



**Quarterly Report
31 March 2026**



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ALRO GROUP

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Quarterly Report 31 March 2026

ALRO GROUP

CONSOLIDATED QUARTERLY REPORT FOR THE FIRST THREE MONTHS ENDED 31 MARCH 2026

Consolidated Financial Results for the First Quarter of 2026 (Q1 2026) as Compared to the First Quarter of 2025 (Q1 2025) (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, Stocare Energie Slatina S.A. – electricity production, CCGT- Power Isalnita- associate and Stocare Energie Tulcea (SET Tulcea S.A.) - associate.

Alro Group

Consolidated quarterly report for Q1 2026

Highlights of the first quarter of 2026 (Q1 2026)

- Consolidated turnover higher 8% in Q1 2026 versus Q1 2025 as a result of the Group's effective commercial strategy to increase the sales of high value-added products, sustained demand across key markets such as: aerospace and general engineering industries and strengthened customer relationships;
- Higher output of aluminium for both divisions, strong focus on products with higher profit margins;
- Average 3-month LME quotation reached 3,199 USD/ tonne in Q1 2026, increasing by 573 USD/ tonne (+22%) compared to Q1 2025 (2,626 USD/ tonne) and by 354 USD/tonne compared to Q4 2025 (12% quarter on quarter rise);
- EBITDA of RON 128,548 thousand in Q1 2026, significantly higher than the EBITDA of RON 67,031 thousand reported in Q1 2025. Improvement driven by increased sales volume of high value-added products and higher aluminium prices, partially offset by rising electricity costs;
- Positive cashflows from operations of RON 48,099 thousand compared to negative cashflows of RON 40,671 thousand reported in Q1 2025;
- Bottom line result: net profit of RON 16,326 thousand recorded in Q1 2026 as compared to a net profit of RON 20,655 thousand reported in Q1 2025, proving the Group's ability to grow its business amid weaker global manufacturing activity in the first quarter of 2026. The net result is significantly impacted by non-cash valuations, such as the FX loss of RON 22,981 thousand in Q1 2026 compared to the FX gain of RON 27,914 thousand in Q1 2025 and by the fair value of derivatives used to assure a certain price for a quantity of aluminium to be sold in 2026 (net loss of RON 15,419 thousand in Q1 2026, nil in Q1 2025).

Financial and operational highlights for the first 3 months of 2026

ALRO GROUP

Indicator	Q1 2026	Q1 2025
Primary aluminium production (tonnes)	68,398	64,800
Processed aluminium production (tonnes)	33,428	33,383
Sales (thousand RON)	1,117,156	1,034,549
EBITDA ¹ (thousand RON)	128,548	67,031
EBITDA margin (%)	11.5%	6.5%
Adjusted net result ² (thousand RON)	38,284	27,046
Net result (thousand RON)	16,326	20,655

ALRO S.A.

Indicator	Q1 2026	Q1 2025
Primary aluminium production (tonnes)	68,398	64,800
Processed aluminium production (tonnes)	25,172	24,401
Primary aluminium sales (tonnes)	28,908	30,128
Processed aluminium sales (tonnes)	27,077	24,664
Sales (thousand RON)	1,045,631	974,843
EBITDA ¹ (thousand RON)	127,348	65,117
EBITDA margin (%)	12.2%	6.7%
Adjusted net result ² (thousand RON)	42,681	33,381
Net result (thousand RON)	18,196	26,866
Adjusted net result ² per share (RON)	0.060	0.047
Net result per share (RON)	0.025	0.038

¹ EBITDA earnings before interest, taxes, depreciation, amortization and impairment;

² 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.

Overview

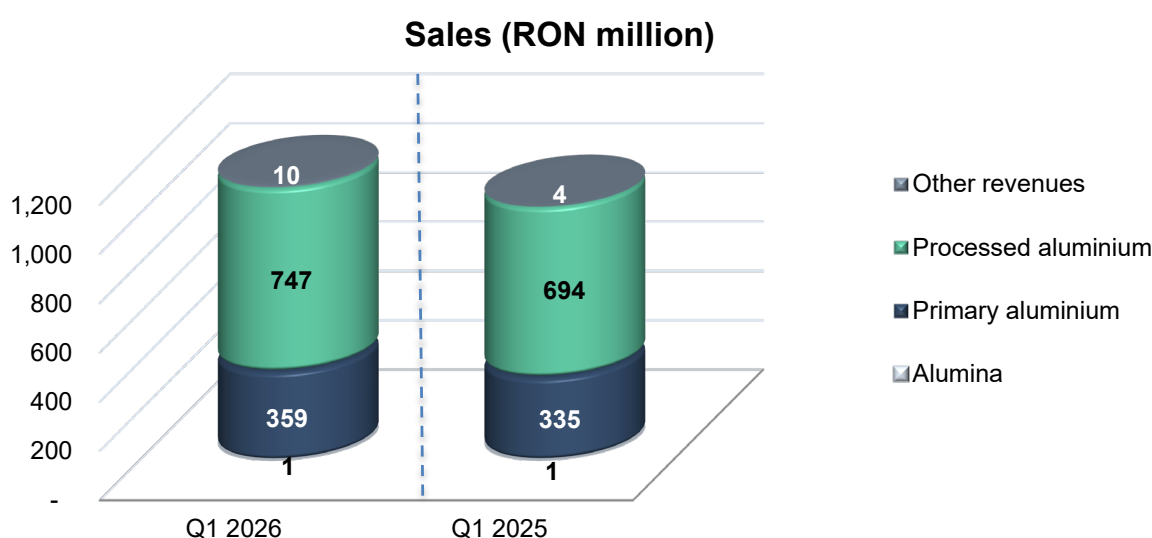
2025 was a year when the world economy went further through a series of challenges such as the conflicts between Russia and Ukraine and in the Middle East, as well as other geopolitical tensions. The high level of uncertainty and volatility in the markets has reached even higher levels with the increase in tariffs imposed by the US. In Q1 2026, global economic instability peaked with the escalation of the conflict in the Middle East, which caused oil and gas prices to rise sharply, slowing global economic growth and disrupting supply chains. Despite this unfavorable economic context, in Q1 2026 the Group once again showed resilience by adapting to the turbulent times that the global economy is going through and recorded an increase in sales and production volumes, closing this quarter with a turnover of RON 1,117,156 thousand (up 8% as compared to Q1 2025), an EBIT of RON 97,303 thousand (RON 59,356 thousand higher than in Q1 of the previous year) and a consolidated net profit of RON 16,326 thousand as compared to a net profit of RON 20,655 thousand recorded in Q1 2025.

Sales

The 3-month LME aluminium closing price, in 2025, was the highest quotation of last year, namely, 2,990 USD/tonne. The start of the CBAM tax in Europe on 1 January 2026 has led to the increase of the aluminium price, which exceeded 3,000 USD/tonne, reaching an average of 3,199 USD/tonne during the first quarter of 2026 (as compared to the average of 2,626 USD/tonne in Q1 2025). Thus, this was one of the factors that helped increase the Group's turnover from RON 1,034,549 thousand in Q1 2025 to RON 1,117,156 thousand in the same quarter of 2026, besides the higher deliveries and the higher premium. Additionally, in April 2026, LME aluminum prices reached levels above 3,600 USD/tonne due to the disruptions in supply chains in the Middle East, the average 3-month seller LME quotation of this month being of 3,546 USD/tonne.

