volume and primary aluminium products experiencing a rise of approximately 15%, using more slabs internally to support the increase in value-added production. On the other side, the increase of the LME by 101 USD/t compared to the average level of the same period of the last year, influenced to a small extent the revenue of the aluminium segments, this being significantly offset though by lower premiums. In the category *Other operating income and expenses, net*, the Group reported the amount of RON 275,144 thousand in the 9 months ended 30 September 2024 for the compensation of energy costs related to 9 months of 2024, based on the EU Emissions Trading Scheme (ETS) (in the 9 months ended 30 September 2023: RON 277,668 thousand). The compensation is allocated to the primary aluminium and processed aluminium 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 aluminium metal. For details, see Note 8 *Other operating income*.

*Other operating income and expenses, 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 the first 9 months of the year 2024 this category includes revenues of RON 122,251 thousand from the sale of CO<sub>2</sub> emission certificates by the Group from its surplus and government grants of RON 3,202 thousand (in the 9-month period of 2023 this category includes revenues of RON 6,496 thousand from the sale of CO<sub>2</sub> emission certificates and revenues from government grants of RON 3,202 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 30 September 2024 and 31 December 2023, respectively, were as follows:

Alro Group	Alumina	Primary aluminium	Processed aluminium	Others	Inter-segment operations	Total
<b>30 September 2024</b>						
Total assets	186,551	1,222,316	1,224,728	628,407	-247,002	<b>3,015,000</b>
Total liabilities	79,844	406,839	192,443	1,314,811	-108,349	<b>1,885,588</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 30 September 2024, the total assets representing *Others* include mainly investments in subsidiaries and associates of RON 251,593 thousand (as at 31 December 2023: RON 252,447 thousand), cash and restricted cash of RON 242,605 thousand (as at 31 December 2023: RON 309,291 thousand), administrative buildings of RON 40,246 thousand (as at 31 December 2023: RON 37,229 thousand), deferred tax asset of RON 63,023 thousand (as at 31 December 2023: RON 90,032 thousand) and derivative financial instruments, when applicable.

As at 30 September 2024, the total liabilities representing *Others* include mainly borrowings and leases of RON 1,284,509 thousand (as at 31 December 2023: RON 1,476,565 thousand), post-employment benefit obligations and provisions of RON 30,189 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

	Nine months ended 30 September 2024	Nine months ended 30 September 2023
Staff costs	-96,942	-115,229
Third party services	-47,729	-43,496
Consulting and audit	-27,466	-23,324
Consumables	-7,324	-6,510
Taxes other than income taxes	-8,287	-8,101
Depreciation and amortisation	-4,091	-4,830
Insurance	-7,654	-7,087
Marketing and public relations	-3,827	-2,762
Travelling	-2,082	-6,560
Research and development costs	-14,706	-11,906
Other	-5,741	-5,444
Change in allowance for expected credit losses of trade receivables	74	-43
<b>Total</b>	<b>-225,775</b>	<b>-235,292</b>

In the first 9 months ended 30 September 2024, no more bonuses were included in the *Staff costs* at the level that they were granted in 9 months 2023, hence the decrease of this category.

## 8. Other operating income

	Nine months ended 30 September 2024	Nine months ended 30 September 2023
Rental income	2,336	2,647
Government grants	278,419	203,241
Income from sale of emission rights	122,251	6,496
Income from unused provision reversals	3,358	11,847
Income from claims and penalties	6,319	15,047
Other income	4,103	2,560
<b>Total other operating income</b>	<b>416,786</b>	<b>241,838</b>

In the 9 months ended 30 September 2024, the Group recognized *Government grants* of RON 275,144 thousand, representing compensation to which the Group is entitled for the high electricity costs incurred during the reporting period. During the 9 months ended 30 September 2023, the Group recognized government grants of RON 277,668 thousand, partly offset by a correction of RON 77,629 thousand between the accrual and the amount actually received for the year 2022. In addition, the category *Government grants* includes an amount of RON 3,202 thousand (in the first nine months of 2023: RON 3,202 thousand) mainly representing income recognized as government grants from EU funds received in the period 2013 - 2019 for the investment in equipment intended for the production activity, as well as for purchasing of equipments for research and development activities within the Group. These grants are recognized as income linearly during the useful life of the equipments for which they were received.

During the 9-month period ended 30 September 2024, the Group sold CO<sub>2</sub> emission certificates of RON 122,251 thousand recognized as *Income from sale of emission rights*, the Group being in the position to have a surplus of emission certificates as a result of investments made in energy efficiency in the latest years (in the same period of 2023: RON 6,496 thousand).

In the first 9 months of 2024, the category *Income from unused provisions reversals* includes RON 3,358 thousand representing the reversal of unused management compensation provision recognised by the Parent Company, while in the first 9 months of 2023, an income of RON 11,847 thousand were recognised by Alum from the reversal of a provision for CO<sub>2</sub> certificates estimated to be acquired for the year 2022.

In the category *Income from claims and penalties* in the 9 months of 2024 is included income from penalties of RON 5,751 thousand charged to one of equipment supplier for non-fulfillment of contractual conditions (in the same period of 2023: RON 14,452 thousand representing an indemnity received for a piece of equipment which was damaged during a fire incident that took place in 2018 at the Processing mill premises and indemnities received from the insurance company for fire broke out at the Eco recycling section of the aluminium plant in Slatina in July 2022).

## 9. Other operating expenses

	Nine months ended 30 September 2024	Nine months ended 30 September 2023
Idle plants depreciation expenses	-14,384	-27,648
Alum non-productive costs	-9,652	-29,126
Other operating expenses	-5,240	-3,111
<b>Total other operating expenses</b>	<b>-29,276</b>	<b>-59,885</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 potrooms in Alro Slatina 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 the 9-month period ended 30 September 2024 compared to the same period of 2023.

The category *Alum non-productive costs* represents the costs recorded by the subsidiary Alum after the cessation of alumina production in August 2022. In the 9-month period of 2023, this category included also costs of RON 11,570 thousand related to descaling of tanks in precipitation (no such costs in 2024).

## 10. Interest expenses

	Nine months ended 30 September 2024	Nine months ended 30 September 2023
Interest expense	-90,225	-94,948
<b>Total</b>	<b>-90,225</b>	<b>-94,948</b>

*Interest expenses* from discontinued operations, not included in the table above in the 9-month period ended 30 September 2023, were of RON 1,229 thousand.

During the 9 months of the year 2024, CME Term SOFR was used instead of USD LIBOR (London Interbank Offered Rate) in the existing facilities of the Group. 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 10,230 thousand for the Group (during the 9 months of the year 2023: RON 5,438 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 the first 9 months of 2024 for loans was of RON 6,120 thousand and it is included in the Statement of cash flows under *Interest paid* (in the same period of 2023: RON 1,253 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:

	Nine months ended 30 September 2024	Nine months ended 30 September 2023
<b>Income tax</b>		
Current income tax	-31,664	-4,734
Deferred income tax	-27,831	29,122
<b>Total income taxes</b>	<b>-59,495</b>	<b>24,388</b>

Effective 1 January 2024, a new Law No. 296/2023 was enacted requiring that entities with a turnover exceeding EUR 50 million in the previous year to pay a minimum income tax equal to 1% of turnover if the calculated profit tax is below this threshold, as determined by a specific formula (minimum turnover tax). During the 9 months of the year 2024, the Group calculated this minimum turnover tax according to the law and it significantly exceeded the attributable calculated profit tax of RON 11,014 thousand. Consequently, the Group recognized a current income tax of RON 30,786 thousand (during the 9 months of the year 2023: nil) in respect to this minimum turnover tax.