Set out below is a breakdown of sales by segment in Q1 2026 and Q1 2025 (third parties only):

Revenues from contracts with customers (RON '000)	Q1 2026	Q1 2025
Revenues from the alumina segment	679	1,026
Revenues from the primary aluminium segment	359,453	335,104
Revenues from the processed aluminium segment	747,020	694,463
Other	10,004	3,956
Total	1,117,156	1,034,549



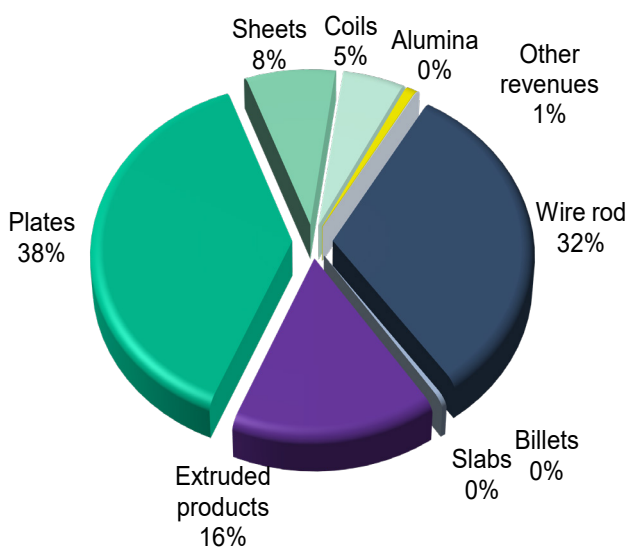
In the Primary Aluminium Division, in Q1 2026 revenue from contracts with customers recorded an increase of 7.3%, amounting to RON 359,453 thousand as compared to RON 335,104 thousand in Q1 2025. This evolution was mainly driven by the decrease in billet production and the reallocation of capacity toward higher value-added products at Group level and increase of LME prices in Q1 2026. In the first quarter of 2026, the Primary Aluminium Division reported an increase in wire rod sales compared to the same period of the previous year, both in terms of volumes and premiums achieved. At the same time, the Group continued to develop partnerships with key customers

in the European market, recording a 10.2% increase in sales compared to Q1 2025 (Q1 2026: RON 354,965 thousand; Q1 2025: RON 322,253 thousand). In terms of volumes sold, a 3% increase was recorded, representing an additional 583 tonnes of wire rod in Q1 2026 (Q1 2026:19,821 tonnes versus Q1 2025:19,238 tonnes). Approximately 61% of wire rod sales volumes were directed to external markets, mainly to Central and Eastern European countries, as well as to Italy and Germany, while the remaining 39% was allocated to the Romanian market. Demand for wire rod, both domestic and across Central and Eastern Europe, showed an upward trend starting from the end of January 2026 and remained on a positive trajectory throughout the quarter. Towards the end of Q1 2026, demand increased significantly, mainly driven by the geopolitical context in the Middle East, as well as by the decreasing of inventories among most European competitors. In this context, the Group benefited from the opportunity to also perform spot sales, increasing product premiums. Regarding the billets, in the context of the Group's strategic decision to reduce the allocation of production capacity for this segment, sales of billets declined in Q1 2026 compared to the same period of the previous year. Production capacity was redirected towards wire rod and slabs in order to maximize revenues through the sale of higher profit margin products. Under these circumstances, and also as a result of the casting equipment reconversion at the end of 2025, billet sales in Q1 2026 decreased by 904 tonnes compared to Q1 2025.

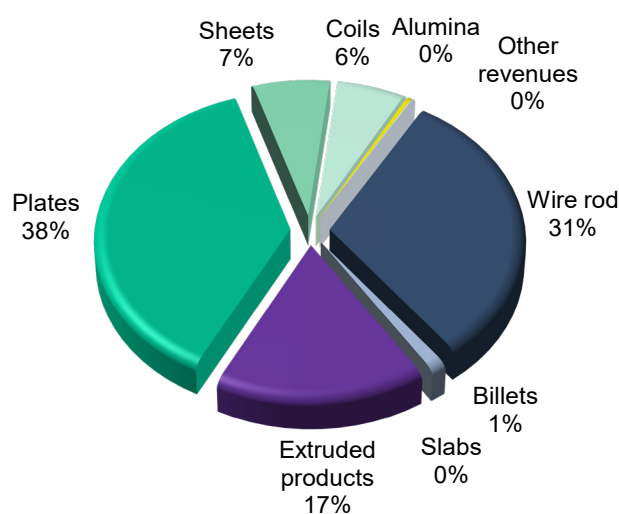
The Flat Rolled Products segment, within the Processed Aluminium Division, delivered a strong sales performance in Q1 2026, confirming its role as the main growth engine within the processed aluminium portfolio. Total Flat Rolled Products sales reached RON 570,858 thousand, increasing by RON 50,072 thousand (or +9.6%) versus Q1 2025 and by 112,312 thousand RON (or +24.5%) versus Q4 2025, reflecting both a solid year-on-year and sequential improvement. This growth was primarily driven by the plates business, which generated revenues of RON 425,239 thousand, representing an increase of RON 37,317 thousand (+9.6%) versus Q1 2025 and a strong acceleration of 98,795 thousand RON (+30.3%) versus Q4 2025. The performance highlights the successful materialization of new business opportunities, particularly in aerospace and general engineering applications, where demand to high-specification plates continued to strengthen, mainly in the second part of the quarter. In addition to the volume growth and improved product mix, the Group's revenues from sales were also supported by more favorable LME aluminium quotations in Q1 2026, which contributed positively to overall sales value. At the same time, the Group's position in the EU markets remained robust, providing a stable revenue base. This was complemented by continued expansion to Asian markets, where the Group continued to increase its footprint, particularly in higher value-added plates. Within the flat rolled products mix, the sheets also contributed positively on a year-on-year basis (+ 880 tonnes versus Q1 2025), while coils showed a more moderate evolution, with a slight decrease year-on-year of 200 tonnes. However, these segments remained secondary compared to the strong revenue contribution from the plate business. The support of the extruded products segment to the revenue of the Processed Aluminium Division, consisting of standard and customized profiles, represented a slight increase of RON 2,485 thousand in Q1 2026 compared to Q1 2025 and a substantial increase of RON 45,882 thousand compared to Q4 2025.

The contribution to sales of the Processed Aluminum segment, including products with high and very high value added, remained major (in Q1 2026, 67% of the Group's total revenues and 67% in Q1 2025), while the share of the Primary Aluminum segment in the total revenues of the Group was of 32% in Q1 2026 and Q1 2025.