During the first 9 months of 2024, the Group recognized a net reversal to cost of goods sold of RON 63,818 thousand, representing the writing down of inventories to their net realizable value (see Note 15 for details), thus generating the reduction of the deductible temporary differences and the related deferred tax asset of RON 10,211 thousand as compared to 31 December 2023. Additionally, the Group registered reduction in deferred tax assets arisen from the capitalized tax losses and exceeding borrowing costs and from other deductible temporary differences. As a result, the total amount of deferred tax asset at the Group level decreased from RON 95,343 thousand as at 31 December 2023 to RON 67,512 thousand as at 30 September 2024.

## 12. Earnings / (losses) per share

	Nine months ended 30 September 2024	Nine months ended 30 September 2023
Net result attributable to the owners of the Entity	126,757	-393,170
Continuing operations	126,757	-291,102
Discontinued operations	-	-102,068
Weighted average number of ordinary shares	713,779,135	713,779,135
Basic and diluted earnings / (losses) per share (RON/share)	0.178	-0.551
Continuing operations	0.178	-0.408
Discontinued operations	-	-0.143

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 9 months ended 30 September 2024 (9 months ended 30 September 2023: nil)

At 30 September 2024, the Parent Company does not have outstanding dividends payable (31 December 2023: nil).

### 13. **Property, plant and equipment**

During the 9-month period ended 30 September 2024, the Group purchased property, plant and equipment amounting to RON 97,526 thousand (during the 9 months ended 30 September 2023: RON 71,564 thousand).

During the 9 months of the year 2024, the Group continued to invest in its programs to increase energy efficiency, which include the reconditioning of electrolysis pots, by modernizing another 31 pots using the innovative AP12LE technology (during the first 9 months of 2023: 24 pots). AP12LE (Aluminium Pechiney 120 kA Low-Energy) represents a last generation technology developed by Rio Tinto Aluminium Pechiney. The objective of this project is to reduce the energy consumption of the electrolysis pots by approximately 300 kWh/ton of aluminium, while maintaining the production capacity. The program will continue in the following years until all pots are aligned with the new technology.

In the 9-month period ended 30 September 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 CUTSMART SYSTEMS business, initiated in late 2022, with investments totaling RON 13,730 thousand by 30 September 2024.

The same direction was followed by one of the Group's subsidiaries, Vimetco Extrusion, which spent a total amount of RON 31,818 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 benefited from a financing of EUR 1.43 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 installation of the equipment was completed in April 2024 and in the following months the next step of implementation was carried out: the transition from manual packaging to automatic packaging, staff training, the production acceleration process. Final commissioning took place in August 2024 after the equipment reached the contracted parameters.

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 for the 9 months of 2024 was of RON 86,175 thousand (during the 9 months ended 30 September 2023: for continuing operation RON 97,890 thousand).

At 30 September 2024, the net book value of *Property, plant and equipment* pledged for securing the Group's borrowings amounts to RON 738,916 thousand (at 31 December 2023: RON 722,859 thousand).

#### **Impairment tests for property, plant and equipment**

The Group performs its annual impairment test in the end of the financial year and when circumstances indicate that the carrying value may be impaired. At 31 December 2023, as a result of several factors, such as increasing prices and scarce availability of energy products and other raw materials with a negative impact on the production costs, which caused the Group to take a decision in 2022 to temporarily suspend the alumina production operations and reduction of the primary aluminium production by 60% by shutting down three electrolysis pot rooms, an impairment test of the property, plant and equipment of Alro and Alum was carried out. As a result of the impairment test performed at Alro, the recovery value of its property, plant and equipment was higher than their net book value, so no impairment expense was recognized. As a result of the impairment review carried out by Alum, it was determined that the recoverable value of property, plant and equipment was materially different from its carrying value, therefore an impairment in amount of RON 77,547 thousand was recognized as at 31 December 2023.

As at 30 September 2024, based on the analysis of both external and internal sources of information, there are no new indications of impairment beyond those already considered at 31 December 2023. The conditions influencing aluminium prices, market demand, interest rates, and global economic factors have remained consistent and the internal performance of the subsidiaries within the Alro Group shows positive variances in gross profit, EBITDA, and net profit, thus do not presenting significant concerns that would indicate a need for impairment testing. Given these conditions, an impairment test on the Group's property, plant, and equipment was not performed at 30 September 2024.

**14. Financial instruments**

Set out below, is an overview of financial assets and financial liabilities held by the Group as at 30 September 2024 and 31 December 2023:

**Categories of financial instruments**

	<b>30 September 2024</b>	<b>31 December 2023</b>
<b>Financial assets</b>		
<b>At amortised cost</b>		
Cash and bank balances	100,581	225,940
Receivables	925,158	637,402
<b>Fair value through profit or loss (FVTPL)</b>		
Designated as at FVTPL	22,117	3,259
<b>Total financial assets</b>	<b>1,047,856</b>	<b>866,601</b>
	<b>30 September 2024</b>	<b>31 December 2023</b>
<b>Financial liabilities</b>		
<b>Amortised cost:</b>		
Trade and other payables	451,465	305,097
Non-current bank and other loans	1,032,931	1,182,030
Current bank and other loans	278,810	301,510
<b>Total financial liabilities</b>	<b>1,763,206</b>	<b>1,788,637</b>

As at 30 September 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 Aluminium segment, in line with the Group's 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 consider 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;
- Borrowings and leases.

## 15. Inventories

	30 September 2024	31 December 2023
Raw and auxiliary materials	355,786	348,639
Work in progress	214,987	208,543
Finished goods	267,665	419,482
Less: allowance for obsolescence	-28,110	-91,928
<b>Total</b>	<b>810,328</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.

In the 9-month period ended 30 September 2024, the increase in demand, led to more orders for delivery in the second quarter, especially for processed products and aluminium wire rod, resulting in a decrease in the inventory of finished products as presented above.

The value of inventories pledged for securing the Group's borrowings amounts to RON 793,658 thousand (at 31 December 2023: RON 864,117 thousand).

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

	Nine months ended 30 September 2024	Nine months ended 30 September 2023
Balance at beginning of the year	-91,928	-122,878
(Charge) to cost of goods sold	-557	-321
Reversal to cost of goods sold	64,375	37,082
(Charge) to cost of goods sold from disposed operations	-	-9,527
Reversal as a result of disposal of subsidiaries	-	28,371
Translation adjustments	-	-468
<b>Balance at end of the period</b>	<b>-28,110</b>	<b>-67,741</b>

The Group reversed RON 38,292 thousand of a previous inventory write-down as of 31 December 2023, since the relevant goods were sold during the first 9 months of 2024. Additionally, the Group reversed RON 24,623 thousand, related to the adjustment of work in progress to its net realizable value, mainly due to the decrease in the cost of raw materials.

## 16. Other current financial assets

	30 September 2024	31 December 2023
Government grants receivable	649,124	373,980
VAT recoverable	41,043	43,389
Other current financial assets	10,274	15,960
Allowance for sundry doubtful debtors	-124	-124
<b>Total</b>	<b>700,317</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 30 September 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 9 months 2024 of RON 275,144 thousand, recognized on an accrual basis. For further details, please see also Note 8 *Other operating income*.

**17. Cash and cash equivalents**

	30 September 2024	31 December 2023
Cash at banks in RON	62,077	152,620
Cash at banks in other currencies	38,389	53,461
Petty cash and cash equivalents	61	45
<b>Total</b>	<b>100,527</b>	<b>206,126</b>

At 30 September 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 94,419 thousand as at 30 September 2024 and RON 160,797 thousand as of 31 December 2023) are pledged to guarantee the borrowings from banks.