Sales structure (RON '000), Q1 2026



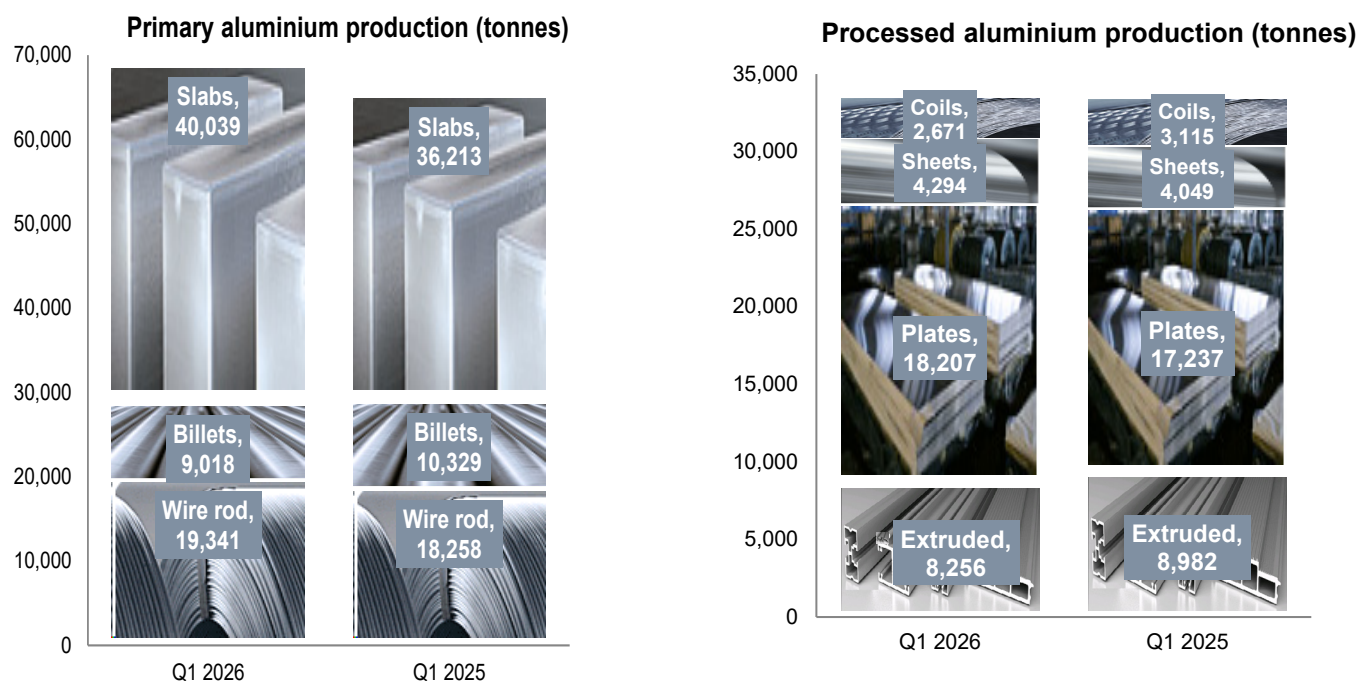
Sales structure (RON '000), Q1 2025



Production

In Q1 2026, the Group continued to record higher production volumes as compared to previous periods thanks to state-of-the-art investments made in technological processes, the optimization of the production mix and the Group's efforts in expanding the portfolio of high value-added products. In Q1 2026, the Group produced 18,681 tonnes of electrolytic aluminum, i.e. by 1,807 tonnes more than in Q1 2025, as a result of increasing the number of electrolysis pots in production in order to support the growth of processed product production. Also, in Q1 2026, the Group increased the cast production of the Primary Aluminium Division from 64,800 tonnes in Q1 2025 to 68,398 tonnes in Q1 2026 with focus on wire rod (+1,083 tonnes in Q1 2026 versus Q1 2025) and slabs (+3,826 tonnes in Q1 2026 versus Q1 2025), the later being used internally as input metal for flat rolled aluminium production).

The production of the flat rolled products in Processed Aluminium Division was higher by 3% in Q1 2026 than the one recorded in Q1 2025 with the greatest achievement in plates, which is the Group's product with the highest value added (+ 970 tonnes). This performance was driven by the increase in order volume, especially in the aerospace industry, reflecting customer confidence in the Group's ability to deliver sophisticated and high-quality products. On the other hand, after a difficult year 2025, marked by weak industrial demand for profiles, in Q1 2026 the production reported by the extruded products segment was lower by 726 tonnes than in Q1 2025, but substantially increased compared to Q4 2025 (+1,361 tonnes).



The Group's **cost of goods sold** was RON 1,029,946 thousand in Q1 2026 and of RON 980,766 thousand in Q1 2025. The increase by 5% was determined mainly by the increase in quantities sold and by higher purchase prices of energy, in line with their specific market prices. Following its strategy of increasing efficiency and lowering its impact on the environment and at the same time increasing the production of high value-added products, in Q1 2026 the Group consumed higher quantities of ingots purchased for its aluminium production (in Q1 2026: almost 21,700 tonnes; in Q1 2025: almost 20,200 tonnes). Additionally, since the price of certain raw materials purchased, namely aluminium scrap and ingots, is linked to the LME quotation, it recorded an increase in Q1 2026 as compared to Q1 2025, in line with the upward trend of aluminium price in the reported period.

However, the increase by 5% of the cost of goods sold in Q1 2026, as compared to the same period of the previous year remained below the 8% increase in sales during the analyzed period, so that the **gross result margin** increased to 8% in Q1 2026 from 5% in Q1 2025.

The higher quantities of plates, sheets and wire rod sold and the positive evolution of LME in the first quarter of 2026 compared to the first quarter of 2025, have translated into **gross profit** of RON 87,210 thousand in Q1 2026 compared to a gross profit reported in Q1 2025 of RON 53,783 thousand, however partly offset by higher costs of electricity and some raw materials.

In Q1 2026, **Other operating income** reached the value of RON 105,726 thousand (as compared to Q1 2025: RON 77,593 thousand) and mainly includes compensation of RON 100,000 thousand (Q1 2025: RON 75,000 thousand) recorded by the Group for high energy costs as per EU legislation on the EU-ETS scheme, on an accrual basis for the first three months of 2026. For more details, see also the Group's interim condensed consolidated financial statements for the three months ended 31 March 2026.

In Q1 2026 Alro Group continued its upward course, so it achieved excellent operational results. The Group's **Operating result** (EBIT) for Q1 2026 was RON 97,303 thousand (compared to an EBIT of RON 37,947 thousand in Q1 2025), as a result of the management efforts to optimise the operations, increase the sales of high value added products, as well as a result of the rising quotations of aluminium during the analysed period.

The loss from derivative financial instruments, net are mainly related to the 100% collar options concluded by the Group in Q1 2026 for a quantity of 21,400 tons of aluminium, for which the Group secured the minimum budgeted price from February 2026 to December 2026. In Q1 2026 from the net loss of RON 17,485 thousand (Q1 2025: nil) related to commodity options, an amount of RON 171 thousand (Q1 2025: nil) represents the cost of unexercised options during Q1 2026, as the LME quotations were within the collar interval, while the amount of RON 17,314 thousand (Q1 2025: nil) represents the unrealized loss, namely the mark-to-market of the outstanding options at 31 March 2026. On the other hand, in Q1 2026, the Group had concluded fixed for floating swap contracts, for a total quantity of 3,909 tonnes of aluminum, through which it secured a fixed price for the aluminum sold to customers during January-October 2026 and the unrealized gains from the mark-to-market of the outstanding contracts at 31 March 2026 was of RON 2,066 thousand in Q1 2026 (Q1 2025: nil). For further details, please see Note 15 to the Group's interim condensed consolidated financial statements for the three months ended 31 March 2026.

Net foreign exchange gains / (losses) are mainly amounts arising from the revaluation of the Group's loans and other foreign currency liabilities. The negative FX impact was significant in Q1 2026, with a notable loss of RON 22,981 thousand driven by the depreciation of the Romanian Leu against of US dollar at the end of Q1 2026, whereas in Q1 2025 the Group registered a gain of RON 27,914 thousand, supported by the appreciation of Romanian Leu at the end of Q1 2025.

The combination of aerospace-driven demand, a strengthening position in the Europe market, ongoing expansion in Asia and supportive LME pricing enabled the Group to deliver a clear increase in sales in Q1 2026 compared to Q1 2025, with the plate and wire rod business firmly at the core of this growth, despite the market challenges. This evolution is a result of Group's strategy to increase the percentage of high value added products in the production mix and to continuously invest in strategic projects in order to reduce the carbon print of the process activities and to diversify the range of products. In Q1 2026 the Group's achievements materialized in a **net profit** of RON 16,326 thousand, as compared to a net profit recorded in Q1 2025 of RON 20,655 thousand, despite being adversely affected by FX losses and interest rates that remained at high levels.

The reconciliation between the net result and the adjusted net result for Q1 2026 and Q1 2025 is detailed below:

Adjusted net result	Q1 2026	Q1 2025
NET RESULT (RON '000)	16,326	20,655
Plus/(minus) the loss/(gain) from derivative financial instruments for which hedge accounting was not applied	15,419	-
Plus/(minus) deferred tax expense/ (income)	6,539	6,391
ADJUSTED NET RESULT	38,284	27,046

Strategic investments

There are several investing projects initiated or continued in Q1 2026, of which the following have a significant weight in the Group strategy to align with the most recent standards of sustainability and best practices:

In Q1 2026, the investment project for the purchase of a brushing machine necessary to increase plates brushing capacities was initiated by the Group in order to increase the share of high value-added products, with a total estimated value of RON 23,261 thousand (the equivalent in RON of USD 5,212 thousand). The project is scheduled for completion in 2027.

In order to pursue the strategic decision of increasing the flat rolled production and of developing the Cut-to-Size and Precision Plates products segment, in Q1 2026 the Group put into operation the investment, commenced in 2024: Acquisition of one band saw for aluminium alloys slabs cutting, for the purpose of providing the slab casting capacity according to the slabs requirement necessary to achieve the Processed Aluminium Division production. The amount spent for this investment project until 31 March 2026 was of RON 13,671 thousand.

A project started in 2024 and continued in the first quarter of 2026 is the development of Alro product portfolio by purchasing a processing equipment for precision plates longitudinal cutting and milling amounting to a total estimated value of RON 32,458 thousand (the equivalent in RON of USD 7,300 thousand). The benefits obtained from the implementation of the investment project are in line with Group's policy on increasing profitability, by making complex products, as close as possible to customer requirements, therefore very high added value products. The project is expected to be finalized in 2026.