**Restricted cash**

	30 September 2024	31 December 2023
Restricted cash	54	19,814
<b>Total</b>	<b>54</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**

	30 September 2024	31 December 2023
<b>Long-term borrowings</b>		
Long-term bank loans	1,305,857	1,474,795
Less: Short-term portion of long-term bank loans	-276,445	-298,728
<b>Bank loans, non-current</b>	<b>1,029,412</b>	<b>1,176,067</b>
Leases, non-current	3,519	5,963
<b>Total long-term borrowings and leases</b>	<b>1,032,931</b>	<b>1,182,030</b>
<b>Short-term borrowings</b>		
Short-term portion of long-term bank loans	276,445	298,728
<b>Bank loans, current</b>	<b>276,445</b>	<b>298,728</b>
<b>Short-term loans, total</b>	<b>276,445</b>	<b>298,728</b>
Leases, current	2,365	2,782
<b>Total short-term borrowings and leases</b>	<b>278,810</b>	<b>301,510</b>
<b>Total borrowings and leases</b>	<b>1,311,741</b>	<b>1,483,540</b>

The bank borrowings of the Group mature until 2031. In 2024 their related interest rates ranged between 4.6% for EUR and 8.97% for USD (2023: between 3.66% for EUR and 26% for SLE).

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 from which at 30 September 2024 the amount of EUR 348 thousand was drawn down. Additionally, the subsidiary signed a facility of EUR 4,800 thousand with maturity until January 2027 for financing the investment in progress. As at 30 September 2024 this new facility was fully drawn down.

At 30 September 2024, the Group had the amount of RON 151,395 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 67,611 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 47,638 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 740,230 thousand (including for lease contracts) (at 31 December 2023: RON 724,468 thousand) (see Notes 13), and with inventories of RON 793,658 thousand (at 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 banks for 90% of the RON 470,000 thousand 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 and for 70% of the RON 180,000 thousand loan, 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

	30 September 2024	31 December 2023
Foreign trade and other payables	237,739	87,255
Domestic trade and other payables	86,489	66,263
Accrued trade and other payables	70,830	87,289
<b>Total</b>	<b>395,058</b>	<b>240,807</b>

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

The investments made in the development of the scrap re-melting capacities in Eco Recycling Facility led to an increase in the balance of *Foreign trade and other payables* as at 30 September 2024 compared to 31 December 2023, mainly due to the increase in purchasing of aluminium ingots and aluminium scrap, as an efficient alternative to the electrolytic aluminium 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 S.A.	Associate

Group transactions are eliminated on consolidation.

The primary related party transactions are described below:

Sales of goods and services	Nine months ended 30 September 2024	Nine months ended 30 September 2023
Companies under common control	455	1,012
<b>Total goods and services provided to related parties</b>	<b>455</b>	<b>1,012</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:**

	Nine months ended 30 September 2024	Nine months ended 30 September 2023
Companies under common control	-176,235	-100,699
<b>Total goods and services purchased from related parties</b>	<b>-176,235</b>	<b>-100,699</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 during the 9 months of the year 2024, in amount of RON 127,978 thousand (acquisition of gas from related party Conef Gaz during the 9 months of the year 2023: RON 54,445 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 30 September 2024 and 31 December 2023:

**Trade and other accounts receivable:**

	30 September 2024	31 December 2023
Companies under common control	10,659	14,606
Allowance for doubtful receivables	-3,451	-3,451
<b>Total trade and other accounts receivable from related parties</b>	<b>7,208</b>	<b>11,155</b>
- non-current	-	-
- current	7,208	11,155

**Trade and other accounts payable:**

	30 September 2024	31 December 2023
Companies under common control	18,084	9,105
<b>Total trade and other accounts payable to related parties</b>	<b>18,084</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 14,329 thousand (during the 9 months of year 2023: RON 15,127 thousand), while the expense for determined contribution plan (social contributions) for the first 9 months of 2024 was RON 3,504 thousand (during the first 9 months of 2023 was RON 3,676 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:

	Nine months ended 30 September 2024	Nine months ended 30 September 2023
Goods and services purchased from entities controlled by key management personnel or their close family members	3,911	107
<b>Total</b>	<b>3,911</b>	<b>107</b>

**21. Commitments and contingencies**

**Commitments**

*Investment commitments*

As at 30 September 2024, the Group's commitments pertaining to the investments of 2024 amounted to RON 63,016 thousand (31 December 2023: RON 63,923 thousand).