Interim condensed consolidated financial statements

ALRO GROUP

Interim condensed consolidated financial statements for
the three months ended 31 March 2026 (unaudited)



Interim consolidated statement of profit or loss and other comprehensive income for the three months ended 31 March 2026 - unaudited

	Note	Three months ended 31 March 2026	Three months ended 31 March 2025
in RON '000, except stated otherwise			
Revenue from contracts with customers	5	1,117,156	1,034,549
Cost of goods sold		-1,029,946	-980,766
Gross result		87,210	53,783
General, administrative and selling expenses	7	-89,713	-85,404
Other operating income	8	105,726	77,593
Other operating expenses	9	-5,920	-8,025
Operating result (EBIT)		97,303	37,947
Interest expenses	10	-27,229	-29,370
Loss from derivative financial instruments, net		-15,419	-
Other financial income		1,957	3,440
Other financial costs		-8,657	-8,492
Net foreign exchange gains / (losses)		-22,981	27,914
Share of result of associates		1,145	93
Result before income taxes		26,119	31,532
Income tax	11	-9,793	-10,877
Result for the period		16,326	20,655
Total comprehensive income / (expense) for the period		16,326	20,655
Result attributable to:			
Shareholders of Alro S.A.		16,345	20,682
Non-controlling interest		-19	-27
		16,326	20,655
Total comprehensive income / (expense) attributable to:			
Shareholders of Alro S.A.		16,345	20,682
Non-controlling interest		-19	-27
		16,326	20,655
Earnings / (losses) per share			
Basic and diluted (RON)	12	0.023	0.029

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 28 May 2026.

Interim consolidated statement of financial position as at 31 March 2026 - unaudited

in RON '000

	Note	31 March 2026	31 December 2025
Assets			
Non-current assets			
Property, plant and equipment	13	880,810	888,767
Investment properties		502	509
Intangible assets		2,929	3,231
Equity accounted investments		219,771	218,626
Goodwill		15,834	15,834
Right-of-use assets		13,187	13,507
Deferred tax asset	12	76,878	83,417
Other non-current financial assets		150,565	150,216
Total non-current assets		1,360,476	1,374,107
Current assets			
Inventories	16	924,636	959,447
Trade receivables, net		126,290	90,700
Current income tax receivable		39	65
Other current financial assets	17	559,912	474,739
Other current non-financial assets		27,456	32,428
Derivative financial instruments assets, current	15	2,433	367
Restricted cash	18	36,057	36,126
Cash and cash equivalents	18	305,519	247,517
Total current assets		1,982,342	1,841,389
Total assets		3,342,818	3,215,496
Shareholders' Equity and Liabilities			
Shareholders' equity			
Share capital		370,037	370,037
Share premium		86,351	86,351
Other reserves		376,103	376,103
Retained earnings		129,926	176,484
Result for the period		16,345	-46,558
Equity attributable to shareholders of Alro S.A.		978,762	962,417
Non-controlling interest		55	74
Total shareholders' equity		978,817	962,491
Non-current liabilities			
Bank and other loans, non-current	19	675,913	573,501
Leases, non-current	19	8,280	8,747
Provisions, non-current		26,544	26,136
Post-employment benefit obligations		30,565	30,565
Government grants, non-current portion		27,985	29,191
Other non-current financial liabilities		809	2,019
Total non-current liabilities		770,096	670,159
Current liabilities			
Bank and other loans, current	19	827,635	883,895
Leases, current	19	3,631	3,668
Provisions, current		26,963	35,510
Trade and other payables	20	624,215	554,643
Contract liabilities	5	22,070	37,610
Derivative financial instruments liability, current	15	16,005	-
Current income taxes payable		7,860	4,632
Government grants, current portion		4,752	4,752
Other current liabilities		60,774	58,136
Total current liabilities		1,593,905	1,582,846
Total liabilities		2,364,001	2,253,005
Total shareholders' equity and liabilities		3,342,818	3,215,496

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Chief Executive Officer

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Chief Financial Officer

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Interim consolidated statement of changes in shareholders' equity for the three months ended 31 March 2026 - unaudited

	Share capital	Share premium
Balance at 1 January 2025	370,037	86,351
Result for the period	-	-
Total comprehensive income / (expense) for the period	-	-
Appropriation of prior year result	-	-
Balance at 31 March 2025	370,037	86,351
Balance at 1 January 2026	370,037	86,351
Result of the period	-	-
Total comprehensive income / (expense) for the period	-	-
Appropriation of prior year result	-	-
Balance at 31 March 2026	370,037	86,351

in RON '000

Other reserves	Retained earnings	Result for the period	Attributable to shareholders of Alro SA	Non-controlling interests	Total shareholders' equity
376,103	167,216	10,324	1,010,031	508	1,010,539
-	-	20,682	20,682	-27	20,655
-	-	20,682	20,682	-27	20,655
-	10,324	-10,324	-	-	-
376,103	177,540	20,682	1,030,713	481	1,031,194
376,103	176,484	-46,558	962,417	74	962,491
-	-	16,345	16,345	-19	16,326
-	-	16,345	16,345	-19	16,326
-	-46,558	46,558	-	-	-
376,103	129,926	16,345	978,762	55	978,817

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Interim consolidated statement of cash flows for the three months ended 31 March 2026 - unaudited

in RON '000

	Note	Three months ended 31 March 2026	Three months ended 31 March 2025
Cash flow from operating activities			
Result before income taxes		26,119	31,532
<i>Adjustments for:</i>			
Depreciation and amortisation		31,245	29,084
Movement in provisions		-8,547	-13,015
Change in allowance for impairment of inventory	16	-14,078	8,602
Change in allowance for expected credit losses of trade receivables	7	1,652	-65
Losses/(gains) on disposal of property, plant and equipment		-602	130
Share of result of associates		-1,145	-93
Net foreign exchange (gains)/ losses on loans revaluation	19	8,154	-29,510
Interest income		-1,957	-3,440
Interest expense	10	27,229	29,370
Gain/loss on derivative instruments at fair value through profit or loss	15	15,419	-
<i>Changes in working capital:</i>			
Change in inventories		48,717	-12,344
Change in trade receivables and other assets		-118,651	-113,868
Change in trade and other payables		61,857	54,836
Income taxes (paid) / received		-	-516
Interest paid	19	-25,841	-21,374
Cash receipts / (Payments) from derivatives, net		-1,472	-
Net cash generated from / (used in) operating activities		48,099	-40,671
Cash flow from investing activities			
Purchase of property, plant and equipment and intangible assets, net		-30,828	-28,129
Government grants received		-	723
Proceeds from sale of property, plant and equipment		1,868	227
Acquisition of associates		-	-18
Change in restricted cash and collateral deposits	18	69	-23
Interest received		1,905	3,410
Net cash used in investing activities		-26,986	-23,810
Cash flow from financing activities			
Proceeds from loans	19	54,554	5,286
Repayment of loans and leases	19	-17,665	-25,987
Net cash from / (used in) financing activities		36,889	-20,701
Net change in cash and cash equivalents		58,002	-85,182
Cash and cash equivalents at beginning of period		247,517	431,303
Cash and cash equivalents at end of period	18	305,519	346,121

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Chief Executive Officer

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Chief Financial Officer

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Notes to the interim condensed consolidated financial statements - unaudited

in RON '000, except stated otherwise

1. Organisation and nature of business

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

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

The majority shareholder of Alro S.A. is Vimetco PLC, a private limited liability company registered under the laws of Cyprus, based in Navarinou 18, 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 6 of its electrolysis potrooms. Since August 2022 Alum has not produced alumina by itself, as the production was temporarily ceased; instead, it procures alumina from the market as an agent for Alro. In September 2023, Alro started investing in the electricity business by forming a partnership with CCGT Power Isalnita S.A. ("CCGT Power") and by further investing in companies for power storage facilities.

These interim condensed consolidated financial statements were authorised for issue by the Management on 28 May 2026.

2. Basis of preparation

Statement of compliance

These interim condensed consolidated financial statements of Alro and its subsidiaries (further named Condensed financial statements) for the 3 months ended 31 March 2026 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 ("OMFP 2844/2016"), for the approval of the Accounting regulation in accordance with the International Financial Reporting Standards (IFRS Accounting standards) applicable to the companies whose real shares are accepted for transaction on a regulated market*.

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 statements as at and for the year ended 31 December 2025. These interim condensed consolidated 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 2025.

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 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.

Functional and presentation currency

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

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

	31 March 2026	31 December 2025
USD exchange rate at the end of the period**	4.4463 USD/RON	4.3417 USD/RON
	Three months ended 31 March 2026	Three months ended 31 March 2025
USD average exchange rate***	4.3540 USD/RON	4.7264 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.

**OMFP 2844/2016, with subsequent amendments, is in accordance with the IFRS Accounting Standards, as adopted by EU, with the exception of IAS 21 The effects of changes in foreign exchange rates regarding functional currency, the provisions of IAS 20 Accounting for Government Grants regarding the recognition of revenue from green certificates, the provisions of IFRS 15 Revenue from contracts with customers regarding the revenue from taxes of connection to the distribution grid and except IAS 12 Income Tax regarding the treatment of the Minimum Turnover Tax as an income tax expense. Starting 1 January 2024, the Group applied the requirements of the minimum tax on turnover (see Note 11), treating it entirely as income tax, whereas under IFRS Accounting Standards, the taxable profit component would be recognized as current income tax expense and the excess as an operating expense, resulting in a RON 892 thousand decrease in result before tax and income tax expense, with no impact on net result (Q1 2025: RON 1,757 thousand). The other exceptions do not impact the compliance of financial statements of the Group and Company with the IFRS Accounting Standards, as adopted by EU.*

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 2025. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Standards and interpretations effective in 2026 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 2026:

- *Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7)* (issued on 30 May 2024). 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.

- *Amendment: Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7* (issued on 18 December 2024). The amendments provide guidance on the classification and measurement of contracts where electricity pricing is influenced by weather-dependent factors, such as solar or wind energy. To allow companies to better reflect these contracts in the financial statements, the IASB has made targeted amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures. The amendments include: clarifying the application of the 'own-use' requirements, permitting hedge accounting if these contracts are used as hedging instruments and adding new disclosure requirements to enable investors to understand the effect of these contracts on a company's financial performance and cash flows. The amendments are effective 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), 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 and their implementation had no material impact on the Group's financial position or performance.

Standards issued in 2026, but not yet effective and not early adopted

There were no other new standards or amendments to existing standards issued in 2026.

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 2025.

5. Revenue from contracts with customers

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

Segments	Three months ended 31 March 2026				
	Alumina	Primary aluminium	Processed aluminium	Others	Total
Type of good or service					
Sale of alumina	3	-	-	-	3
Sale of primary aluminium	-	461,791	-	-	461,791
Sale of processed aluminium	-	-	747,792	-	747,792
Other revenues and services performed	701	-	120	12,982	13,803
Total revenue from contracts with customers	704	461,791	747,912	12,982	1,223,389

Segments	Three months ended 31 March 2025				
	Alumina	Primary aluminium	Processed aluminium	Others	Total
Type of good or service					
Sale of alumina	631	-	-	-	631
Sale of primary aluminium	-	446,094	-	-	446,094
Sale of processed aluminium	-	-	695,184	-	695,184
Other revenues and services performed	395	-	108	7,963	8,466
Total revenue from contracts with customers	1,026	446,094	695,292	7,963	1,150,375

During the first three months of 2026, the Group's revenue increased mainly due to the Processed Aluminium segment following the increase in the demand for plates and extruded products, which are the Group's most profitable products, as well as by the upward trend of the LME quotations.

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

Revenue	Three months ended 31 March 2026				
	Alumina	Primary aluminium	Processed aluminium	Others	Total
Revenue from contracts with customers	704	461,791	747,912	12,982	1,223,389
Intra-group transactions	-25	-102,338	-892	-2,978	-106,233
Total Group revenue (Note 6)	679	359,453	747,020	10,004	1,117,156

Revenue	Three months ended 31 March 2025				
	Alumina	Primary aluminium	Processed aluminium	Others	Total
Revenue from contracts with customers	1,026	446,094	695,292	7,963	1,150,375
Intra-group transactions	-	-110,990	-829	-4,007	-115,826
Total Group revenue (Note 6)	1,026	335,104	694,463	3,956	1,034,549

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

Contract liabilities

During the first three months of 2026, the Group recognized the amount of RON 36,779 thousand from the existing balance at 31 December 2025 under *Contract liabilities* as revenue from performance obligations satisfied (RON 37,610 thousand balance as of 31 December 2025). The balance of RON 22,070 thousand existing at 31 March 2026 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, has its own alumina production temporarily suspended since August 2022 and replaced with alumina procured from the market for the Group needs, acting as a sales agent for Alro. 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 relevant segments; joint expenses are allocated to the business segments on a reasonable basis. The income, expenses and result per segments include the transfers between business segments.

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

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

Alro Group revenues and results for the three months ended 31 March 2026 and 2025 by segment, were as follows:

	Alumina	Primary aluminium	Processed aluminium	Others	Inter-segment operations	Total
Three months ended 31 March 2026						
Sales to external customers	679	359,453	747,020	10,004	-	1,117,156
Inter-segment transfers	-	584,026	892	2,978	-587,896	-
Total sales revenues	679	943,479	747,912	12,982	-587,896	1,117,156
Cost of goods sold	-481	-890,740	-716,739	-9,939	587,953	-1,029,946
Segment results (gross profit)	198	52,739	31,173	3,043	57	87,210
General, administrative and selling expenses	-1,904	-52,372	-37,641	-5,106	7,310	-89,713
Other operating income	4,082	56,371	43,917	13,136	-11,780	105,726
Other operating expenses	-5,382	-2,701	-930	-964	4,057	-5,920
Operating result (EBIT)	-3,006	54,037	36,519	10,109	-356	97,303
Total depreciation, amortisation and impairment	225	17,680	13,777	237	-674	31,245
EBITDA	-2,781	71,717	50,296	10,346	-1,030	128,548
Interest and other finance costs, net						-48,203
Net foreign exchange gains / (losses)						-22,981
Result before income taxes						26,119
Three months ended 31 March 2025						
Sales to external customers	1,026	335,104	694,463	3,956	-	1,034,549
Inter-segment transfers	-	524,086	829	4,007	-528,922	-
Total sales revenues	1,026	859,190	695,292	7,963	-528,922	1,034,549
Cost of goods sold	-262	-859,859	-644,100	-3,826	527,281	-980,766
Segment results (gross profit)	764	-669	51,192	4,137	-1,641	53,783
General, administrative and selling expenses	-3,161	-46,190	-39,002	-4,708	7,657	-85,404
Other operating income	5,341	45,365	29,912	8,566	-11,591	77,593
Other operating expenses	-6,932	-3,290	-470	-862	3,529	-8,025
Operating result (EBIT)	-3,988	-4,784	41,632	7,133	-2,046	37,947
Total depreciation, amortisation and impairment	1,125	15,356	13,037	220	-654	29,084
EBITDA	-2,863	10,572	54,669	7,353	-2,700	67,031
Interest and other finance costs, net						-34,329
Net foreign exchange gains / (losses)						27,914
Result before income taxes						31,532

In Q1 2026 by optimizing its sales and production mix for greater efficiency, the Group achieved a 3% increase in the sales volume of wire rod from primary aluminium products and also sales of processed aluminium products grew by around 6%, with more slabs used internally to support the expansion of higher value-added production. However, compared to the same period of the previous year, the quantitative increase in the sales of processed products was not reflected in a higher gross result, which was significantly affected by the continued global increase in the costs of raw materials, electricity, and natural gas. In the category *Other operating income*, the Group recognized an accrual of RON 100,000 thousand for the compensation of energy costs recorded in Q1 2026, based on the EU Emissions Trading Scheme (ETS); in Q1 2025: RON 75,000 thousand (see also Note 8). The compensation is allocated to the primary aluminum and processed aluminum segments based on the electricity costs incurred directly and indirectly, through the raw materials produced by one segment and transferred to another segment, such as aluminum metal.