As at 30 September 2024, Alro's contribution to the share capital of the company CCGT Power Isalnita SA ("CCGT Power") was of RON 108,269 thousand, by the end of the year Alro's participation will increase by RON 108,232 thousand, reaching the equivalent in RON of EUR 43,514 thousand, which represents 40.1% of the new company's share capital.

*Raw material and utilities purchase contracts*

As at 30 September 2024, the Group had contracts for purchases of raw materials, other consumables and utilities in amount of RON 877,785 thousand (31 December 2023: RON 1,120,175 thousand).

**Contingencies**

*Litigations*

As at 30 September 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 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, which was rejected by the National Agency for Fiscal Administration. Subsequently, 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. The National Agency for Fiscal Administration filed the appeal against this decision and the file was submitted to the High Court of Cassation and Justice.

In 2023, the Parent Company of the Group was subject to a fiscal audit by the National Agency for Fiscal Administration for the years 2016-2021. The audit was finalized in January 2024, resulting in additional charges, interest and penalties amounting to RON 20,919 thousand, which were recognized as an expense in 2023. The Company paid additional taxes imposed of RON 15,303 thousand in 2024, while for the remaining penalties, it applied for and it was approved their cancellation in October 2024, as allowed by the Government Emergency Ordinance no. 107/4.09.2024.

## 22. Events after the reporting date

On 3 October 2024 the Parent Company commissioned its new cutting-edge aluminium processing facility, CUTSMART SYSTEMS, which is set to further diversify the Company's production capabilities. This state-of-the-art facility, operational following a RON 13,730 thousand investment, will focus on precision cutting of aluminium products tailored to the specific needs of clients across industries. This investment marks a major step in ALRO's commitment to providing value-added services and optimising operational efficiency.

The Parent Company also implemented a comprehensive brand revitalising initiative. The Company's new image highlights the transformation undertaken over the past 20 years, and the results of the investments in technology, efficiency and reducing the environmental footprint. This refreshed identity is also a statement for the future, representing the Company's commitment to durable, highly efficient production processes.

In October 2024, a subsidiary of the Group received the amount of EUR 1.43 million from Innovation Norway, the Norwegian government's official trade representative abroad. The grant represents non-refundable financing for the project worth more than EUR 6.4 million (respectively RON 31,818 thousand) "Extruded Aluminium Profiles automatic packaging line" through which it purchased an automatic packaging line for finished products, an investment that will lead to a reduction in CO<sub>2</sub> emissions and a reduction in the amount of waste generated in the production process.

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	Nine months ended 30 September 2024	Nine months ended 30 September 2023
Current ratio	Current assets/ Current liabilities	2.31	1.47
Gearing ratio	Long-term borrowings/ Equity x 100	91.46	41.80
	Long-term borrowings/ Capital employed x 100	47.77	29.48
Receivables turnover	Receivables average balance/ Turnover x 270	8.06	9.33
Non-current assets turnover	(Turnover x 360/ 270)/ Non-current assets	2.68	2.58

At 30 September 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 30 September 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	Nine months ended 30 September 2024	Nine months ended 30 September 2023
Adjusted current ratio	Current assets/ Current liabilities	2.31	3.42
Adjusted gearing ratio	Long-term borrowings/ Equity x 100	91.46	104.61
	Long-term borrowings/ Capital employed x 100	47.77	51.13