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

Segment assets and liabilities at 31 March 2026 and 31 December 2025, respectively, were as follows:

Alro Group	Alumina	Primary aluminium	Processed aluminium	Others	Inter-segment balances	Total
31 March 2026						
Total assets	104,929	1,336,146	1,169,728	916,939	-184,924	3,342,818
Total liabilities	78,272	572,075	269,565	1,586,176	-142,087	2,364,001
31 December 2025						
Total assets	107,125	1,239,647	1,139,841	912,865	-183,982	3,215,496
Total liabilities	77,171	530,643	238,219	1,527,645	-120,673	2,253,005

As at 31 March 2026, the total assets representing Others include mainly the Company's investments in subsidiaries and associates of RON 294,130 thousand (as at 31 December 2025: RON 294,346 thousand), cash and restricted cash and other non-current financial assets of RON 468,931 thousand (as at 31 December 2025: RON 420,068 thousand), administrative buildings of RON 38,097 thousand (as at 31 December 2025: RON 38,709 thousand), deferred tax asset of RON 72,108 thousand (as at 31 December 2025: RON 78,892 thousand) and, when applicable, derivative financial instruments.

As at 31 March 2026, the total liabilities representing Others include mainly the Company's borrowings and leases of RON 1,504,645 thousand (as at 31 December 2025: RON 1,457,576 thousand), post-employment benefit obligations and provisions of RON 57,921 thousand (as at 31 December 2025: RON 67,192 thousand), derivative financial instruments of RON 16,005 thousand (as at 31 December 2025: nil) and, when applicable, dividends.

Inter-segment operations include intercompany eliminations.

7. General, administrative and selling expenses

	Three months ended 31 March 2026	Three months ended 31 March 2025
Staff costs	-35,588	-35,356
Third party services	-16,543	-16,139
Consulting and audit	-11,428	-10,629
Consumables	-2,376	-2,027
Taxes other than income taxes	-8,971	-9,043
Depreciation and amortisation	-1,725	-1,466
Insurance	-3,024	-2,685
Marketing and public relations	-1,435	-1,122
Travelling	-790	-946
Research and development costs	-3,786	-4,190
Other	-2,395	-1,866
Change in allowance for expected credit losses of trade receivables	-1,652	65
Total	-89,713	-85,404

Third-party services category includes mainly advisory services, security, logistics, administrative services and other third party services contracted by the Group to operate in the ordinary course of the business.

The Group incurs *Consulting and audit costs* that include mainly legal, technical and financial consulting, as well as audits for various projects or for compliance with regulatory requirements.

Effective as of 1 January 2024, Law No. 296/2023 came into force in Romania, requiring legal entities carrying out activities in the oil and natural gas sectors – as defined by the NACE codes set out in Order of the Ministry of Finance (OMF) No. 5433/2023, as supplemented by Law No. 290/2024 – to pay an additional turnover tax of 0.5%, calculated based on a specific formula provided by the legislation. This obligation, whose application was to cease at the end of 2025, was maintained in force for another year by Law No. 89/2025, with the additional tax also applicable in 2026, without the previously applicable condition of a minimum turnover of EUR 50,000,000. During the first three months of 2026, the Parent Company calculated this specific turnover tax and recognized an expense of RON 5,243 thousand, which was included under *Taxes other than income taxes* (in Q1 2025: RON 5,176 thousand).

8. Other operating income

	Three months ended 31 March 2026	Three months ended 31 March 2025
Rental income	116	164
Government grants	101,207	76,240
Income from claims and penalties	3,505	28
Other income	898	1,161
Total other operating income	105,726	77,593

During the 3-month period ended 31 March 2026, the Group recognized government grants of RON 100,000 thousand representing the compensation to which the Group is entitled for the high electricity costs incurred during the reporting period, based on EU Emissions Trading Scheme (ETS) (in the 3 months ended 31 March 2025: government grants of RON 75,000 thousand). In addition, the category Government grants includes an amount of RON 1,207 thousand (in the first three months of 2025: RON 1,240 thousand) 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. The grants are recognized as income linearly during the useful life of the equipments for which they were received.

An amount of RON 2,902 thousand is included in the category *Income from claims and penalties* during the 3 months ended 31 March 2026 (during the 3 months ended 31 March 2025: nil), representing an insurance indemnity received for a piece of equipment which was damaged during a fire incident that took place in 2024, in the Processed aluminium division, for the economic losses caused by the interruption of the activity determined by this incident.

9. Other operating expenses

	Three months ended 31 March 2026	Three months ended 31 March 2025
Idle plants depreciation expenses	-2,876	-3,972
Alum non-productive costs	-2,640	-2,806
Other operating expenses	-404	-1,247
Total other operating expenses	-5,920	-8,025

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.

The category *Non-productive costs* represents the costs recognized by the subsidiary Alum after the cessation of alumina production in August 2022.

10. Interest expenses

	Three months ended 31 March 2026	Three months ended 31 March 2025
Interest expense	-27,229	-29,370
Total	-27,229	-29,370

Interest expense includes the amount of RON 4,340 thousand (during the period of 3 months ended 31 March 2025: RON 4,438 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 2026 for loans was of RON 591 thousand and it is included in the Statement of cash flow under Interest paid (during the 3 months of the year 2025: RON 591 thousand).

11. Income tax

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

	Three months ended 31 March 2026	Three months ended 31 March 2025
Income tax		
Current income tax	-3,254	-4,486
Deferred income tax	-6,539	-6,391
Total income taxes	-9,793	-10,877

In the 3 months ended 31 March 2026, the Group recorded a current income tax of RON 2,362 thousand (3 months of 2025: RON 2,729 thousand). Additionally, under the provisions of Law no. 296/2023 which requires 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 (minimum turnover tax), the subsidiaries of the Group calculated and recognized additionally a current income tax of RON 892 thousand (during the 3 months of the year 2025: RON 1,757 thousand). These provisions do not apply to the Parent Company, which was subject to the Additional Turnover Tax (ICAS) of 0.5%, in the 3 months ended 31 March 2026, applicable to entities operating in the oil and natural gas sectors that resulted in an expense of RON 5,243 thousand (during the 3 months of the year 2025: RON 5,176 thousand), booked under *Taxes other than income taxes within General, administrative, and selling expenses* (see Note 7).

During the first 3 months of 2026, the Group reported a reduction in deferred tax assets arisen from the recovery of the capitalized tax losses, 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 83,417 thousand as at 31 December 2025 to RON 76,878 thousand as at 31 March 2026.

12. Earnings / (losses) per share

	Three months ended 31 March 2026	Three months ended 31 March 2025
Net result attributable to the owners of the Entity	16,345	20,682
Weighted average number of ordinary shares	713,779,135	713,779,135
Basic and diluted earnings / (losses) per share (RON/share)	0.023	0.029

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

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

During the reporting period, no interim dividends were declared by the Group related to the 3 months ended 31 March 2026.

At 31 March 2026, the Parent Company does not have outstanding dividends payable (31 December 2025: nil).

13. Property, plant and equipment

During the 3-month period ended 31 March 2026, the Group purchased property, plant and equipment amounting to RON 23,590 thousand (during the 3 months ended 31 March 2025: RON 24,222 thousand).

During the 3 months of the year 2026, the Group continued to invest in its programs to increase energy efficiency, which include the reconditioning of electrolysis pots, by modernizing another 14 pots using the innovative AP12LE technology (during the first 3 months of 2025: 16 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 aluminum, while maintaining the production capacity. The program will continue in the following years until all pots are aligned with the new technology.

In order to pursue the strategic decision of increasing the flat rolled production and of developing the Cut To Size and Precision Plates products segment, during the 3-month period ended 31 March 2026, the Group put into operation the investment, commenced in 2024: *Acquisition of one band saw for aluminium alloys slabs cutting*, for the purpose of providing the slab casting capacity according to the slabs requirement necessary to achieve the Processed Aluminium Division production. The amount spent for this project until 31 March 2026 was of RON 13,671 thousand.

A project that started in 2024 and continued during the 3-month period ended 31 March 2026 is the development of Alro product portfolio by purchasing a processing equipment for precision plates longitudinal cutting and milling. The benefits obtained from the implementation of this Capex project are in line with Group's policy on increasing profitability by making complex products, as close as possible to customer requirements, therefore very high added value products. The amount spent for this Capex project until 31 March 2026 was of RON 21,282 thousand (Q1 2026: RON 3,969 thousand; Q1 2025: nil).

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 3 months of 2026 was of RON 30,281 thousand (during the 3 months ended 31 March 2025: RON 28,877 thousand).

At 31 March 2026, the net book value of *Property, plant and equipment* pledged for securing the Group's borrowings amounted to RON 736,851 thousand (at 31 December 2025: RON 727,505 thousand).

14. Financial instruments

Set out below, is an overview of financial assets and financial liabilities held by the Group as at 31 March 2026 and 31 December 2025:

Categories of financial instruments

	31 March 2026	31 December 2025
Financial assets		
At amortised cost		
Cash and bank balances	341,576	283,643
Receivables and other financial assets	811,303	689,517
Fair value through profit or loss (FVTPL)		
Designated as at FVTPL	25,503	26,203
Designated as at FVTPL (derivatives financial instruments)	2,433	367
Total financial assets	1,180,815	999,730
	31 March 2026	31 December 2025
Financial liabilities		
Fair value through profit or loss (FVTPL)	16,005	-
Designated as at FVTPL (derivatives financial instruments)	16,005	-
Amortised cost:		
Trade and other payables	685,798	614,798
Long-term borrowings and leases	684,193	582,248
Short-term borrowings and leases	831,266	887,563
Total financial liabilities	2,217,262	2,084,609

As at 31 March 2026 the value of financial assets designated as at FVTPL, consists of invoices awaiting to be discounted by the factoring agent, in line with the Group's strategy to increase the sales of high value-added products.

Financial assets and liabilities designated at FVTPL (derivative financial instruments) comprise fixed-variable rate swap contracts with specialized traders, as well as commodity option contracts with a financial institution entered into to secure aluminium sales prices. For further details, refer to Note 15.

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.

• The fair value of derivative instruments is calculated using quoted prices. Where such prices are not available, the fair value of financial instruments is determined by using valuation techniques. The Group use a variety of methods and makes assumptions that are based on market conditions existing at each reporting date. The fair value of the fixed-to-floating swap contracts is determined by using forward quotations from publicly available platforms and exchange rates forecasts provided by internationally reputed data providers.

Below is presented an analysis of financial instruments that are measured at fair value subsequent by 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. Derivative financial instruments

Details of the fair value of derivative financial instruments are set out below:

31 March 2026	Assets	Liabilities
Floating swap contracts	2,433	-
Commodity options	-	16,005
Total	2,433	16,005
Thereof:		
Non-current	-	-
Current	2,433	16,005
31 December 2025	Assets	Liabilities
Floating swap contracts	367	-
Total	367	-
Thereof:		
Non-current	-	-
Current	367	-

Swap fixed-to-floating

One of the Group's subsidiaries had fixed-variable rate swap contracts with specialized traders for a total quantity of 3,909 tons of aluminum, through which it secured a fixed price for the aluminum sales during January-October 2026. During the 3-month period ended

31 March 2026, the unrealized gain of RON 2,066 thousand resulting from the mark-to-market of the outstanding contracts is included in the *Loss from derivative financial instruments, net* in the Consolidated statement of profit or loss.

As at 31 March 2026 the outstanding contracts have a fair value of RON 2,433 thousand (31 December 2025: RON 367 thousand) and they are classified as *Derivative financial instruments asset, current* in the Statement of Financial Position.

Commodity options

During the first 3 months of 2026, the Parent Company entered into several transactions with a financial institution, consisting of 100% collar Asian options by taking long positions on put options and short positions on call options for a quantity of 21,400 tonnes of aluminium, thus securing at the minimum the budgeted LME price for contracts to be settled between February - December 2026.

During the 3-month period ended 31 March 2026 no options were exercised due to the fact the LME quotations were within the collar interval. The loss of RON 171 thousand, resulting from the cost of the options not exercised is included in the *Loss from derivative financial instruments, net* in the Consolidated statement of profit or loss (during the 3 months of the year 2025: nil).

The unrealized net loss of RON 17,314 thousand included in the category *Loss from derivative financial instruments, net* in the Consolidated statement of profit or loss during the 3 months ended 31 March 2026 resulted from the mark-to-market of the opened options at 31 March 2026, when the LME forecast used for the valuation was higher than the cap of the collar (during the 3 months ended 31 martie 2025: nil).

As at 31 March 2026 the fair value of the options is a liability of RON 16,005 thousand (31 December 2025: nil) and they are classified as *Derivative financial instruments liability, current* in the Interim consolidated statement of financial position.

The fair value of the aluminium collar option contracts is determined using an option pricing valuation technique for commodity Asian options, based on Black-Scholes-type principles. The valuation reflects the contractual terms of the instruments, including aluminium quantity, floor and cap prices, averaging / settlement periods and valuation date, and uses market observable inputs such as the LME aluminium forward price curve, implied volatilities and, where applicable, discount factors. The model measures separately the fair value of the purchased put options and written call options, with the net amount representing the mark-to-market value of the collar at the reporting date. The valuation is particularly sensitive to movements in LME aluminium forward prices and implied volatility.

The options were classified within Level 2 of the fair value measurement hierarchy.

16. Inventories

	31 March 2026	31 December 2025
Raw and auxiliary materials	383,253	408,623
Work in progress	204,130	187,306
Finished goods	362,907	403,250
Less: allowance for obsolescence	-25,654	-39,732
Total	924,636	959,447

In the category *Raw and auxiliary materials* are included: at Alro, alumina, aluminium ingots and aluminium scrap purchased from the market 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 Q1 2026, the increase in demand led to more orders for delivery, especially for processed products and aluminum wire rod, resulting in a decrease in the inventory of finished products at 31 March 2026 as compared to 31 December 2025, as presented above. At the same time the category *Work in progress* increased at 31 March 2026 versus the beginning of the year on the background of aluminium production increase in Q1 2026.

The value of inventories pledged for securing the Group's borrowings amounts to RON 823,220 thousand at 31 March 2026 (at 31 December 2025: RON 857,508 thousand).

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

	Three months ended 31 March 2026	Three months ended 31 March 2025
Balance at beginning of the year	-39,732	-28,127
(Charge) to cost of goods sold	-	-8,602
Reversal to cost of goods sold	14,078	-
Balance at end of the period	-25,654	-36,729

17. Other current financial assets

	31 March 2026	31 December 2025
Government grants receivable	521,156	421,156
VAT recoverable	34,572	48,854
Other current financial assets	4,305	4,850
Allowance for sundry doubtful debtors	-121	-121
Total	559,912	474,739

Government grants receivable represent accrual of compensation for the high electricity prices resulting from the indirect emission costs under the EU Emission Trading Scheme (ETS). As per European and Romanian regulations, the Group is entitled to receive the aforesaid compensations for the electricity costs incurred during the production process. At 31 March 2026 the outstanding balance represents the compensation for 2025, of RON 421,156 thousand, which is expected to be collected in 2026 and the compensation for 3 months 2026, of RON 100,000 thousand, recognized on an accrual basis. For further details, please see also Note 8 *Other operating income*.

18. Cash and cash equivalents

	31 March 2026	31 December 2025
Cash at banks in RON	195,615	201,699
Cash at banks in other currencies	109,842	45,756
Petty cash and cash equivalents	62	62
Total	305,519	247,517

At 31 March 2026 and 31 December 2025, 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 285,509 thousand as at 31 March 2026 and RON 236,719 thousand as of 31 December 2025) are pledged to guarantee the borrowings from banks.

Restricted cash

	31 March 2026	31 December 2025
Restricted cash	36,057	36,126
Total	36,057	36,126

As at 31 March 2026 the restricted cash of the Group included RON 36,000 thousand representing a collateral deposit for a revolving facility of RON 180,000 thousand, maturing in November 2026.

19. Borrowings and leases

	31 March 2026	31 December 2025
Long-term borrowings		
Long-term bank loans	1,503,548	1,457,396
Less: Short-term portion of long-term bank loans	-827,635	-883,895
Bank loans, non-current	675,913	573,501
Leases, non-current	8,280	8,747
Total long-term borrowings and leases	684,193	582,248
Short-term borrowings		
Short-term portion of long-term bank loans	827,635	883,895
Bank loans, current	827,635	883,895
Short-term loans, total	827,635	883,895
Leases, current	3,631	3,668
Total short-term borrowings and leases	831,266	887,563
Total borrowings and leases	1,515,459	1,469,811

The bank borrowings of the Group will mature until 2031. Their related interest rates ranged between 4.40% for EUR and 8.09% for RON in 2026 (in 2025: between 4.80% for EUR and 7.94% for USD).

In January 2026, the Parent Company drew down the last installment of RON 54,415 thousand (equivalent to USD 12,500 thousand) from the CAPEX loan of USD 40,000 thousand contracted in December 2024 from a commercial bank.

At 31 March 2026, the Group had the amount of RON 45,969 thousand undrawn and available from the borrowing facilities contracted with the banks (at 31 December 2025: RON 100,204 thousand). The Group had also an amount of RON 120,244 thousand unutilized and available from the non-cash facilities for letters of credit and letters of guarantee totaling RON 347,389 thousand (at 31 December 2025: RON 93,025 thousand from a total of RON 344,251 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.

At 31 March 2026, the Group borrowings are secured with accounts receivable amounting to RON 76,303 thousand (at 31 December 2025: RON 53,156 thousand), with their current accounts opened with banks (see Note 18), with collateral deposits of RON 182,164 thousand (at 31 December 2025: RON 182,164 thousand), with property, plant and equipment (land, buildings, equipment) with a net book value of RON 742,748 thousand (including for lease contracts) (2025: RON 717,236 thousand) (see Note 13), and with inventories of RON 823,220 thousand (2025: RON 857,508 thousand) (see Note 16), with letters of guarantee issued in the name and account of the State, as follows: in favour of the lending banks for 80% of the RON 400,000 thousand signed in December 2024; in favour of the lending State bank for 80% of the non-cash facilities of RON 168,000 thousand and RON 46,000 thousand, respectively, as well as 70% of a RON 180,000 thousand loan; guarantees from the Romanian State for 80% of the EUR 15,000 thousand and EUR 22,000 thousand loans, 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.

20. Trade and other payables

	31 March 2026	31 December 2025
Foreign trade and other payables	370,727	323,631
Domestic trade and other payables	135,422	132,723
Accrued trade and other payables	118,066	98,289
Total	624,215	554,643

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

Foreign trade and other payables as at 31 March 2026 were higher mainly due to the increase in purchasing of aluminium ingots and aluminium scrap used in the scrap re-melting capacities in Eco Recycling Facility as an efficient alternative to the electrolytic aluminum production, which represents a significant step toward a low-emission future, aligned with the Group's current business model.

21. 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
Stocare Energie Slatina S.A.	Subsidiary - established in June 2025
Vimetco Management Romania SRL	Common control
Vimetco Power Romania SRL	Common control
Centrul Rivergate SRL	Common control
Rivergate Fire SRL	Common control
CCGT Power Isalnita S.A.	Associate
Stocare Energie Tulcea S.A.	Associate - established in February 2025

Group transactions are eliminated on consolidation.

The primary related party transactions are described below:

Sales of goods and services:	Three months ended 31 March 2026	Three months ended 31 March 2025
Companies under common control	554	238
Total goods and services provided to related parties	554	238

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

Goods and services purchased from related parties:

	Three months ended 31 March 2026	Three months ended 31 March 2025
Companies under common control	-31,344	-57,107
Total goods and services purchased from related parties	-31,344	-57,107

The purchases from related parties include acquisitions of gas and electricity for the production process by the Group companies from their related party Vimetco Management Romania (during the first three months of 2026 RON 11,205 thousand; during the first three months of 2025: RON 38,571 thousand).

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

The following balances were outstanding at 31 March 2026 and 31 December 2025:

Trade and other accounts receivable:

	31 March 2026	31 December 2025
Companies under common control	12,478	31,344
Allowance for doubtful receivables	-3,449	-3,445
Total trade and other accounts receivable from related parties	9,029	27,899
- non-current	-	-
- current	9,029	27,899

Trade and other accounts payable:

	31 March 2026	31 December 2025
Companies under common control	10,326	28,644
Total trade and other accounts payable to related parties	10,326	28,761

Management compensation

The total compensation of the Group's key management personnel included in General, administrative and selling expenses in the Statement of Profit or Loss and other Comprehensive Income amounts to RON 4,692 thousand (during the 3 months of the year 2025: RON 5,073 thousand), while the expense for defined contribution plan (state pension fund) during the 3 months of the year 2026 was RON 1,033 thousand (during the 3 months of the year 2025: RON 1,231 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-related companies.

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

Goods and services purchased from entities controlled by key management personnel or their close family members

		Three months ended 31 March 2026	Three months ended 31 March 2025
Management services	a)	1,437	1,203
Project management and production consulting services	b)	134	439
HORECA services	c)	13	50
Total		1,584	1,692

Goods sold to entities controlled by key management personnel or their close family members

		Three months ended 31 March 2026	Three months ended 31 March 2025
Sales of aluminium products	b)	2,045	1,029
Total		2,045	1,029

Outstanding balances

		31 March 2026	31 December 2025
Trade payables			
Project management and technical consulting services	b)	54	53
HORECA services	c)	-	8
Total		54	61

Outstanding balances	31 March 2026	31 December 2025
Trade receivables	875	186

a) The Group uses management services of one of its directors in relation to the management of a subsidiary. Amounts are billed under normal market terms and conditions.

b) The Group uses technical consulting services of one of its directors, in relation to project management and the production of a subsidiary. The Group also sold aluminium products to the same company. Amounts are billed under normal market terms and conditions.

c) The Group uses HORECA services occasionally, based on necessity, from a company controlled by a close family member of one of its directors. Services are performed and charged at market rates.

22. Commitments and contingencies

Commitments

Investment commitments

As at 31 March 2026, the Group's commitments pertaining to the investments for the year 2026 amounted to RON 70,878 thousand (31 December 2025: RON 47,224 thousand).

Raw material and utilities purchase contracts

As at 31 March 2026, the Group had contracts for purchases of raw materials, other consumables and utilities of RON 1,736,147 thousand (31 December 2025: RON 2,095,490 thousand).

Litigations

As at 31 March 2026 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 assessment. 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. The case was sent back to the previous Court for re-trial and is pending in front of Constanta Appeal Court.

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. In December 2024, the Company filed a lawsuit to Court of Law, to recover the remaining amounts paid and the cancellation of the tax decisions and the case is pending in front of Craiova Court of Appeal.

Starting September 2025, the subsidiary of the Group Vimetco Extrusion has been subject to a fiscal audit by the National Agency for Fiscal Administration related to income tax and VAT transactions regarding the period 2018 - 2023. At the date of approval of the consolidated financial statements the fiscal inspection was not completed and the Group's management cannot estimate a potential impact from this fiscal audit.

Starting December 2025, one of the Group subsidiaries was subject to fiscal audit from the National Agency for Fiscal Administration related to income tax and VAT transactions, regarding the period 2019 - 2021. At the date when these consolidated financial statements were approved, the fiscal inspection was not finalized. The Group's management cannot estimate a potential impact from this fiscal audit.

23. Events after the reporting date

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

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



Ratios

Ratio description	Formula	Three months ended 31 March 2026	Three months ended 31 March 2025
Current ratio	Current assets/ Current liabilities	1.24	2.53
Gearing ratio	Long-term borrowings/ Equity x 100	69.90	137.19
	Long-term borrowings/ Capital employed x 100	41.14	57.84
Receivables turnover	Receivables average balance/ Turnover x 90	8.74	8.89
Non-current assets turnover	(Turnover x 360/ 90) / Non-current assets	3.28	2.90

At 31 March 2026, the Current Ratio as well as the Gearing ratio decreased as a result of the classification from long term to short term at 31 March 2026, of some bank loan facilities with maturities within one year from the reporting date.

To ensure the comparability of the ratios Current Ratio and Gearing Ratio, the ratios for 31 March 2026 are presented below, adjusted with the aforementioned credit facilities by transferring them in the Long-term borrowings from the Current liabilities category.

Adjusted ratios

Ratio description	Formula	Three months ended 31 March 2026	Three months ended 31 March 2025
Adjusted current ratio	Current assets/ Current liabilities	2.23	2.53
Adjusted gearing ratio	Long-term borrowings/ Equity x 100	141.93	137.19
	Long-term borrowings/ Capital employed x 100	58.67	57.84